

The Trilogy of Telehealth:

Perspectives from a CEO, Physician
Entrepreneur, and Policy Expert on
Value-Based Care



2024 North Country Leadership Summit

October 9 – 10th Lake Placid



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THE SPEAKERS:



Steven L. Kelley,
FACHE
President & CEO
**Ellenville
Regional Hospital**

Jeffery B. Sommer, MPP
Managing Director
**Stroudwater
Associates**



Corey Scurlock
MD, MBA
CEO & Founder
Equum Medical



Agenda: Perspectives

I. The CEO: Ellenville Regional Hospital

- I. Arriving at Ellenville
- II. Transformation Paradigm Shift
- III. Lessons from Rural Success

II. The Physician Entrepreneur: Equum Medical

- I. Personal Journey
- II. Care at a Distance
- III. Rural Value Propositions

III. The Policy Expert: Stroudwater Associates

- I. The “*n*” factor: Lessons from 100
- II. Comparative Hospital Examples



Unlock information on telehealth for rural hospitals



Connect a trusted community to share experience



Actionable takeaways to confidently evaluate telehealth



Inspire adoption and explore new use cases



Learning Objectives

1

Identify key telehealth strategies to enhance access to (specialist) care and analyze impact within Value Based Care models

2

Evaluate quality improvement methods to integrate High Reliability Organization (HRO) principles into rural health operations

3

Develop actionable plans for sustaining community access to healthcare through telehealth

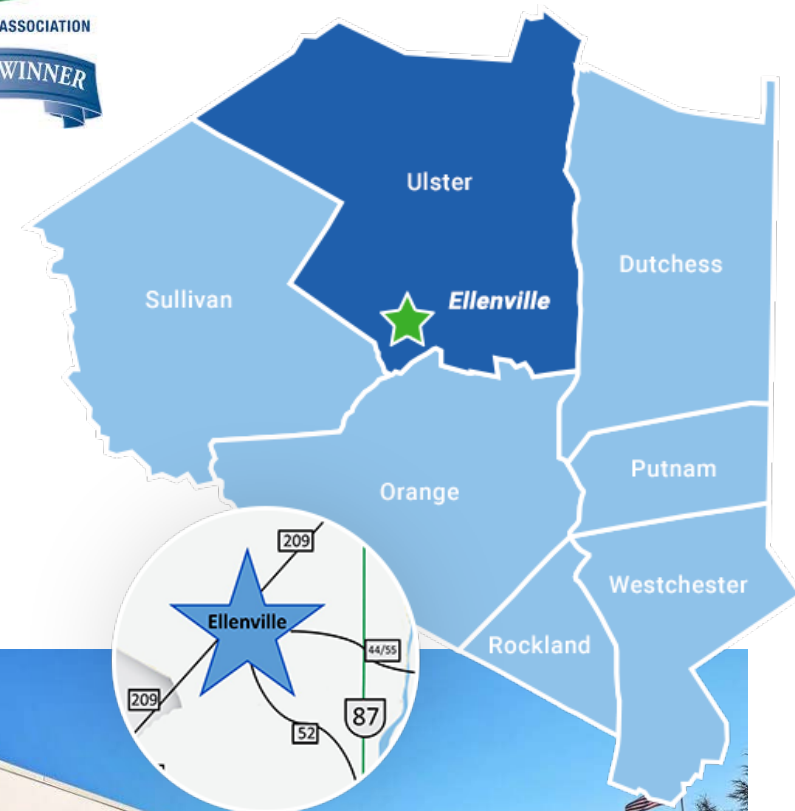
Perspective # 1
The Hospital CEO



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Ellenville Regional Hospital



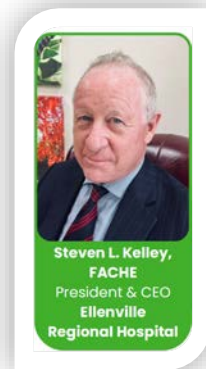
- 25 bed Critical Access Hospital
- Nationally recognized and award winning for quality and innovation
- Care delivery and healthcare training institution




Steven L. Kelley,
FACHE
President & CEO
Ellenville
Regional Hospital




Ellenville Regional Hospital



2003




(\$14M) *Negative net equity*
 2 Days Cash on Hand
 \$10M Hospital Revenue



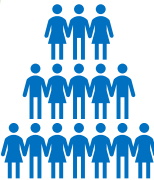
7000 Emergency
 Department Visits
 Patient Satisfaction: *not measured*

Net Δ in Assets **(\$6.8M)**

2024



(\$44M) *Total net equity*
 400+ Days Cash on Hand
 \$26M Hospital Revenue



14,896 Emergency
 Department Visits
 Patient Satisfaction:
91%

Net Δ in Assets **(\$1.7M)**

Ellenville Regional Hospital



What Changed?



INpatient Focus

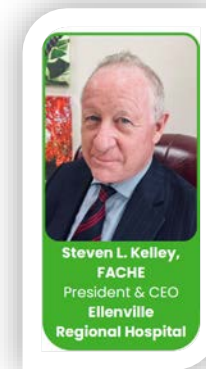
80%+ Revenue



OUTpatient Focus

80%+ Revenue

A Culture of Innovation



Transformation Spotlights

MD Providers to APP Driven:
Enabled by Telehealth
Physician Backup

Optimization of Operations
to reduce total time in ED
from 3.5 hours to 100
minutes and increase
patient satisfaction

