TELEMEDICINE'S *Tipping Point*

Written by Bruce Shuntan

Virtual visits seen as growing part of more aggressive employee engagement strategies for self-funded health plans

Some medical visionaries, entrepreneurs and researchers believe the future of health care delivery is telemedicine, also known as telehealth, while skeptics label virtual visits between patients and providers impractical for certain cases and a threat to quality of care. Concern also has been expressed about traditionally low utilization of this service.

Whatever the case may be, there's little doubt about the format appearing especially palatable across the self-insured community.

A chief advantage of telemedicine for self-funded employers is savings and the potential to improve productivity and employee satisfaction because of the service's consumer-friendly nature, according to Mike King, chief sales officer of Teladoc, a pioneer in this field known as the nation's leading provider of telehealth services with 7,000 clients.

"When employees use the service and don't have to leave work to have a consultation, the employer isn't losing that employee for several hours while they make the round-trip to a visit," he explains. "We often hear from benefit managers this is the one benefit that they put in that they actually get thank-you notes from their employees, who are just amazed that a service even exists that they actually can get care 24/7 from home or work or whenever they need it."

Another advantage is that self-funded health plans brand their own telemedicine benefits for a more personalized touch, whereas fully insured plans communicate through health insurance carriers. "When we produce a welcome kit, for example, it's going to have the employer's brand on that kit," King explains.

In the self-insured model, there's a willingness to get more involved in ensuring that telemedicine companies engage their employee population, adds Adrian Davis, CEO of MYidealDOCTOR, a venture-backed mHealth company that seeks to blend technology with top-notch physicians. "Self-funded groups obviously have the capacity to structure those benefits in a way that incentivizes their employees to use the service," he says.

Rising to new heights

The U.S. telemedicine market is expected to reach $4.5 billion by 2018 – an eye-popping 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.

Employers are warming up to the concept, which could save them more than $6 billion a year in health care cost, according to a Towers Watson analysis. Industry observers say the trend clearly has reached a tipping point where it behooves self-insured employers to consider adding this option to their health plan, but also ensure that the benefit is being used by enough people.

Telemedicine is on track to becoming a mainstream employee health benefit. For example, these service offerings among 2,544 large employers polled surged to 59% in 2016 from just 30% the previous year, according to Mercer's National Survey of Employer-Sponsored Health Plans.

In addition, 90% of 133 large U.S. employers surveyed by the National Business Group on Health reported that they will make telemedicine available to employees in states where it is allowed in 2017. That represents a sharp increase from the current 70%. By 2020, the nonprofit group predicted that "virtually all large employer respondents will offer telemedicine," while utilization also is expected to increase steadily.

The rise of telemedicine is seen as part of a larger health care consumerism movement whose multiple moving parts present challenges for health plan management. A telemedicine call typically is $40 compared with $125 for a traditional office visit.

Fueled by star power

Some high-profile names are now associated with the telemedicine field. One of the nation's leading pop psychologists, Dr. Phil McGraw, co-founded a telemedicine

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company with his son, Jay McGraw, who's also executive producer of the talk show "The Doctors."

Their Doctor on Demand website describes the widespread lack of access to health care providers as "a massive, growing problem" in the U.S. It touts 24/7 video visits on smartphone or computers as an antidote to long wait times that mar primary care visits, which could take two to three hours from start to finish, and 25 days on average just to see a psychiatrist or psychologist.

Another key player in the industry is John Sculley, former CEO of Pepsi-Cola and Apple Computer who serves as vice chairman of MDLIVE. He once suggested that rather than rely on a political solution to health care challenges, the best approach in the U.S. is to empower consumers with tools such as telemedicine that place control in the hands of patients.

Despite the operational efficiencies that telemedicine brings to a time-challenged society, critics question whether the lower prices come with hidden costs. To wit: a chance that virtual visits could undermine quality and the sanctity of doctor-patient relations. Moreover, concern is mounting about virtually prescribing antibiotics for ailments that traditionally rely on lab tests or physical exams for a definitive diagnosis.

"Most physicians would never accept a phone call from a patient they haven't met and diagnose and prescribe medication for that patient," Greg Billings, executive director of the Robert J. Waters Center for Telehealth and e-Health Law, a nonprofit research group, told The Wall Street Journal.

"Yet that is a common practice for many 24/7 health-care services."

