

TELEMEDICINE

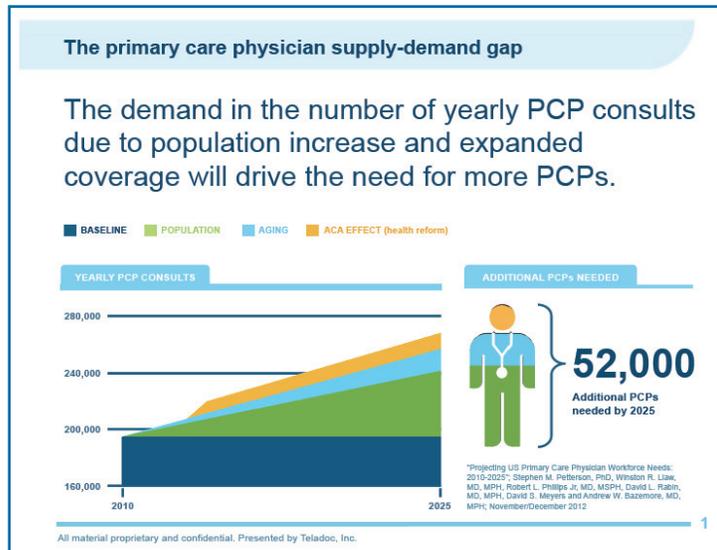
An Innovative Solution to Managing Healthcare Costs

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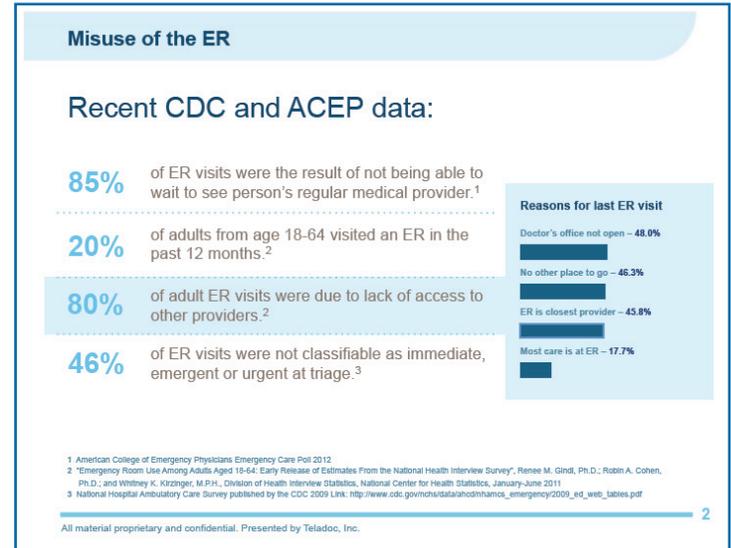
To say there's a problem with our health care system is an understatement. We're about to have a tidal wave of new consumers looking for doctors—approximately 30 million according to many experts. There's already a shortage of primary care physicians and the supply-demand gap is expected to increase.

In Massachusetts, where mandated insurance has been in effect for several years, the average time to see an internal medical physician is 53 days. Forty-seven percent of family physicians are no longer accepting new patients.

The number of those who use ERs as their health care providers is growing as well, with 85 percent of ER visits the result of not being able to see the individual's regular medical provider and 46 percent of those visits not classified as needing immediate or emergent care.



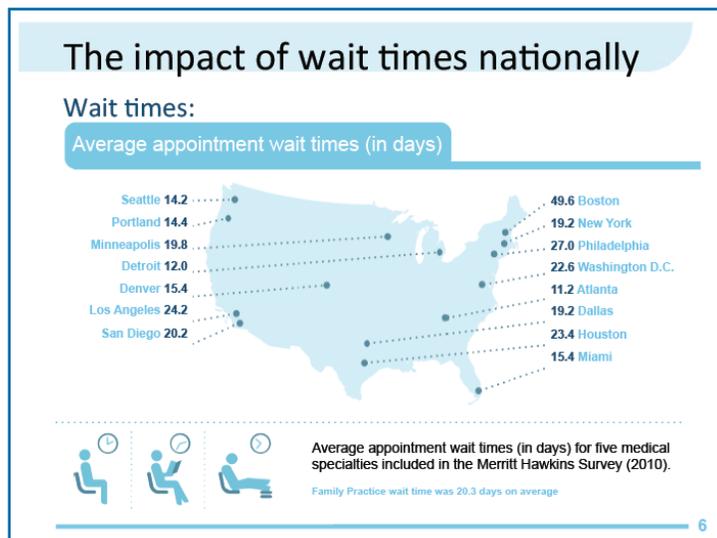
Wait times to see doctors are growing while those who are seen by their doctors are being rushed through their offices, often times spending over an hour in a waiting room filled with other sick people.



The bottom line is clear: our system is antiquated, inefficient and costly.

As a consequence of maintaining the status quo, we may even see more people ignoring symptoms and delaying treatment when they need it, resulting in more serious and costly medical complications. At the other end of the spectrum, we may see people leaving work for several hours just to get treatment for minor conditions, resulting in lost productivity and unnecessary costs for themselves as well as their employers. For self-insured companies, these scenarios have a direct impact on their bottom line.

A perfect storm is upon us and change is needed—the ideal opportunity for innovative solutions. Expect to see more physician assistants and nurse practitioners at your doctor's office; expect to see walk-in kiosks at your local pharmacy and grocery store; and expect to see ERs overflowing with non-urgent patrons.