During COVID: Elective
Services initiative and
community support for
Long COVID



Perspective # 2


The Physician Entrepreneur



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My Journey

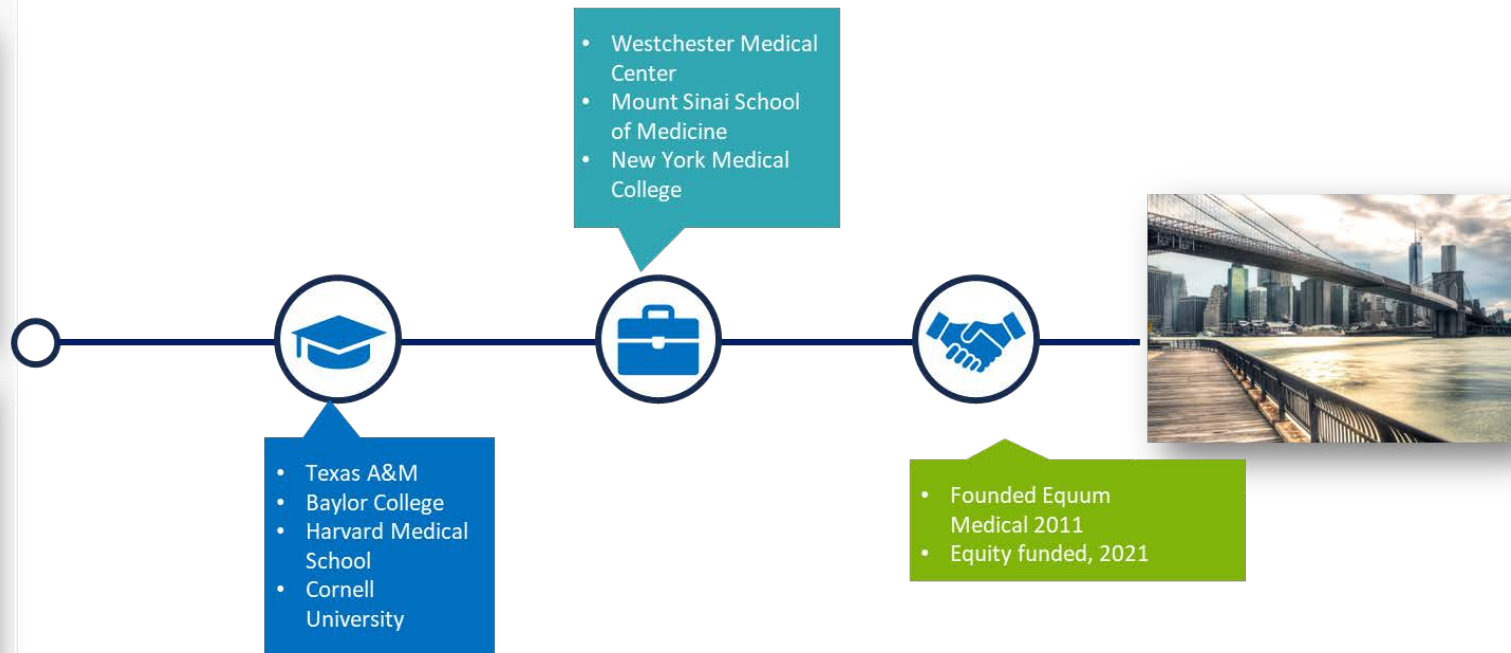


Corey Scurlock
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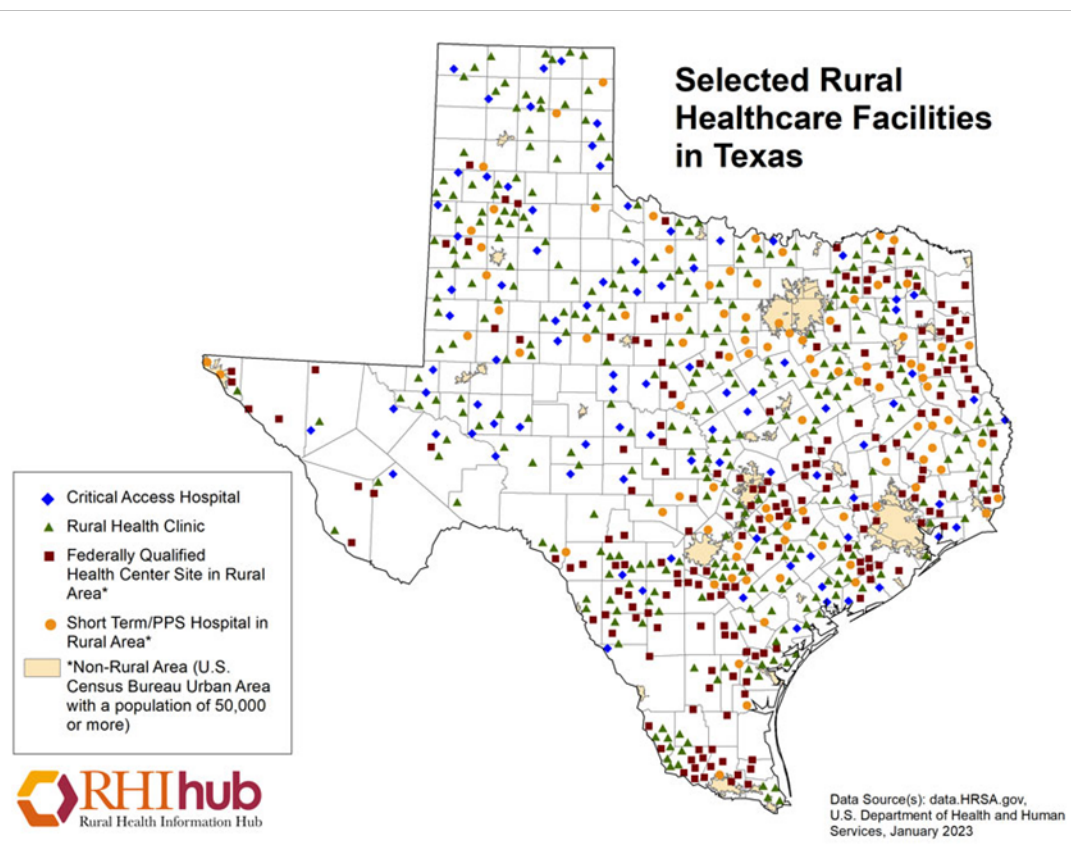
Gladewater, Texas



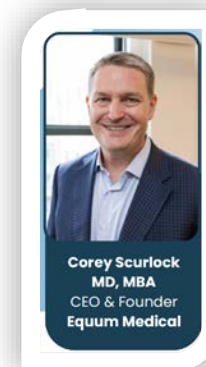
Population: 6, 134



What I learned from Texas...

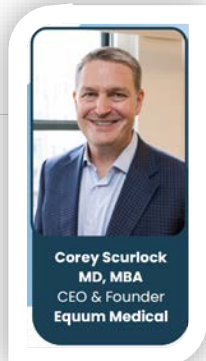
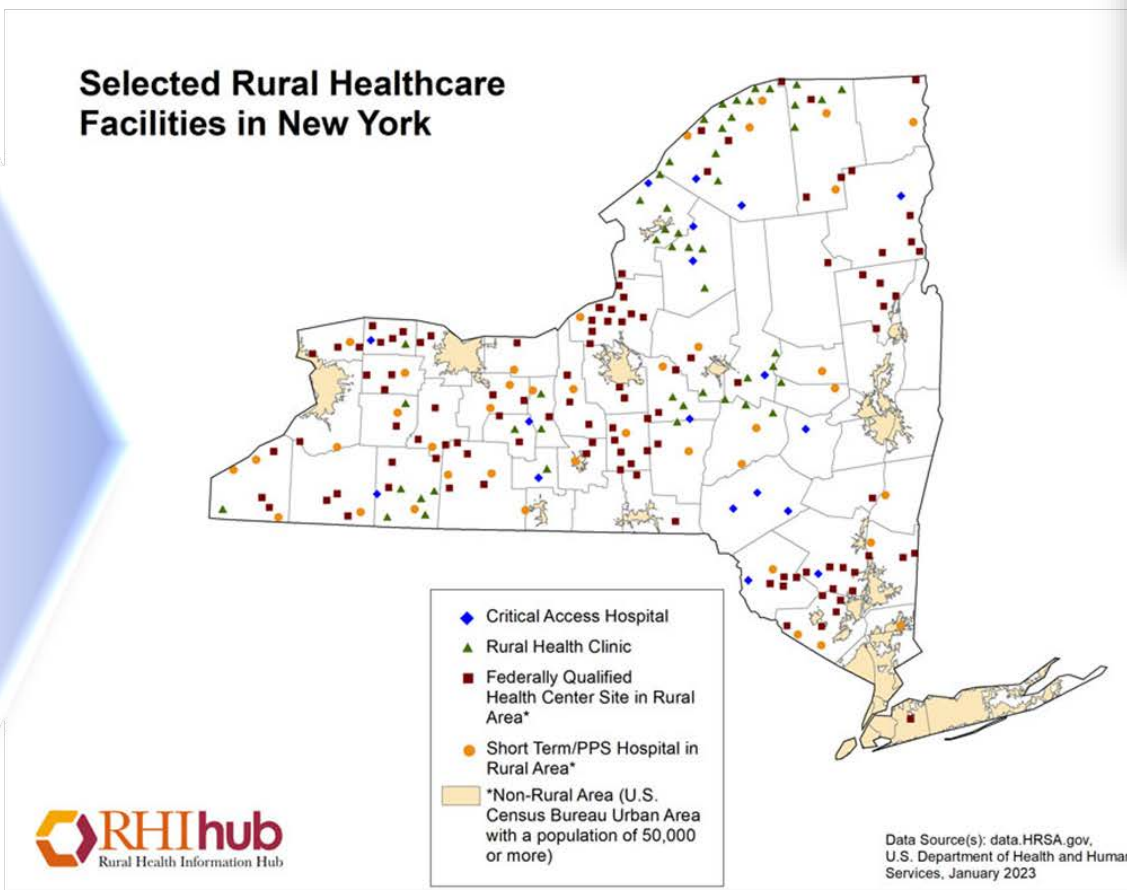


- 82 Critical Access Hospitals
- 16 rural hospitals have closed in the past 4 years
- Rural hospitals provide access to care for 15% of the state's population but cover 85% of the state's geography
- 77 of the 254 Texas counties do not have a hospital
- Some parts of Texas are more than 75 miles away from the nearest hospital
- Rural hospitals are critical to their local economy – often the second or third largest employer in a community