Be that as it may, the American Telemedicine Association predicted that its foot soldiers would generate 1.25 million visits by the end of 2016. Teladoc, nation's leading provider of telehealth services with 7,000 clients, surpassed a key milestone this past November with a record-setting101,600 monthly patient visits. Consults hit a daily high of 4,158, while 425 patient consults during the month's busiest hour translated into a visit every 8.5 seconds. The surge was attributed to member-engagement initiatives, along with access to abroad network of more than 3,100 board-certified, state-licensed physicians and behavioral health specialists and expansion into clinical specialties.

These numbers come at a time when the Centers for Disease Control and Prevention reported total flu visits in 2016 to be below the national baseline, which suggests the trend is gaining traction and acceptance.

Consult commonality

Medical conditions that are commonly treated virtually include anything from bronchitis, rashes, pinkeye and urinary tract infections. A growing number of Teladoc members are uploading up to three photos for physicians to review ahead of their "visualized" consultation. Images can be enlarged for a closer look and remain a part of each member's health record so they can be used for follow-up visits on the phone, a web-enabled secure video platform, , at times the medical condition dictating which platform is appropriate.

A key selling point of telemedicine is that it can help keep patients from flocking to emergency rooms, which obviously is where there's a propensity for skyrocketing costs. Having the benefit in place allows self-insured employers to increase their ER co-pay because it makes access to care easy and accessible, which King describes as "an extra lever around cost savings beyond just the savings the benefit is going to drive." If awareness and utilization of these services is high enough, then he says it's even easier to justify plan design changes.

The expansion of telemedicine services or applications may be limited only by a carrier's imagination. For example, Teladoc recently launched a unique feature that allows a three-way video consultation with an employee caregiver, aging parent and a physician who is based near that relative. Dermatology and behavioral health also represent areas of growth for telemedicine, which can have a far-reaching impact on the latter.

"If you think about behavioral health, there is a stigma to going, especially in smaller towns," King says. "For some individuals, there is still a sense of discomfort with the thought of being recognized when seeking behavioral health, and that can be avoided while patients confidently receive the services they need via telehealth." And with much of behavioral health being a cash-paid business with higher rates than treating physical ailments, he believes virtual care can go a long way toward helping people finally seek treatment.

A common critique of telemedicine is that employees simply aren't using the service that much. However, in an effort to drive significantly better utilization than the industry average, Teladoc sends a welcome

kit to every household when its service is launched, offers a marketing portal with employer-branded material and conducts social-media outreach. It also embarks on segmented campaigns around cold and flu season, as well as allergy season.

The strategy, which was elevated by Teladoc's recent acquisition of HealthiestYou, has paid off. Average utilization across Teladoc's entire book of business is between 5% and 6% and slightly more than 10% across mature clients in the employer business thanks in part to more effective use of mobile and smart-TV apps from the acquired company.

Paying dividends

Higher utilization is expected to leverage the value of telemedicine and from several vantage points. Claims-based analyses of the savings impact of Teladoc's services are "much more significant than people realize" at $500-plus, if not more in some cases, King reports. The data is based on five studies involving 30-day episode of care across various self-funded and fully insured populations with a close watch on ER admission rates. That's because ER visits can drive unnecessary procedures, hospital admissions and up-coding of patients at a higher level of illness severity. "If it's late in the evening and someone can't get transportation or have support at home, they might be admitted sometimes for observation for that reason alone," King adds.

MYidealDOCTOR customers are seeing a 3:1 to 4:1 ROI in terms of hospital, urgent care and primary care costs for so-called ICD-10 codes used to classify diagnoses, symptoms and procedures. About 80% of the company's virtual visits, which typically last about 10 minutes, are conducted over the phone, while the remaining 20% is through video conferencing. All behavioral health sessions are done strictly through video in either a 25 or 50 minute timeframe.

Davis attributes the result to a robust, consumer-centric engagement strategy that produces 38% annual utilization, which he says "is pretty much the highest in the industry." The effort includes follow-up care calls at 4 hours and 72 hours after each consult, which he says drives compliance and patient satisfaction, as well as helps reduce follow-up visits.

"When you drive utilization, you're reducing costs for that self-funded employer," Davis explains. "You're improving convenience and access for the employees." ■

Bruce Shutan is a Los Angeles freelance writer who has closely covered the employee benefits industry for nearly 30 years.