

Worldwide telehealth market to grow 55% in 2013

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Fueled by healthcare reform aimed at reducing in-patient costs and post-acute care strategies designed to reduce readmissions, the worldwide telehealth (remote patient monitoring) market will grow by 55 percent in 2013 in terms of device and service revenues, according to a recent report from InMedica, the medical technology research division of U.K.-based market research consultancy IMS Research.

InMedica's 2013 forecast is significantly higher than the telehealth growth rates seen in recent years. From 2010 to 2011, the firm's research found that telehealth usage worldwide increased by 22.2 percent. However, telehealth device revenues only grew by 5 percent over that same time span; they grew 18 percent from 2011 to 2012. InMedica attributed the slow revenue growth over the last year to "poor economic conditions leading to restrictions in healthcare funding particularly in Europe, and ambiguity on the impact of healthcare reform and readmission penalties on telehealth in the U.S."

As leverage to push healthcare providers to implement effective post-acute care plans such as telehealth, the Centers for Medicare & Medicaid Services in October 2012 began penalizing U.S. hospitals for readmissions. Shane Walker, co-author of the InMedica report, believes that telehealth is a tool that can significantly improve clinical outcomes while also achieving the long-term goals of CMS to move toward greater continuity of care while reducing costs through the avoidance of unnecessary duplication of services.

Nevertheless, based on InMedica's interviews of providers and payers, there remains much work to be done for advancing the state of telehealth in the U.S. According to the report, a common sentiment among providers interviewed is that, if they are being paid fee-for-service, it will be difficult to justify telehealth. However, providers said that if they can receive payment regardless of whether a patient receives services in or out of the practice, then they have an incentive to move forward with telehealth implementation.

"For telehealth to succeed in reaching a wider audience, it needs to break out of being a niche market and become part of a comprehensive patient-care model," said Theo Ahadome, an InMedica senior analyst. "This is even more important in the post-acute care market where healthcare providers are more willing to pay for telehealth if it is part of a total post-acute care model."

Reducing readmissions was the focus of a panel discussion at the 2012 mHealth Summit in Washington, D.C., presented by *FierceMobileHealthcare*. The panel included representatives from healthcare organizations who discussed how they are implementing remote patient monitoring to make measurable improvements in care and outcomes.