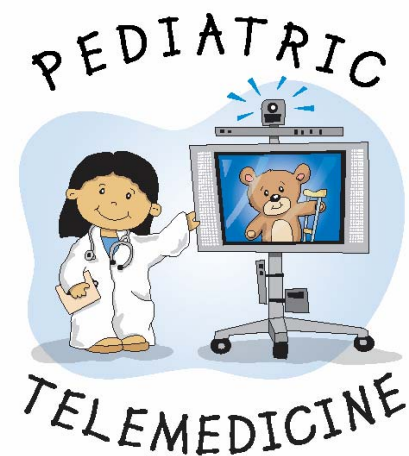




Pediatric Telemedicine: Financial Impact, Sustainability, and Predictors of Success

James P. Marcin, MD, MPH
UC Davis Children's Hospital
Sacramento, CA
jpmarcin@ucdavis.edu



Disclosures

I have NO financial interest or arrangement or affiliation with any organizations related to commercial products or services to be discussed

How Do We Make It Work

- The audience here is in support of telemedicine, but sometimes, it fails...
- Outline
 - Costs
 - Savings and collections
 - Predictors of success

Telemedicine Expenses

- Equipment & Supplies
 - Webcams, turnkey systems
- Personnel
 - Medical director (both ends)
 - Telemedicine coordinator (both ends)
 - Technical Support (test calls)
- Telecommunications
 - internet, cell phones, ISDN, T1
- Space

Financial Impact of Outpatient Telemedicine

- Providing better care saves money
- Reducing travel saves money
- Parents/Patients not missing work saves money
- Increased specialist care efficiency
 - Not all patients need to be seen in person

Rationale

- Most rural hospitals-clinics can perform several of the ancillary services required for evaluation-treatment:
 - Laboratory work
 - X-Rays, CT scans, pathology
- The local health system is able to capture more revenue

Average Ancillary Charges

<i>Pediatric specialty</i>	<i># consults</i>	<i>% of consults</i>	<i>Average charges per consult</i>
Psychiatry	122	53.5%	\$88
Dermatology	33	14.5%	\$233
Endocrinology	28	12.3%	\$1,018
Neurology	15	6.6%	\$218
Otolaryngology	11	4.8%	\$954
Orthopaedics	7	3.1%	\$332
Surgery	4	1.8%	\$633
Pulmonary	1	0.4%	\$134
Rheumatology	1	0.4%	\$225
Nephrology	1	0.4%	\$33
Nephrology	1	0.4%	\$306

Revenue Findings

Gross Revenue 2004 & 2005

Pre-consult Requests (Ancillaries)	\$ 5,117
Clinic Revenue	\$ 16,492
Ancillary Revenue	\$ 59,875
Total	\$ 81,484

Financial Impact of ICU Telemedicine

- Keeping pediatric patients in remote ICU
- Actual revenue kept at Mercy Redding
 - 2 years: 23 patients, 71 days → \$186,000
 - 2 years: 43 patients, 105 days → \$279,000
- Estimated revenue kept at Mercy Redding
 - 5 years: 93 patients, 287 days → \$752,00
 - 5 years: 174 patients, 425 days → \$1,129,000

Cost Reduction and Sharing Ideas

- Leverage your overall relationship with your telecommunications carrier
- Consider your relationship with your partner: site - sharing costs?
- Can the equipment be used by others
 - Administrators, education, training
- Use least expensive *as possible*
 - Equipment, telecommunications, personell
 - Don't be too cheap

Predictors of Success

- The program must address a REAL medical need or related strategic issue
- Must have leader on both sides (with time)
- Must have coordinator on both sides (with time)
- Must have administrative, health department support
- Minimize problems
 - Technical issues with test calls, trail patients
- Must have long term financial sustainability plan



The End!! Thank You!!

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Sacramento, CA

jpmarcin@ucdavis.edu

916-734-4726