...are New Yorks problems too

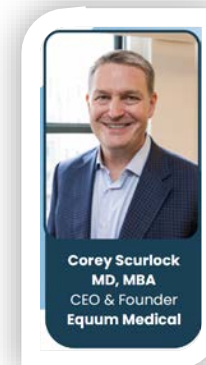
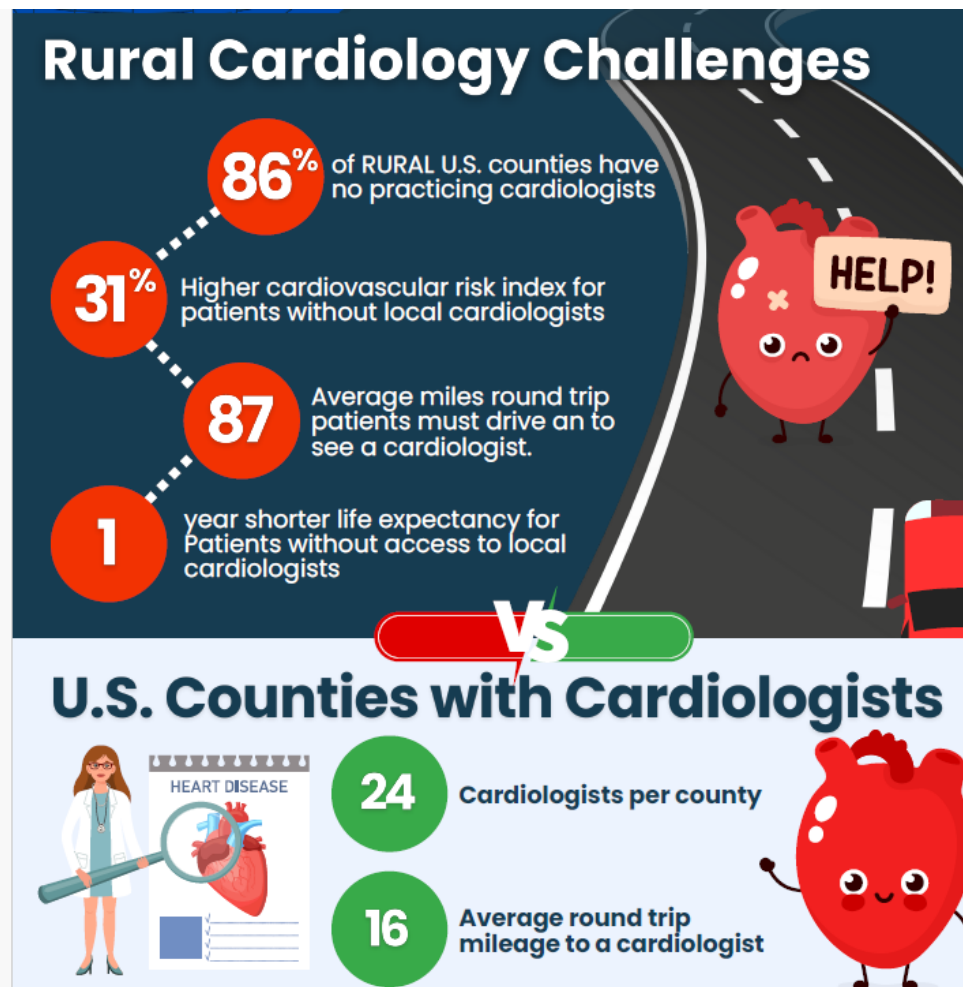
- *How can we increase access to 24/7 care providers regardless of geography?*
- *What services are needed locally to reduce transfers out of the community?*
- *In what ways can we make our local care providers feel more supported in making complex care decisions?*



Access to Care isn't Equal

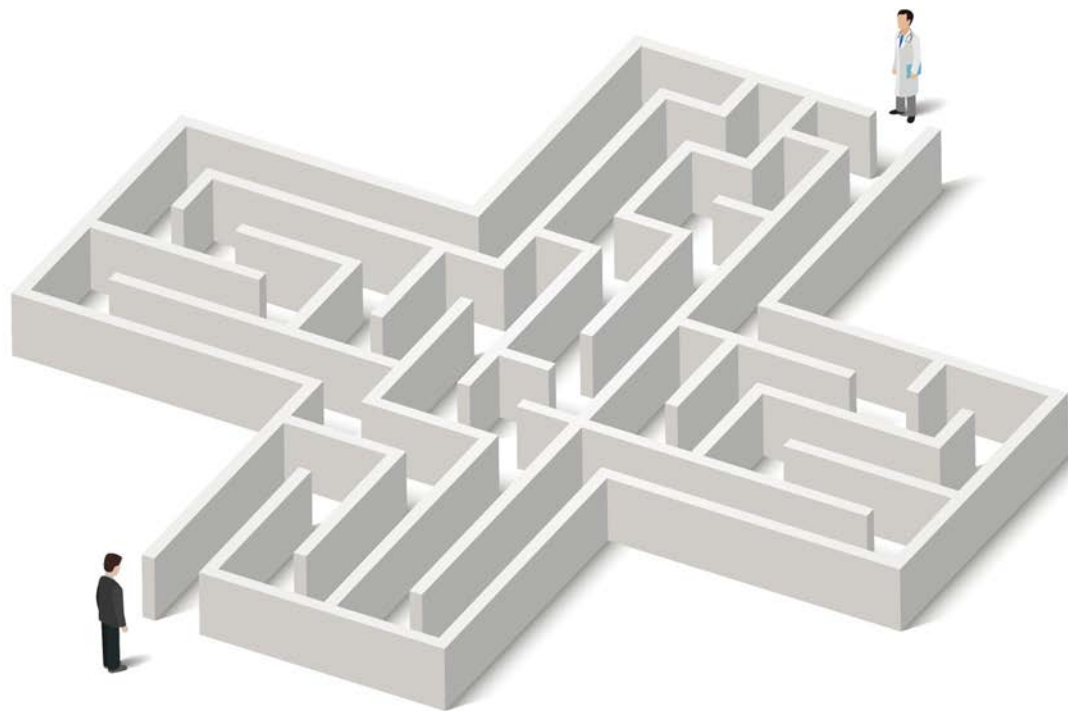
2024 JACC Study of 3,143 counties studied:

- 46% do not have a practicing cardiologist
- Lack of access to specialist care impacts patient physiological risk, requires greater distance for care, and impacts life expectancy



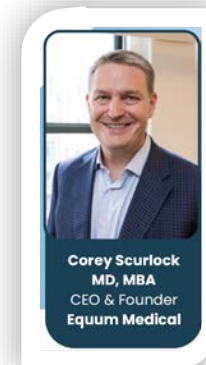
Ellenville: The Right Care at the Right Time

Patient flow represents ***the ability of the healthcare system to serve patients quickly and efficiently as they move through stages of care.***



Flow inefficiency

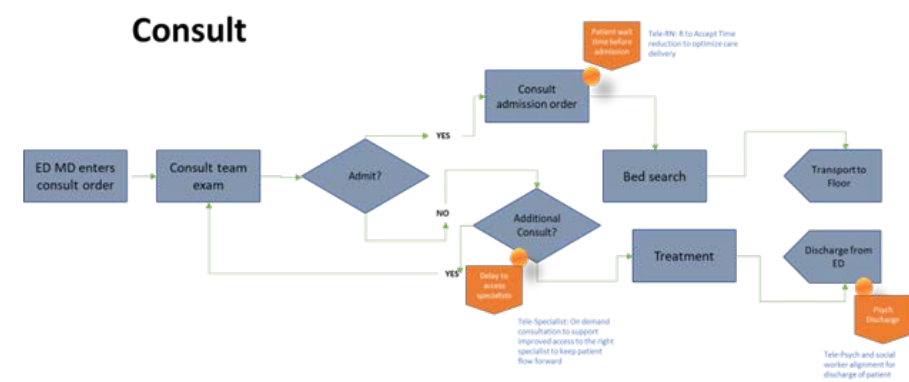
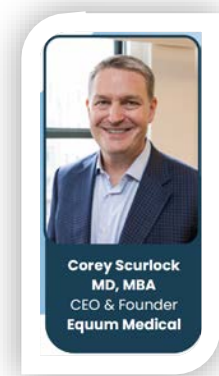
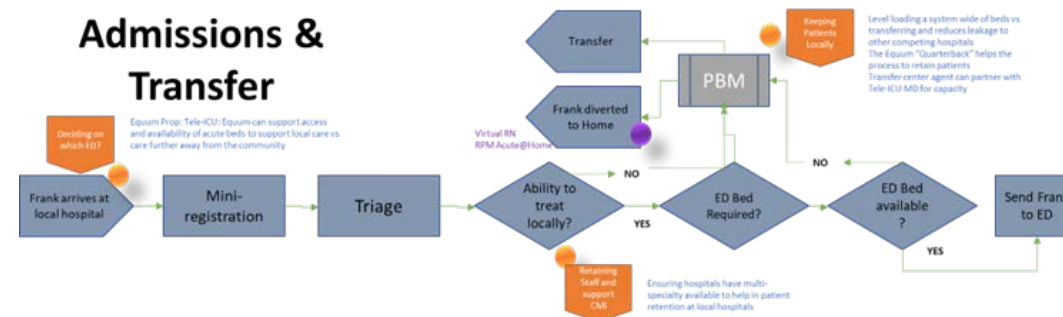
- ED Boarding
- Delays in Care Coordination
- Delays in Consultations
- Delays in Discharge
- Delays in Transport
- Patient Safety Issues



Hotspots in Patient Journey

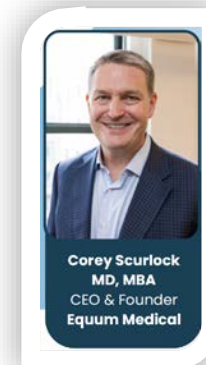
“Hot spots” in a patient’s journey are caused by delays in care, inappropriate care transitions, or potential adverse events that delay discharge.

