

Telehealth benefits gain wider acceptance

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With the increasingly busy and complicated lives of America's front-line employees, one of the cornerstones of health care – the old-fashioned visit to a doctor's office – no longer easily fits into most workers' schedules. Worse, when an issue requiring personal medical care occurs on a weekend or in the middle of the night – an employee's daughter develops pink eye, for instance – employees feel they might have to scramble for an urgent care center or face the prospect of hours and hours in a hospital ER waiting room.

For workers at Cleveland Metroparks, the oldest park district in Ohio, employees have been spared some of the inconvenience of in-office visits by using their employer's telemedicine benefit, also known as telehealth. A simple call to Teladoc, Metroparks' telemedicine provider, can provide a diagnosis for urgent-but-easily treatable ailments, issue a prescription to a local pharmacy and get workers back on the job, rather than stuck on a waiting-room chair.

"It just engages employees to another level when they have that type of service at their fingertips," says Harold Harrison, the organization's chief human resources officer and overall benefits manager.

Burgeoning growth

The U.S. telemedicine market is expected to reach \$4.5 billion by 2018 – a massive gain from \$440.6 million in 2013, notes a recent study by business information provider HIS. In addition, a recent Harris Poll found that 64% of the 2,019 U.S. adults it surveyed are willing to have doctor visits via video telehealth.

Employers are now warming up to the concept, which could save them more than \$6 billion a year in health care costs, according to Towers Watson analysis. The consulting firm also found that 37% of U.S. employers with at least 1,000 employees expect to offer telemedicine consultations by 2015 compared with 22% in 2014 and another 34% are considering it for 2016 or 2017.

Jim Prendergast, CEO of Healthiest You, describes telemedicine as remote or digital access to care that's provided "in an efficient, timely and cost-effective manner" compared with traditional delivery systems.

Someone who requires immediate medical attention on weekends or late in the evening obviously doesn't have the luxury of scheduling an appointment with a primary care physician or most urgent-care centers. So they end up in the ER, where Prendergast

says 66% of all such visits are determined to be unnecessary and the cost of care skyrockets.

What's more, he says nearly 75% of all doctor, urgent care and ER visits "are either unnecessary or could be handled safely and effectively over the phone or video," citing statistics from the American Medical Association and Wellness Council of America. A study of 8,000 patients who used telehealth instead of an office visit found virtually no difference in their outcome of care, according to The Journal of the American Medical Association.

A major U.S. employer that has seen success with its telemedicine offering is Discount Tire, the world's largest tire and wheel retailer. A 2012 program initially piloted by about 600 of the company's employees was rolled out to all 6,700 full-timers two years later.

"In my opinion, it definitely is a cutting edge medical benefit to access board certified emergency room physicians," says Lynda Wilson, the head nurse administrator at Discount Tire who manages the company's executive wellness benefits program.

"Telemedicine just creates a great vehicle to access a physician telephonically, electronically or through video. Your wait time is anywhere from one to eight minutes. You don't have to go to an emergency room. You don't have to get exposed. You don't have to pack up the kids. You can do it when you're working. It helps productivity."

Wilson has seen a number of non-urgent sinusitis and pharyngitis diagnoses, which can be related to the flu. "We do have a big flu-prevention program in our company, so it's valuable to see that," she says. "We also look at the wait time because we want to make sure this is an efficient program for our people."

She says their telehealth program's eight minute average wait time compares quite favorably to a typical ER visit wait time, and that since most employees use the service during the work day, her chief takeaway is that offering remote access to medical care increases employee productivity.

Indeed, the value proposition of telemedicine is that it not only can improve access to care and outcomes, but also bend the cost curve, according to Alan Roga, M.D., founder and CEO of StatDoctors, who once ran a fairly large ER practice.

"I realized that charging somebody \$2,000 because their kid had pink eye wasn't what I got into health care for," he says. "What telehealth has been able to yield is really reduced health plan costs, improved member satisfaction and reduced absenteeism, both hard-dollar savings, as well as soft-cost improvement."

Roga says the first telemedicine visit "was actually in the 1890s," not long after Alexander Graham Bell invented the telephone. The trend has caught fire in recent years, riding the coattails of technological advancements.

In the absence of a face-to-face encounter, Roga notes that telehealth can still provide the necessary visual cues to diagnose or treat certain conditions through Skype or a similar video platform. Another critical point is return on investment.

At a cost of about \$50 on the higher end of the fee scale, telehealth represents “a significantly lower-cost alternative” to an urgent care or ER visit, he says, which typically range from several hundred to several thousand dollars, respectively.

Jason Gorevic, CEO of telehealth pioneer Teladoc, says the industry is being driven by higher demand for access to care because of an aging population and requirements under the Affordable Care Act. Another reason he cites is the proliferation of high deductible health plans, which is causing employers and payers to look for lower cost alternatives for their membership.

The result is a huge opportunity for telemedicine providers. Teladoc, the nation’s first and largest telehealth provider with more than 5,000 employer and health plan clients representing 11 million members, reported slightly less than 300,000 telehealth visits last year and is now on track to more than double that volume.

The company provides 24/7 access to about 700 U.S. board-certified internists, family physicians, pediatricians, or emergency physicians, as well as about 300 behavioral health professionals, across the U.S. via phone, mobile devices or video connections. Some additional specialties to this network, such as dermatology, are currently under consideration.

StatDoctors, a leader in patient-centered eHealth whose pioneering approach transcends acute care needs, saw its revenue grow 246% last year, while consultation visits soared more than 208%. The company now serves more than 1 million lives in 43 states.

Healthiest You, meanwhile, boasts that its 39% member-engagement level is significantly higher than typical telehealth utilization. The company’s membership doubled in the fourth quarter of 2014, while the number of employer groups it serves tripled.

Saving time and money

For many common ailments, including a simple cold or flu, pediatric earache, bladder infection, clogged sinuses or bronchial problems, Prendergast says symptoms can be explained over the phone or video, helping people avoid germ-infested waiting rooms where it’s estimated that 35% to 38% of them end up being exposed to another virus they didn’t already have.

To get a better sense of how its telehealth service was affecting absenteeism, Cleveland Metroparks studied the effect it was having on employees at a zoo it runs as part of its park system and found that the sick usage rate was reduced by nearly 50%.

“The reason why we got into it is we are a self-funded plan,” Harrison says, adding that the organization is always looking for ways to cut costs, but also improve its employee benefits package.

Of 210 calls that employees made to Teladoc last year, the satisfaction rate was in the 90% range, he says, noting that Cleveland Metroparks pays 90% of the cost of this service, which means employees are responsible for a \$10 co-pay, which can be further reduced if they fill out a survey afterward.

Of about 750 full- and part-time employees, which balloons to about 1,700 in the summer months, nearly 550 Cleveland Metroparks employees have taken advantage of the telehealth benefit since January 2013.

Included in the mix is CEO Brian Zimmerman, who was grateful late one night after discovering an allergic reaction to penicillin he’d taken following minor surgery. He was prescribed something to counteract the reaction without an office visit. Zimmerman often cites telemedicine as a contributor to higher morale and employee engagement.

Telemedicine also can be very appealing to primary care physicians who’ve seen “a tremendous downward pressure in their reimbursement rates,” Prendergast observes. He says doctors earn only \$15 on average for every patient they see after paying their nurses, physician assistants and clerical staff, as well as medical malpractice insurance premiums and miscellaneous office expenses.

Most telemedicine consultations clear about \$30 without any overhead, Prendergast says, while patients routinely express gratitude for the convenience of this service and an ability to avoid sitting around waiting rooms long past their scheduled appointment time.

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