



Revenue Model for **RPM Providers** Using **CMS Reimbursement**

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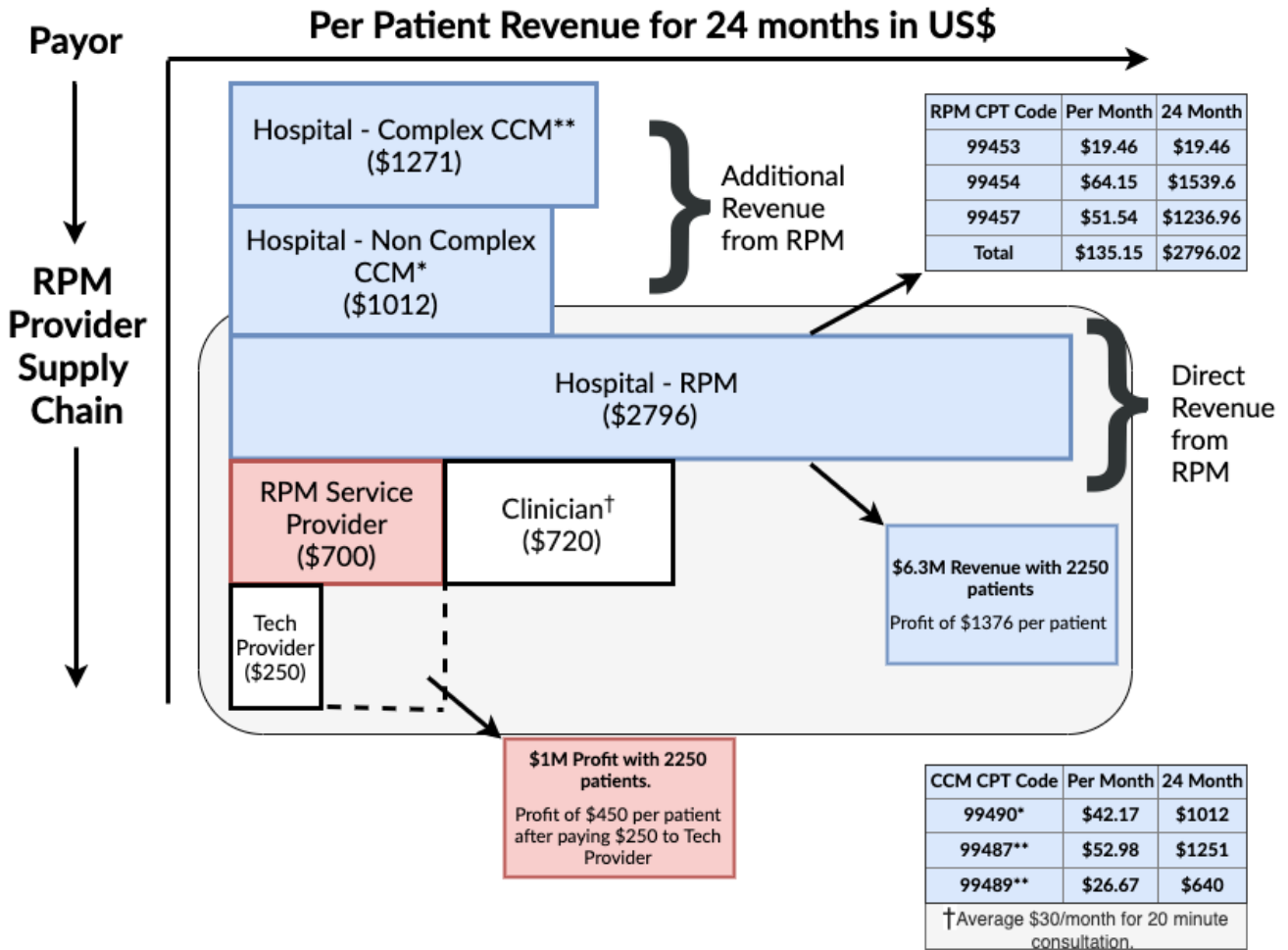


Figure 1: Per patient revenue for various RPM providers (including hospitals, RPM service providers, and RPM technology providers) over 24 months as per the CMS RPM reimbursement scheme.