Clinical Operations concentrates on friction-less patient flow to reduce bottlenecks.



Technology to drive High-Reliability

“Leaders are turning to technology like telemedicine to enable evolution of information access and guidance”



- **Digital systems for data (EMR), communication (telehealth) and analytics**
- **Efficient information routing for care intervention and AI analytics**
- **Enabling reallocation of scarce resources**
- **Strategies to address burnout**



Drivers for Technology Adoption in CAH



Demand for nighttime and weekend high acuity care services



Connecting patients to specialists that don't practice in the area (E.g.: infectious disease, nephrology)



Accelerate time to treatment (ED etc.)



Focus on improving clinical quality and patient safety



Reduce transfers, enabling patients to stay close to home and keep care local



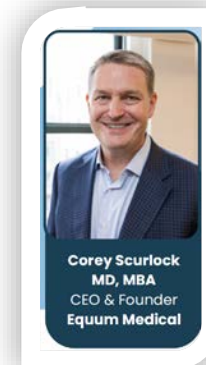
Achieve CAH staffing requirements and also staffing efficiency and labor costs



Drive patient engagement and participation in health



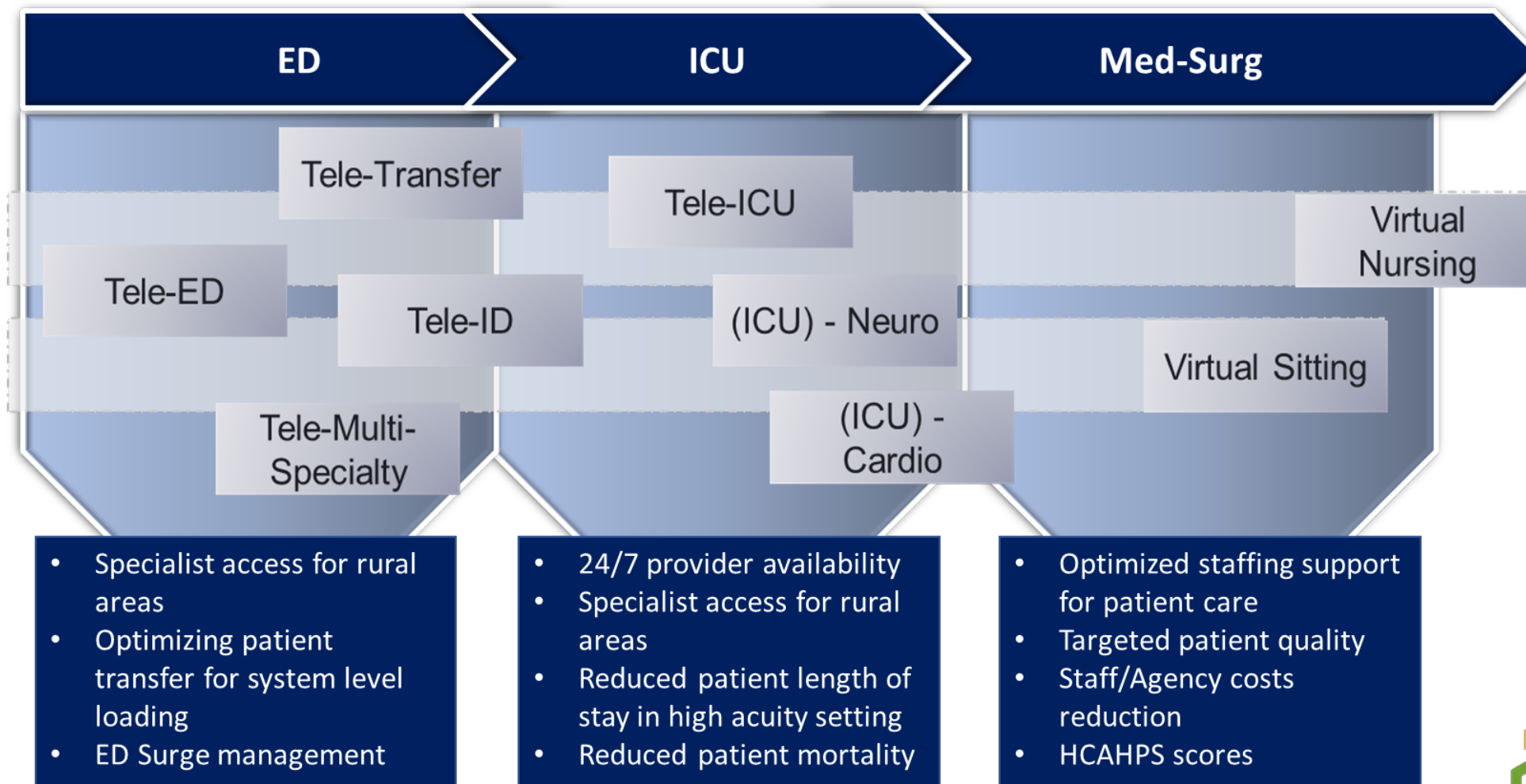
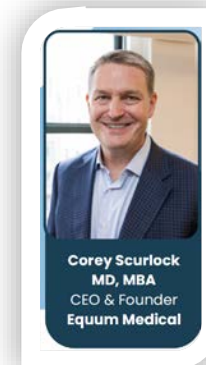
Increase care services portfolio of hospital



[25] Hawkins HA, Lilly CM, Kaster DA, Groves RH, Jr., Khurana H. ICU Telemedicine Comanagement Methods and Length Of Stay. *Chest*. 2016;150(2):314-319.

[22] Berenson RA, Grossman JM, November EA. Does Telemonitoring Of Patients--The eICU--Improve Intensive Care? *Health Affairs*. 2009; 28:w937-w947.

Care at a Distance: Where Telehealth Can Help



Literature Review: ED Costs

Do Hospitals Providing Telehealth in Emergency

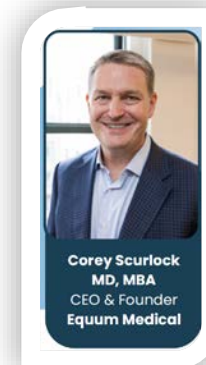
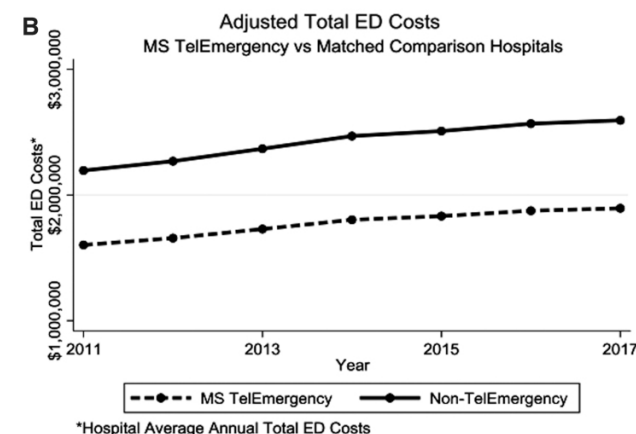
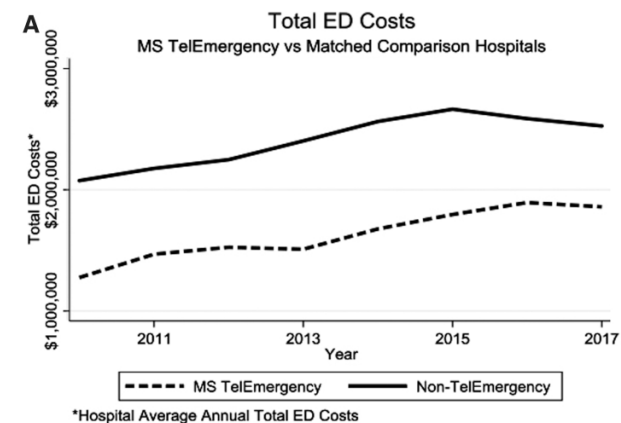
Departments Have Lower Emergency Department Costs (in rural hospitals)?

