PHILIPS

February 10, 2021

RE: PHILIPS SUPPORT FOR HB 551 DURING HEALTH AND GOVERNMENT OPERATIONS COMMITTEE HEARING ON FEBRUARY 10

Dear Chairwoman Pendergrass, Vice-Chair Peña-Melnyk, and Members of the House Health and Government Operations Committee

On behalf of Philips, I write to comment on Maryland HB 551. While this bill reduces barriers to telehealth in many ways, my comments today uniquely focus on the value of remote patient monitoring (RPM) to Marylanders' healthcare.

Philips has been an industry leader in transforming telehealth over the last fifteen years, providing RPM solutions across a patient's care journey, from the ICU, to the emergency room, to the patient's home.[1] We applaud any legislative effort to expand RPM. In this regard, HB 551 ensures RPM coverage for Medicaid beneficiaries and patients covered by insurers, nonprofit health service plans, and health maintenance organizations.

Philips is a health technology company focused on improving people's health and enabling better outcomes. The company provides healthcare solutions to promote healthy living and support prevention, diagnosis, treatment and home care. In the United States, Philips employs approximately 21,000 workers, including over 200 in Maryland with an office in Baltimore.

Ensuring coverage of RPM for both Medicaid and private payer beneficiaries enhances patient care and outcomes, saves costs, aligns with provider needs, and follows the path taken by other states. I elaborate on these points below to demonstrate why the legislature should pass HB 551 to bring RPM to all Maryland patients regardless of their insurer.

RPM delivers better patient care:
RPM allows providers to continually monitor, collect and analyze a patient's physiological data to create and manage a patient's treatment plan. This technology helps monitor patients with chronic illnesses like chronic obstructive pulmonary disease, congestive heart failure, coronary artery disease, diabetes, among others. Moreover, RPM helps monitor patients recovering from acute conditions when discharged to the home. This technology helps providers track their patients' key vitals at any given moment on a real-time basis. Now, providers can more easily understand a patient's response to treatment, track improvements or be warned sooner of deteriorations to intervene and minimize exacerbations. These solutions have reduced hospital readmissions and aid in sending patients home sooner after receiving hospital treatment.

RPM leads to cost savings:
By expanding coverage of RPM, Maryland will realize costs savings elsewhere across the healthcare system. For example, RPM reduces patients' hospital readmission rates and

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[1] Philips' RPM solutions help patients including pregnant, high-risk mothers or patients who need chronic or acute care management plans. Philips also specializes in RPM in the hospital. For instance, Philips "eICU" program remotely monitors 1 in 8 adult ICU beds in the United States. eICU allows offsite clinicians to monitor and help treat ICU patients 24 hours a day through audio, video, patient monitoring and predictive analytics tools. Philips proprietary Rapid Analysis of Threat Exposure (RATE) algorithm is used in RPM devices to alert providers of a patient getting sick before patients may feel sick themselves. These are just several of Philips RPM solutions.

emergency department visits. In addition, other patients could be discharged sooner from hospitals because physicians would have the tools to monitor patients at home.[2]

<u>Clinicians want to use RPM:</u>
A recent telehealth utilization survey of over 1,500 physicians highlighted that while only 10 to 13% currently use RPM for patients in the home, 75% want to use telehealth for chronic disease management.[3] Another survey of hospital executives shows that around 37% already use RPM to provide care for chronically-ill patients and another 33% plan to explore or launch a RPM plan in the next year.[4] In addition, the American Medical Association's updated policy guidance highlights remote patient monitoring as a key telehealth tool to ensuring uninterrupted care for 100 million Americans with chronic conditions.[5]

<u>Other states are mandating coverage and reimbursement for RPM:</u>
By enacting HB 551, Maryland will join a chorus of other states in expanding RPM to their citizens. According to the Center for Connected Health Policy's Fall 2020 Report, 21 states' Medicaid programs provide reimbursement for remote patient monitoring (RPM).[6] In addition, Massachusetts enacted comprehensive telehealth legislation (S.2984) into law a few weeks ago that requires commercial insurers and Medicaid to cover RPM. Virginia's current law requires private payers to cover RPM and Virginia legislation (SB 1338) is moving in 2021 that would extend this coverage to Medicaid as well. Last year, Colorado (SB 212) expanded RPM for private payers. As well, several states expanded coverage of RPM by passing laws last year, including Louisiana (HB 530), Michigan (HB 5415), and Utah (HB 313).

Thank you for your consideration. Please let me know if you have any questions or need more information.

Sincerely,

Evan Hoffman
Director of State and Local Government Relations
Philips

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[2] Several healthcare studies have looked at how RPM reduce costs:
- A 2014 study by Brockton Hospital in Massachusetts began using a remote care program to follow congestive heart failure (CHF) patients. Hospital readmission rate within 30 days of discharge is typically 25% for CHF patients, but of the 30 CHF patients enrolled in the study, not one was readmitted to the hospital within 30 days. Brockton achieved a savings of $216,000.
- A 2017 pilot study looked at how continuous data collection, among other strategies, would help influence hospital readmission rates for approximately 890 patients with chronic obstructive pulmonary disease. The study resulted in an 80% reduction in acute 30-day readmissions and a greater than 70% reduction in total all-cause acute care events driving a savings to the hospital of $1.3 million and $4.4 million, respectively.
- A 2005 study looked at how tele-monitoring would help approximately 445 veterans with diabetes who had two or more hospitalizations or emergency room visits. The proportion of patients who were hospitalized reduced by 50%, who went to the emergency room were reduced by 11%, and the average number of bed days were reduced by three days.

[3] See Telehealth Impact: Physician Survey Analysis, 11/16/20
[4] See Hospital Executives Weigh in on Telehealth Utilization, RPM & TDOC/LVGO Merger, 9/18/20
[5] See AMA Telehealth quick guide, Updated 9/24/20
[6] See CCHP Fall 2020 Report