Chronic Care Remote Physiologic Monitoring

The Centers of Medicare and Medicaid Services has introduced three new CPT codes for remote patient monitoring services titled "Chronic Care Remote Physiologic Monitoring." In this article, we will show how these three new CPT codes for remote patient monitoring (RPM) can generate a gross profit of up to \$1 million for an RPM service provider (such as a digital health platform or telehealth platform) with ~2250 patients. The three new CPT codes for RPM as outlines in the 2019 physician fee schedule are:

CPT Code	Description	Facility Fee	Non-Facility Fee
99453	Remote monitoring of physiologic parameter(s) (e.g., weight, blood pressure, pulse oximetry, respiratory flow rate), initial; setup and patient education on the use of equipment	\$19.46	\$19.46
99454	Remote monitoring of physiologic parameter(s) (e.g., weight, blood pressure, pulse oximetry, respiratory flow rate), initial; device(s) supply with daily recording(s) or programmed alert(s) transmission, each 30 days	\$64.15	\$64.15
99457	Remote physiologic monitoring treatment management services, 20 minutes or more of clinical staff/physician/other qualified healthcare professional time in a calendar month requiring interactive communication with the patient/caregiver during the month	\$32.44	\$51.54

Before the three new CPT codes, only CPT 99091 provided reimbursement for remote patient monitoring. The new CPT 99457 has also reduced the treatment time to qualify for reimbursement to 20 minutes per calendar month, compared to 30 minutes per 30-day period in the older CPT 99091. The new CPT codes also allow "clinical staff" for the consultation rather than "physicians and qualified health care professionals." This will make it easier for hospitals or clinics to administer care under the general supervision of a physician. The new CPT codes will also allow reimbursement for the time spent in setting up the RPM equipment as well as educating the patient, which was not covered under the old CPT codes.

Using these new CPT codes, reimbursement of up to \$116 per month per patient is available for hospitals (by combining CPT 99454 and CPT 99457), which equates to the hospital earning a revenue of \$2796 per patient for a 24-month period (which is the typical lifetime of an RPM device).

Remote Patient Monitoring providers (such as digital health or telehealth service providers) that provide the RPM platform and services to the hospital can make up to \$700 per patient in revenue over a period of the same 24 months (~25% of the revenue of the hospitals).

If the Remote Patient Monitoring provider is privately labeling the RPM platform and outsourcing technology maintenance, the provider can make a gross profit of \$450 per patient over 24 months. RPM technology costs about \$250 per patient when you partner with an RPM provider like Think Biosolution. So, if a Remote Patient Monitoring provider already has users and wants to add RPM capabilities to their existing platform additionally,

they can make a gross profit of \$1 Million per 2250 existing patients. If the Remote Patient Monitoring provider is providing the RPM service to a hospital or a clinic, it can generate additional revenue of \$6.3 million for the hospital for the same 2250 patients. These are explained in Figure 1.

Chronic Care Management - Additional Revenue

Hospitals that have RPM in place can also make use of the Chronic Care Management (CCM) codes for additional revenue. A hospital can make use of the CPT codes below, to additionally generate up to \$1012 per patient for 'non-complex' CCM, and \$1271 per patient for 'complex' CCM. This is again computed over 24 months. A guide document for reimbursement with CPT codes for CCM can be [downloaded from here](#).

The details of the chronic care CPT codes are provided below:

CPT Code	Description	Facility Fee	Non-Facility Fee
Non-Complex 99490	Chronic care management services, at least 20 minutes of clinical staff time directed by a physician or other qualified healthcare professional, per calendar month, with the following required elements: Multiple (two or more) chronic conditions expected to last at least 12 months, or until the death of the patient. Chronic conditions place the patient at significant risk of death, acute exacerbation/ decompensation, or functional decline. Comprehensive care plan established, implemented, revised, or monitored	\$32.44	\$42.17
Complex - 99487	Complex chronic care management services, with the following, required elements: Multiple (two or more) chronic conditions expected to last at least 12 months, or until the death of the patient. Chronic conditions place the patient at significant risk of death, acute exacerbation/ decompensation, or functional decline Establishment or substantial revision of a comprehensive care plan. Moderate or high complexity medical decision making 60 minutes of clinical staff time directed by a physician or other qualified healthcare professional, per calendar month	\$92.98	\$52.98
Complex - 99489	Each additional 30 minutes of clinical staff time directed by a physician or other qualified healthcare professional, per calendar month. This is listed separately in addition to the primary code.	\$46.49	\$26.67