Method:

Hospitals with TelEmergency (n = 14 hospitals; 112 hospital-years) were compared with similar hospitals that did not use TelEmergency from Arkansas, Georgia, Mississippi, and South Carolina (n = 102; 766 hospital-years).

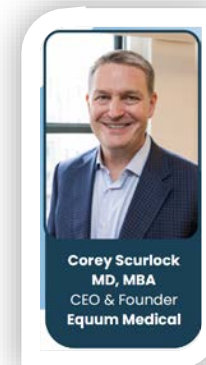
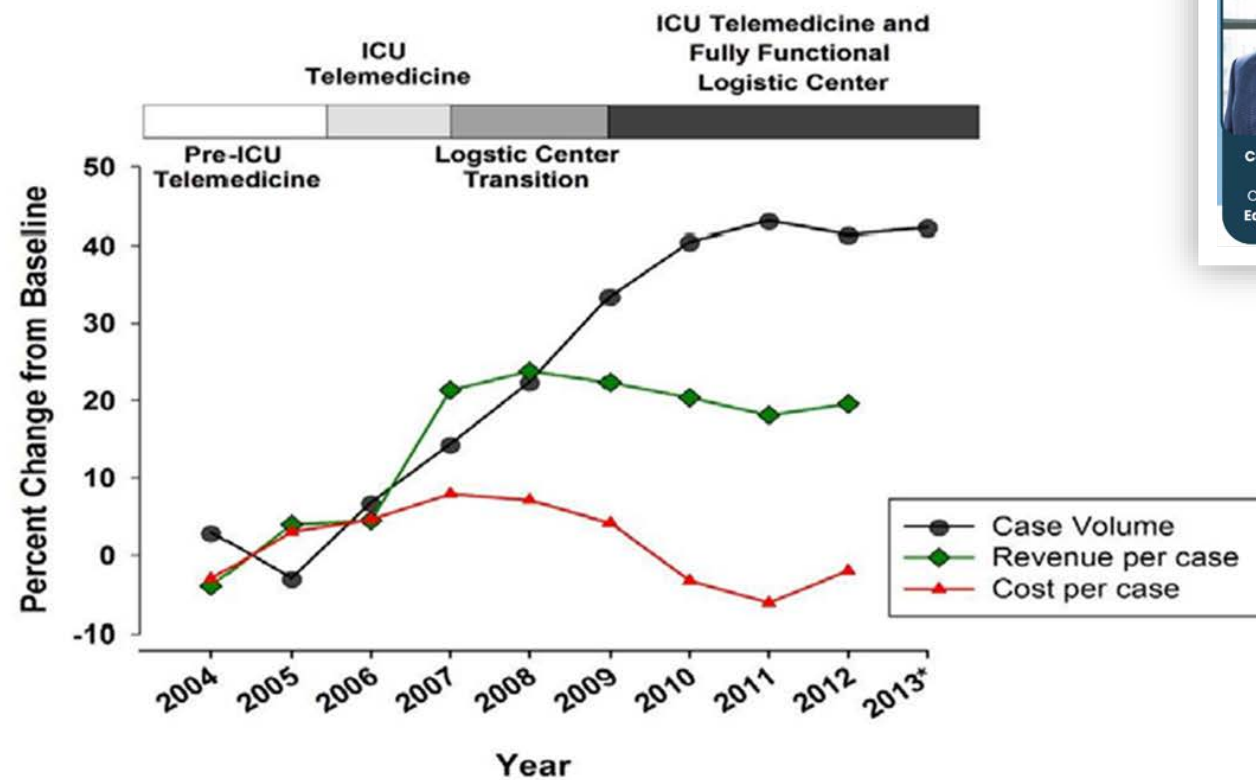
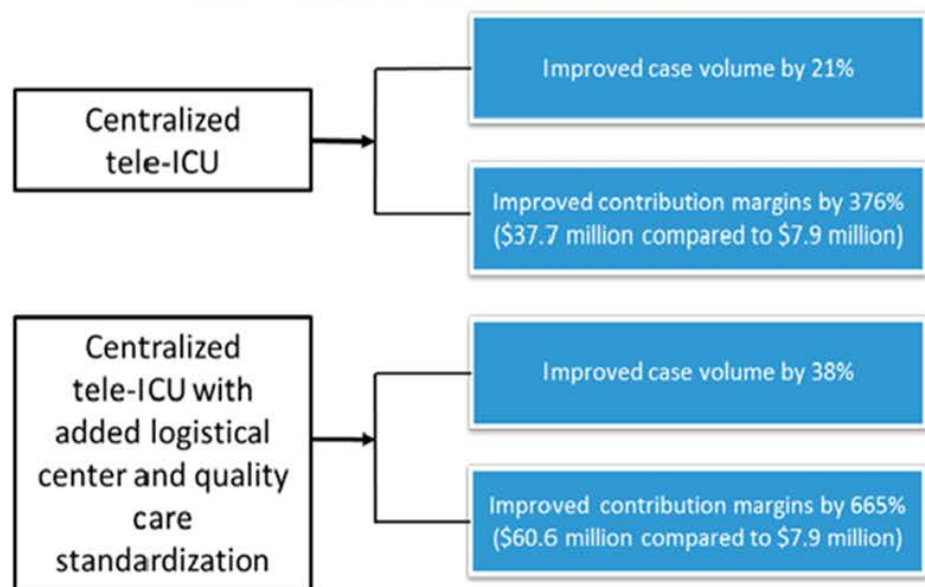
Results:

TelEmergency was associated with an **estimated 31.4% lower total annual ED costs** compared with similar matched hospitals that did not provide TelEmergency.



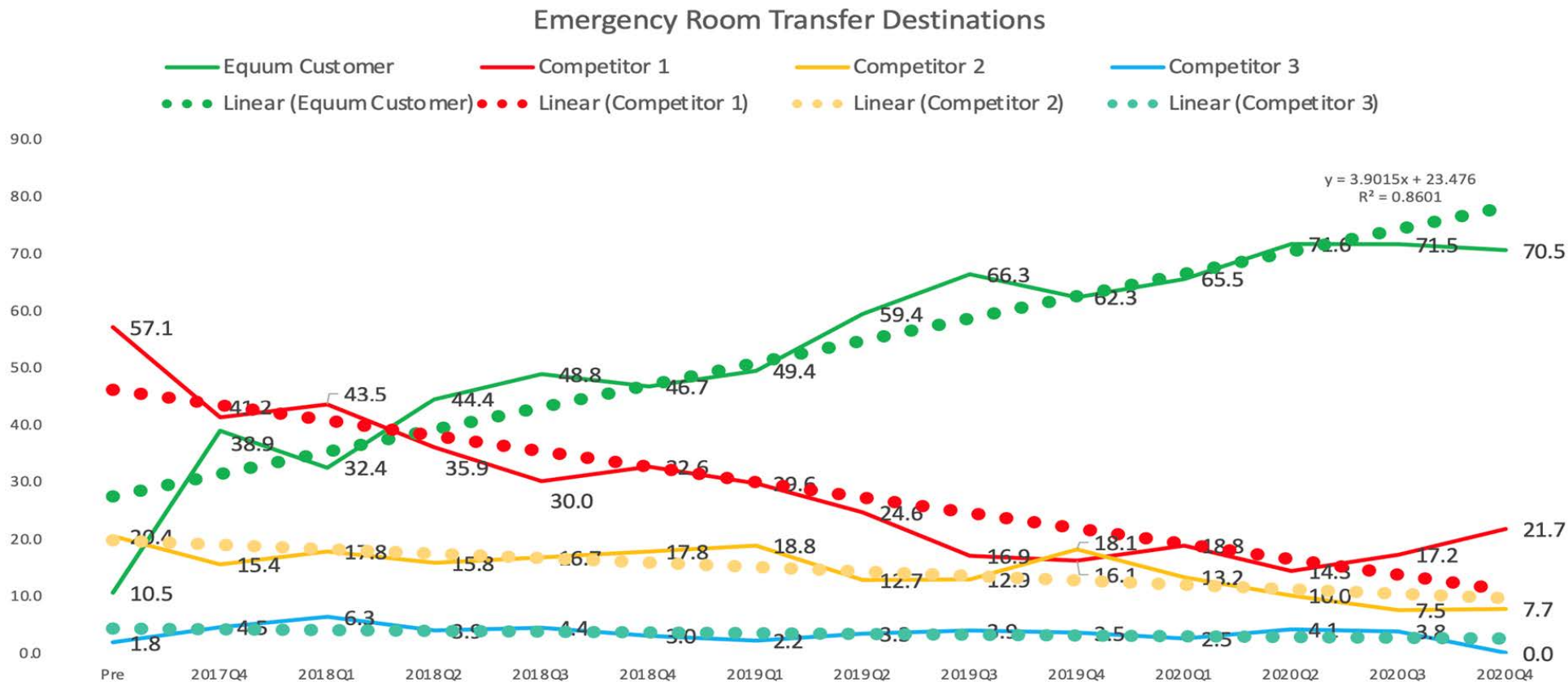
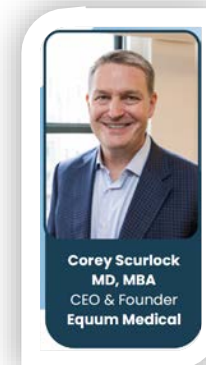
Literature Review: High Acuity Care

BACKGROUND: ICU telemedicine improves access to high-quality critical care, has substantial costs, and can change financial outcomes. Detailed information about financial outcomes and their trends over time following ICU telemedicine implementation and after the addition of logistic center function has not been published to our knowledge.



