

## Preliminary Draft for Discussion

### **National Continuing Care Residents Association, Working in Unity for America's Elderly**

#### **Reducing Medical Transportation Costs for Senior Clients**

American medicine often requires periodic visits to physicians' offices. Moreover, falls and similar emergencies to which senior living residents are prone frequently involve emergency transportation to a physician so that the client can be examined. Transportation, thus, becomes a major healthcare cost for seniors.

Telemedicine provides an evolving solution to reduce the need for transportation. Allowing physicians and other medical professional to interact remotely with a patient is particularly suited for congregate living retirement communities with round the clock nursing staff on premises. In these cases, a nurse equipped with a device as simple as an iPad, or even with an iPad itself, can help a remote physician to interact with a patient.

Consider the situation of a late-night fall in which the on-duty nurse is called to assist a resident. In that case, the nurse may be instructed to call 911 immediately to arrange transport to the nearest hospital emergency room so that the fallen resident can be medically evaluated for underlying conditions that may not be evident. Falls for the elderly are riskier and more perplexing than are simple trip falls among the young.

If the retirement residence has an established telemedicine protocol with nearby emergency room physicians, it may be possible to avoid the need for transport with a simple video link between the nurse and the on-call physician. The video link, say, with an iPad or similar device, can be used to allow the physician to examine the patient's responsiveness, the patient's reaction to physician-directed interactions with the on-site nurse helping the patient to comply appropriately, etc. In many instances, the number of transports can be dramatically reduced with a corresponding reduction in healthcare related costs.

If we extend the potentiality of tele-visits to more routine physician appointments, the cost savings can be even more telling. Congregate living with on-site nurses offers great potential to allow greater efficiency in the delivery of patient services. This is a unique advantage of campus living for those who are aging and is something that might beneficially be encouraged as we seek ways to improve the cost and accessibility of American healthcare.

There are already a number of businesses which are seeking to develop the telemedicine concept as a profitable undertaking. Many of them offer specialized equipment, which is often expensive, though simpler video connectivity products intended for the consumer market can likely work just as well, assuming that the security of the connection is sufficient to meet HIPAA standards.

The American Telemedicine Association offers an accreditation program which can help assure that any distance medicine pilot undertaken complies with current regulations. The Association has its headquarters in Washington, DC at 1100 Connecticut Ave, NW, Suite 540. Although the expenditure on telehealth is increasing rapidly, it is conceded that it reduces costs that would otherwise be incurred.

It's evident that the United States must contain the cost of healthcare, which now threatens our trade competitiveness. Healthcare cost in the U.S. is now dramatically higher than that of any other Organisation for Economic Co-operation and Development peer nation. Moreover, the United States is challenged to improve healthcare accessibility especially in rural areas of the country.

Telehealth offers the potential to allow better healthcare delivery with fewer physicians and fewer hospitals. That is critical since hospitals and physicians contribute over 51% of the cost of American healthcare, compared with, say, prescription drugs which account for a less than 10% of healthcare cost.<sup>1</sup>

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<sup>1</sup> Kaiser Family Foundation calculations using National Health Expenditure data from the Federal Government Centers for Medicare and Medicaid Services.

We suggest that telehealth be particularly targeted toward serving the elderly since that demographic group has the greatest potential to begin to address the healthcare cost challenge. Transportation, too, is a major concern for the elderly, many of whom can no longer drive themselves to medical visits. Moreover, the Centers for Medicare and Medicaid Services (CMS) data show that healthcare costs for those age 85 and over are 7.25 times those for people 19 to 44. That means that cost savings among healthcare for the elderly has great potential to help address the nation's healthcare cost challenge.

We propose that the CMS Innovation Center institute a pilot project to test the suitability of extensive telemedicine for healthcare services delivery in select continuing care retirement communities (sometimes called Lifecare or Life Plan communities) and in select Programs of All-Inclusive Care for the Elderly (PACE). This could be a joint project with CMS. It could also involve an extensive coalition among organizations like the National Continuing Care Residents Association (elderly consumers of healthcare services), AARP (dedicated to improving the quality of life of all as they age), Argentum (assisted living providers), the American Senior Housing Association, LeadingAge (an organization of tax exempt providers), the National Investment Center, and other organizations representing older Americans. Hopefully, such a coalition might also be joined by other, less particularist organizations like the Commonwealth Fund, the Pew Family Trust, and the Kaiser Family Foundation.