Dreem case study:
Navigating payment and coding for
virtual first care (V1C)

dreem

Profile | Dreem

- Dreem is a digital sleep clinic that provides comprehensive care and treatment for sleep conditions virtually, including sleep studies, video consultations, and home delivery of devices and prescriptions.
- Dreem combines live telehealth consultations with asynchronous patient treatment options, including cognitive behavioral therapy modules, asynchronous messaging, and treatment tracking within the Dreem app.

Scenario

Joey (he/him) has been experiencing difficulty sleeping due to sleep apnea. His primary care provider refers him to Dreem's digital sleep clinic for an assessment and potential treatment. Upon referral, Joey receives an online questionnaire and is scheduled for an initial live virtual consultation with a Dreem clinician. The sleep specialist prescribes an at-home sleep test, and Joey receives the equipment he needs to complete the test from the comfort of his home. The results are delivered directly into his digital patient record, and he completes a follow-up appointment with his Dreem clinician to discuss the results of his assessments and review his personalized treatment options. Dreem coordinates the delivery of a CPAP machine to Joey's home and assigns an online module-based CBT program to complete at his own pace.

The patient journey

- **Assessment:** Patients undergo an initial assessment to determine their sleep needs and any underlying sleep disorders or issues.
- **Sleep monitoring:** Patients use digital tools provided by Dreem to monitor their sleep patterns and collect data on their sleep quality.
- **Personalized sleep program:** Based on the assessment and sleep monitoring data, patients receive a personalized sleep program that may include behavioral and lifestyle changes, relaxation techniques, medications, or CBT modules.
- **Behavioral changes:** Patients are advised to make behavioral and lifestyle changes, such as changes to their sleep environment, bedtime routine, and sleep habits, to help improve their sleep quality.
- **Ongoing support:** Patients receive ongoing support from a sleep coach who monitors their progress, provides feedback, and adjusts the treatment plan as needed.
- **Progress tracking:** Patients' progress is regularly tracked through the program's digital tools, and the sleep coach provides feedback and adjusts the treatment plan as needed.

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*Virtual First Care
V1C Initiative*

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Payment insights

Contracting, coverage, and coding

Dreem operates within a fee-for-service reimbursement model via contracts with public and private payers that allow primary care providers or specialists to refer their patients directly to the clinic. The digital sleep clinic was intentionally designed to fit seamlessly within the existing CPT framework for sleep care with a virtual application. These include **evaluation and management** codes for diagnosis and consultations, **remote patient monitoring** codes for home sleep tests and ongoing digital measure tracking, and **durable medical equipment** codes for the provision of supplies.

Examples of successful coding practices include:

- **Virtual sleep diagnosis:** CPT 99203, CPT 95800, CPT 99214
- **Personalized treatment for OSA and insomnia:** HCPCS E0601, HCPCS E0562, CPT 94660, CPT 99214
- **Ongoing treatment & patient monitoring:** HCPCS A7000, CPT 99454, CPT 99214

Challenges and future considerations

Asynchronous care components: As the Dreem care model continues to evolve to incorporate additional resources and virtual capabilities to meet the needs of patients, some aspects are not covered by existing codes. To address these challenges, care coordinators managing non-payable components such as asynchronous chat platforms try to direct patients with more in-depth needs or questions to schedule additional live consultations with providers instead.

Transition to value-based care model: Dreem is currently working to transition to a value-based care reimbursement model that provides a bundled payment for screening & enrollment, virtual-first sleep diagnosis, initiation of therapy, and ongoing treatment & monitoring. This model offers a one-time payment for diagnosis activities and DME provisioning and a subscription-based billing model for ongoing treatment and monitoring that's paid only if the patient complies with their treatment plan.

> **"**I've seen companies in digital health struggle to get paid for their services because they must demonstrate their value to obtain a contract, yet, they need a contract to be able to truly demonstrate their outcomes in a sustainable way. The model Dreem uses works well, but it relies on existing CPT codes to cover a significant portion of the service model.**"**

— Quentin Soulet de Brugière, Co-Founder & CEO

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