Lilly, CM, et al. ICU Telemedicine Financial Outcomes. Chest 2017; 151(2) 286-297.

Literature Review: Transfers

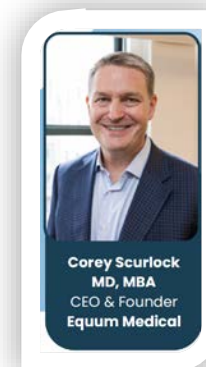


Rural Telehealth Financial Impact Study

AJMC[®]

Financial Impact of Telehealth: Rural Chief Financial Officer Perspectives (2022)

- Twenty rural hospital CFOs and other hospital administrators from 10 states participated in interviews.
- Seventeen (85%) represented critical access hospitals and three (15%) represented short term acute care hospitals.
- Sixteen (80%) represented hospitals with 25 or fewer beds
- Ten (50%) represented hospitals that operated at a financial loss in the prior three years



Uscher-Pines L, Sousa JL, Zachrison KS, Schwamm L, Mehrotra A. Financial impact of telehealth: rural chief financial officer perspectives. Am J Manag Care. 2022 Dec 1;28(12):e436-e443. doi: 10.37765/ajmc.2022.89279. PMID: 36525663; PMCID: PMC10074395.

Rural Telehealth Financial Impact Study



Help hospitals retain patients/avoid transfers



As a rural hospital, eICU has helped us to retain patients... because we don't have 7/24 intensivists coverage in the ICU. With the eICU, we are able to retain the patients and prevent from transferring them.

Tele-ED allows us to keep some of the patients in-house, whereas we may have had to send them out to another hospital...if we can keep these patients in the ED and treat them and then keep them in the hospital as an inpatient... that helps us immensely financially.

I don't think any of us expected the virtual ICU to have the impact [on volume] on the inpatient side that it had for us. So I think that watching the financials change from that volume, I just didn't anticipate that we'd ever go from two or three [patients] per day to full [occupancy]. And we were shooting for double digits. We were shooting for 10 to 12. And so, yeah, but I had to actually do it to be convinced.

Reduce the risk of permanently losing patients to competitors



These are patients that are in our community, and they do have a primary care physician, but not an intensivist... and it is reality that sometimes when you transfer those patients out of your community, you don't just lose them for that visit, you potentially can lose them permanently.

If [we] don't provide telehealth for specialty and you refer out, you may never get them back. And I think as the program grows more and more, there will be more ancillary revenue created by telemedicine, but it's a lot of those specialty services that, hey, it's amazing that they can access it here and hey, maybe those people will actually come here more often that...and will utilize the services and not leave.

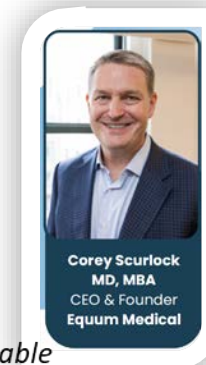
Reduce labor and provider recruiting costs



It's positive, because I don't think we'll be able to recruit and retain (specialists) here. So, I think it's a very viable method for us.

This program [tele-hospitalist] has big financial benefit because it is cheaper than in-person staff.

The other area that where this whole idea of telehealth really made an impact... [was in] the ability for us to [recruit and] maintain a good physician workforce... We began to see that physicians...coming out of training [were] less and less inclined to do everything...[So, now] at 6:00 P.M. the [telehealth internal medicine physicians], via the E-Hospitalist [program], take it over the night.



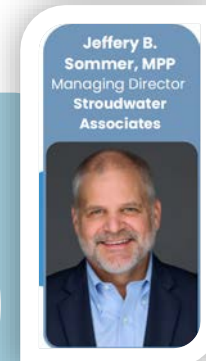
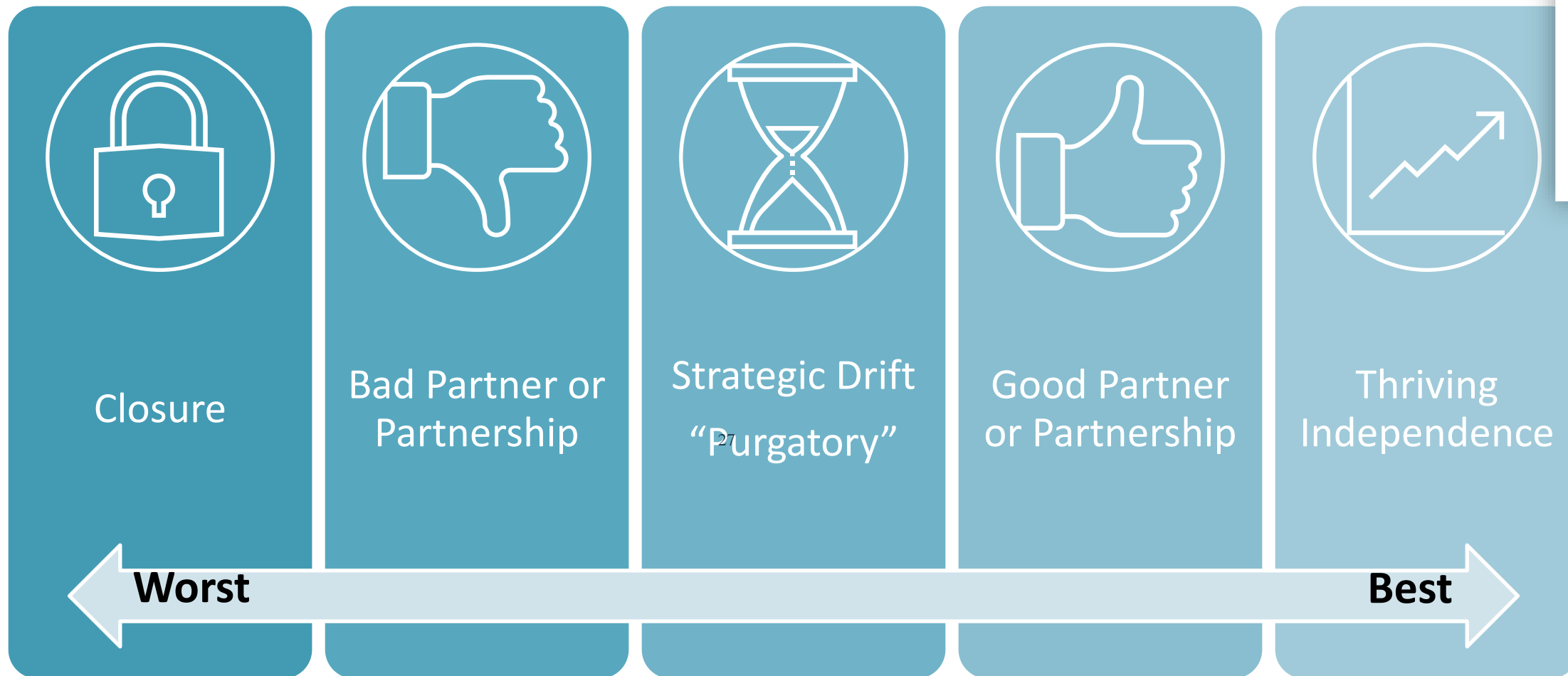
Perspective # 3

The Health Policy Consultant



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Common Outcomes: Know the Risks

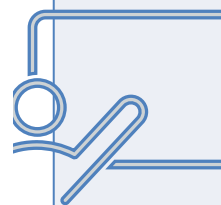


90%+/- of hospitals are within these three options

What Do You Need to Know?



