

Scattershot Medicaid coverage for remote patient monitoring hampers adoption

Article

The trend: Remote patient monitoring (RPM) interventions can help low-income individuals get healthier. But more consistent state Medicaid coverage will be necessary for these

programs to scale up.

What's driving the trend? Providers and patients are bullish on using technology to manage their conditions. So, health systems are using more RPM programs and investors are pouring money into RPM-focused tech startups.

- **More than half (57%) of provider organizations already use remote technology to virtually monitor** patients' vital signs at home. And about half of the providers not yet using it plan to within the next two years, per a January 2022 survey from Rhythm Management Group and Sage Growth Partners.
- **80% of consumers said they're in favor of RPM**, particularly for monitoring chronic diseases, according to a May 2021 survey from MSI International.
- **Digital health companies with RPM solutions reeled in \$1.4 billion in VC funding** in the first half of 2022, jumping from the 8th most funded provider-related category in 2021 to the 3rd, per Rock Health.

Reimbursement roadblocks: Providers have struggled to capture complete reimbursement from insurers for their RPM programs. Many organizations rely on grants or donations to jumpstart an intervention.

The Centers for Medicare & Medicaid Services recently increased the types of remote monitoring services it will cover for Medicare patients, but Medicaid is a different story.

- **34 state Medicaid programs provide reimbursement for RPM services**, but even those have stringent restrictions within their coverage scopes, according to the Center for Connected Health Policy.
- Some of the states only reimburse home health agencies; limit the clinical conditions that could be billed for; and have restrictions for the type of monitoring device that could be used and information collected.
- **56% of providers said they receive less than half of the total reimbursement** that they're eligible for as a result of delivering RPM services, per the Rhythm Management Group and Sage Growth Partners survey.

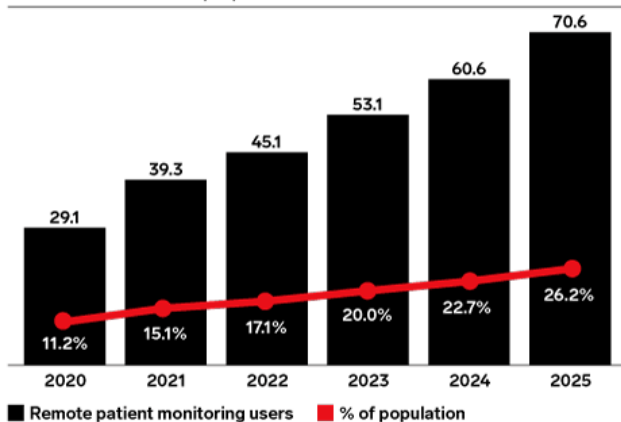
The opportunity: States are proceeding with caution when it comes to covering RPM services, mostly because they want to see more evidence proving that remotely monitoring patients will be cost-efficient for Medicaid and clinically valuable for patients.

Health systems have an opportunity to validate the effectiveness of their RPM interventions, particularly for vulnerable populations.

- Adult Medicaid members have higher rates of chronic disease than most other populations, leading to higher costs for insurers covering care for these patients.
- An Ochsner Health [pilot RPM program](#) for Medicaid patients demonstrated that **50% of hypertensive patients and nearly 60% of type 2 diabetes patients** reached their control goals within just the first few months of program participation.
- But the health system noted that in order to expand the pilot beyond Louisiana where it's headquartered, it will need employers and insurers to cover the services since Medicaid reimbursement for RPM varies from state to state.

US Remote Patient Monitoring Penetration, 2020-2025

millions and % of population



Note: Individuals of any age who use wired or wireless devices that remotely track or collect well-being or medical data from the user outside a traditional healthcare setting at least once per month, and exchange it via the internet with electronic health records accessed by a medical professional or healthcare provider; includes wearable devices, home health devices, and sensors

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