For the 60% of rural hospitals in a partnership, most systems miss critical aspects of rural value



No one is going to stumble across your value if you do not quantify it and show the path to operationalizing it



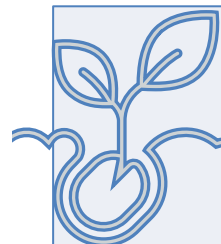
Identify win-wins with existing partners – it's about making better decisions and better allocating scarce resources

28



Does a partner understand your value?

- Variable vs fixed costs
- Contribution margin vs. fully allocated costs
- Incremental cost vs. reallocated costs
- The value of incremental referrals



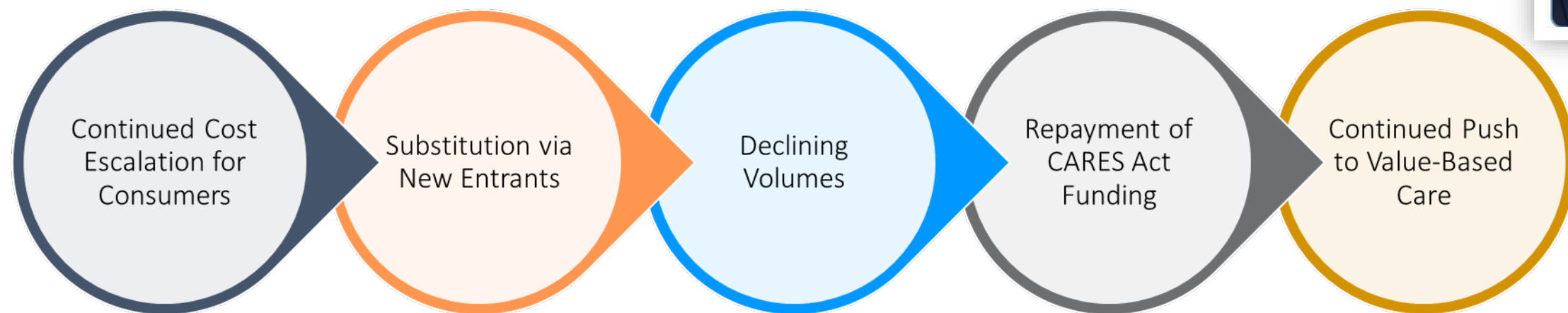
The Four Know/Nos:

- Know your risk profile
- Know your value
- No one else will promote your value
- No risk-free options

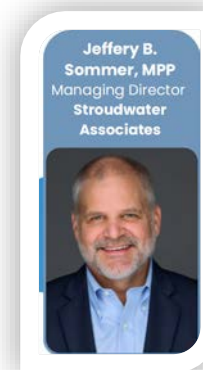


Market Forces at Play Require New Strategies

- Market forces impacting “traditional” healthcare providers
 - FFS is not a risk-free payment system



- FFS payment discourages funding for health
- New market entrants are fundamental interested in provided sick-care services at significantly lower costs
- Providers have greatest ability to affect quality, cost and value



The Premise

Finance

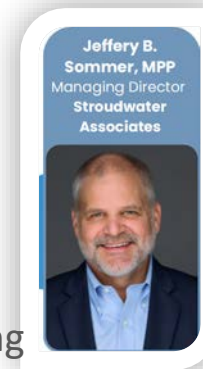
- Macro-economic payment system
 - Government payers changing from fee-for-service (FFS) to population-based payment system (PBPS)
 - CMMI is considering making value-based payment models mandatory
 - Private payers follow government payers

Function

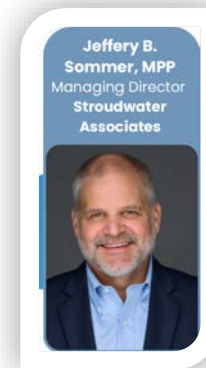
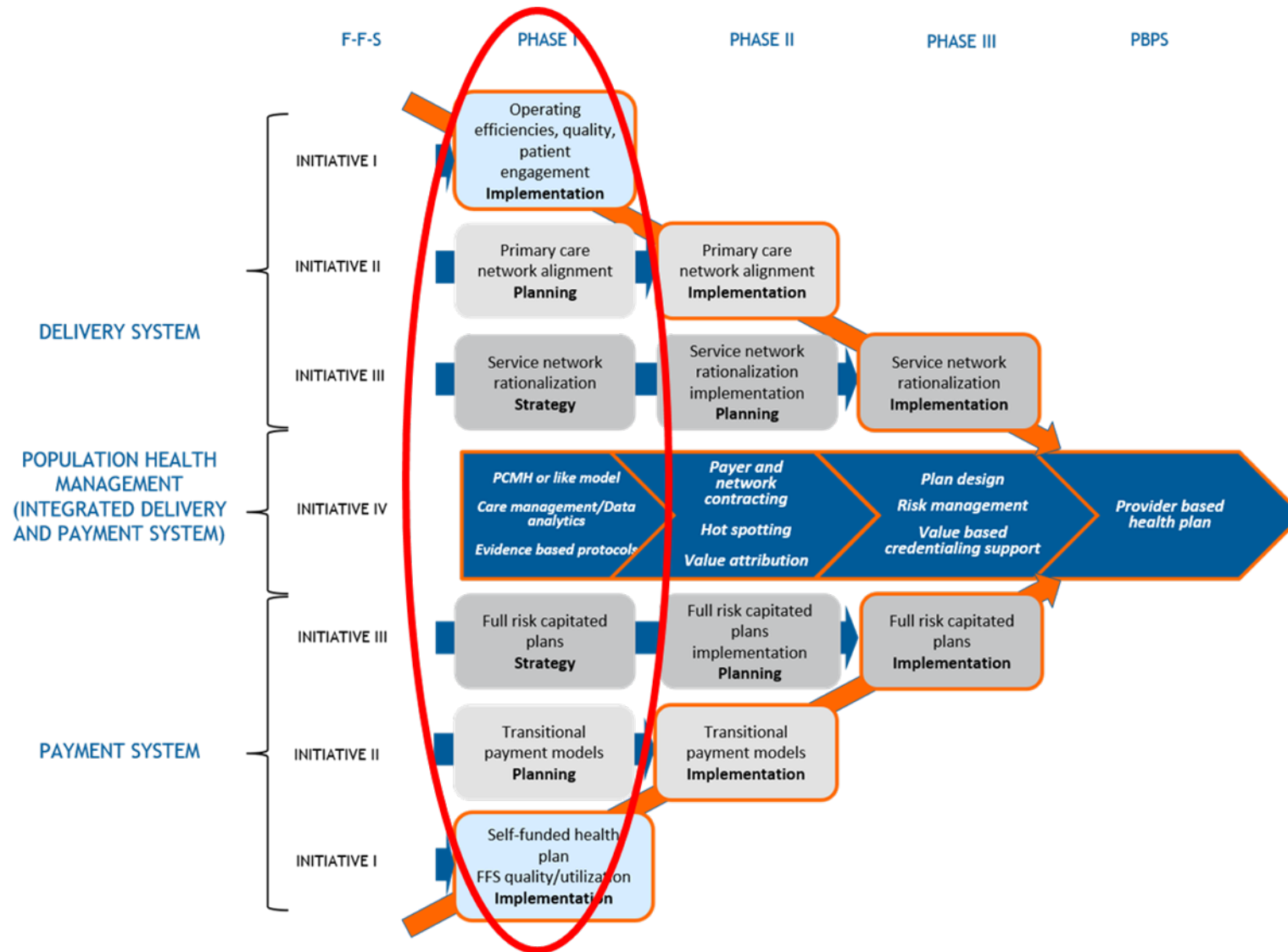
- Provider imperatives
 - Fee-for-service (FFS):
 - Maximization of price and utilization
 - Management of costs
 - Provider Based Payment System (PBPS):
 - Management of care of a defined population
 - Providers assume risk

Form

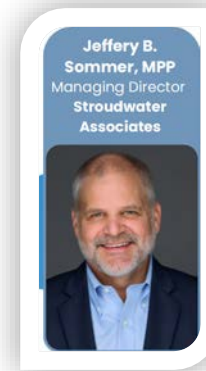
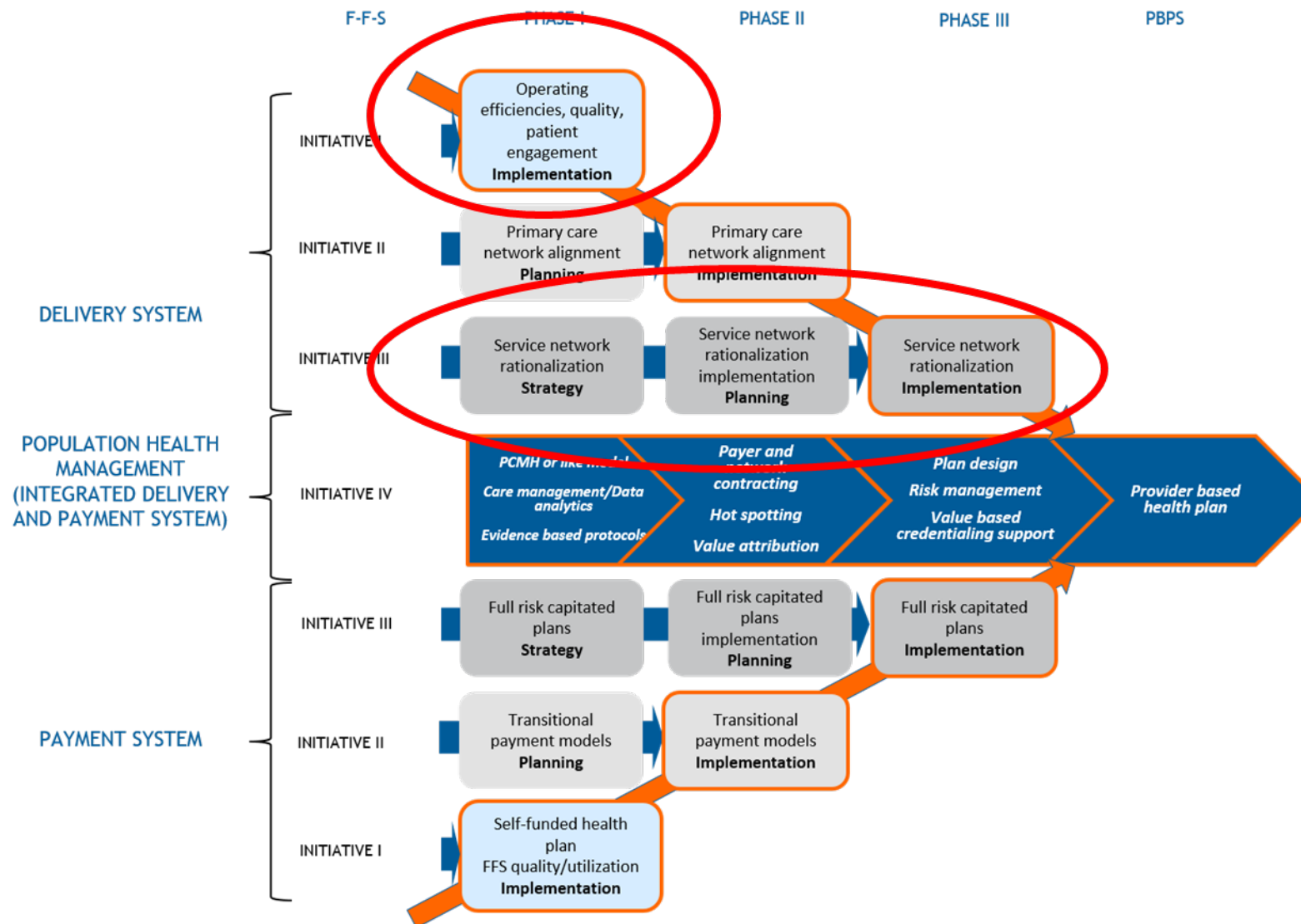
- Provider organization evolution from:
 - Independent organizations competing with each other for market share →
 - Aligned organizations competing with other aligned organizations for covered lives based on quality and value
- Network and care management organization must develop new competencies:
 - Network development
 - Care management
 - Risk contracting & management



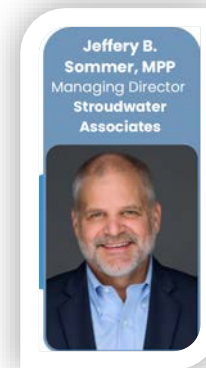
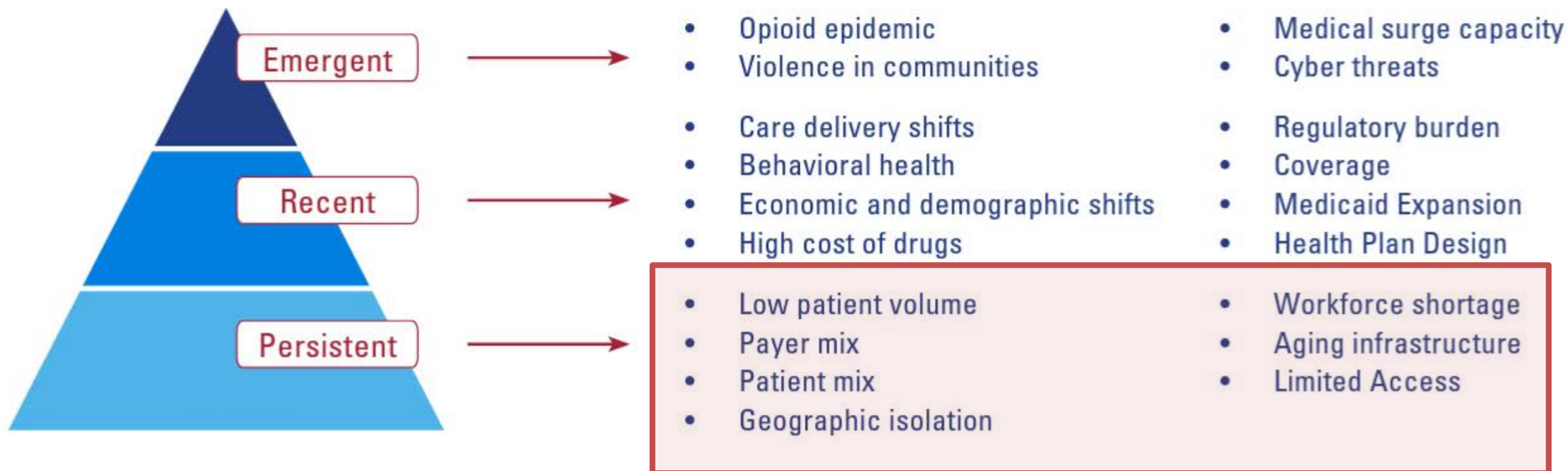
Transition Framework



Transition Framework: Value of Telehealth



Persistent Challenges need new Solutions



AHA Findings

“

We identified telehealth and virtual care strategies as very promising options to help maintain or supplement access to health care services in vulnerable rural and urban communities that have difficulty recruiting or retaining an adequate health care work force.”



Task Force on Ensuring Access in Vulnerable Communities

Therefore, virtual care strategies have the potential to result in better access to care, better care and outcomes, lower costs and workforce stability

Mindsets

ABUNDANCE/GROWTH MINDSET VS. SCARCITY/FIXED MINDSET

ABUNDANCE/GROWTH

LONG-TERM FOCUS

COOPERATION

RISK = OPPORTUNITY

OPTIMISTIC

OTHER'S SUCCESS IS
INSPIRING

SCARCITY/FIXED

SHORT-TERM FOCUS

COMPETITION

RISK = FEAR

PESSIMISTIC

OTHER'S SUCCESS IS
INTIMIDATING

Jeffery B.
Sommer, MPP
Managing Director
Stroudwater
Associates



Rural Success Stories



Fairview Hospital

Barrington Massachusetts

25 Bed Critical Access Hospital

- Very successful
- Needed to reduce losses in OB practice
- Partnered with FQHC to create sustainable model



Mahaska Health

Mahaska Iowa

25 Bed Critical Access Hospital

- Growth focused
- Medical staff as owners
- Nurturing outstanding leadership team



Observations from Rural Landscape

Rural Health Care is complex and highly variable

Look to Contribution Margin as a basis for analysis

Examine existing partnerships for opportunities

Know your Value Proposition: incremental referrals, swing beds, RHC, 340B, home office

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Discussion

The Trilogy of Telehealth:

Perspectives from a CEO, Physician
Entrepreneur, and Policy Expert on
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