You can also expect to see the emergence of telemedicine, considered by some experts, like the National Center for Policy Analysis, to have “the potential for restructuring medical care in ways that can solve many of the problems while reducing costs and improving quality of care.”

Telemedicine is quality health care made simple, on your terms, when and where you need it. It is an affordable alternative that allows individuals to resolve many of their medical issues 24/7/365 through the convenience of phone or online video consultations.

The telemedicine industry has been offering its services for several years and now it is being looked at in terms of providing solutions for three of the biggest issues in health care: timely access; lower cost; quality of care.

There are a handful of quality providers today with national networks of board certified physicians who can diagnose, treat and prescribe medications, when appropriate, for many medical issues and they can provide these services to individuals anytime from anywhere.

Emerging studies are showing that telemedicine can reduce visits to the primary care physicians by up to 64 percent and visits to urgent care clinics and emergency rooms by 15-35 percent. These are real numbers and represent a significant savings in both time and money. Satisfaction levels are high as well because telemedicine

is convenient, private, secure and available 24/7. Imagine, wherever you are, whenever you need it, a doctor is only a phone call or a click away.

Of course, there are those who question the proposition of replacing a personal doctor visit with a doctor by phone or video. This brings out the real questions of when should one use telemedicine. Telemedicine is not meant to replace the primary care physician, however, there are many times the primary care physician is simply not accessible. Think about one of these situations:

- When you need care now and can't get to a doctor
- Weekends and holidays when a doctor is not available
- When you have a non-emergency condition but need immediate attention
- When on vacation, away from home or on a business trip
- When you need a short-term prescription refill
- When you want a second opinion
- Many ask, “What can a doctor treat over the phone or online?” The fact is, most of what is treated over the phone and online are the same things your doctor treats routinely day in and day out—routine medical issues with classic symptoms.

What can it be used for?

Top 10 Diagnoses



- Sinus Problems
- Urinary Tract Infection
- Pink Eye
- Bronchitis
- Upper Respiratory Infection
- Nasal Congestion
- Allergies
- Flu
- Cough
- Ear Infection
- Headache and migraines
- Stomach aches
- Prescription refills

Prescription Management



- Electronic prescribing (SureScripts) or by phone if needed
- Frequency of prescribing similar to provider practice (about 75%)
- Use of antibiotics limited to short durations; patient education and physician reminders for appropriate use
- No prescribing of DEA-controlled substances, medication for psychiatric illness, or lifestyle drugs (i.e. erectile dysfunction, diet, etc.).
- Generic drugs are automatically recommended

A Long Awaited Solution for Employers

For employers, one of the biggest challenges over the past 25 years has been finding creative solutions to decrease absenteeism, increase productivity promote more responsibility and decrease overall health care costs. Corporate wellness has long been considered to be one of the solutions for this challenge, but many question whether these efforts have achieved the results hoped for.

Telemedicine, however, tackles this challenge from another direction. When employees call a doctor first, before leaving work or going to an ER, in over 90 percent of the cases they will be successfully diagnosed and treated. That means they aren't absent, they are being productive and they are eliminating an additional health care cost. They are also learning to have a little more control over their health care costs.

Our experience

Telehealth's time has come.

Here is an example of results from one provider:

97%

Member Satisfaction

150,000

Consultations

5+

Million Members

0

Malpractice Claims

1hour

Guaranteed Response Time

91%

Patient Issues Resolved

Based on TeleDoc reporting and member surveys

There are only two real challenges in making telemedicine work for your company:

A Communication Strategy: Companies that develop effective communication strategies to educate their employees about the convenience and applications of their telemedicine benefit will begin to see increased usage rates and an early ROI. The better the communication the more telemedicine will become integral to their overall cost containment strategy.

The Consult Fee—typically \$25-\$38: Almost all telemedicine providers charge a consult fee each time an employee calls the doctor. This has created a barrier in which employees are reluctant to use the program. Not knowing how effective telemedicine is, they don't want to pay for something they don't fully understand. They also

don't want to pay a doctor who might tell them they have to go to a clinic, where they'll have to pay again. As telemedicine goes mainstream and individuals face longer wait times and higher costs, this may not continue to be such a barrier.

In the meantime, there are currently several companies in the industry today that have created programs that address these challenges directly. They feature telemedicine and other valuable health and lifestyle benefits that offer medical consultations with no consult fees at all and provide turnkey programs, including comprehensive communication tools to help employers get the word out. They have simply developed a model that includes the cost of the doctor and eliminated that barrier altogether.

As we enter this new era of health care reform, we are seeing a trend in which employers are shifting more costs and more buying power to the consumer. More and more consumers will be selecting their own individual policies to fit their specific needs, going through private, state and federal exchanges. It is expected that we will see more individuals select higher deductible plans, thus accepting more responsibility for minor health issues. According to the Congressional Budget office, over 25 million consumers will change how they get their insurance in 2014. McKinsey Consulting predicts that number to be closer to 125 million.

Telemedicine can very well be a game changer as this trend unfolds. It can help employers get what they want—reduced absenteeism, increased productivity and decreased overall health care costs—and save employees hundreds, if not thousands of dollars a year in out of pocket costs. More importantly, it can provide easy and immediate access to healthcare for everyone—anytime, anywhere.

Remember, telemedicine tackles the biggest issues in the health care industry: timely access, lower cost and quality of care. I see the day in the not too distant future when we all “call first” before running off to the clinic.

About the Author

Jeff Marks has extensive knowledge in the health and wellness industries. He has spent 30 years working with fitness centers, corporations, insurance companies and governors' councils developing new strategies to promote wellness and manage health care costs through a variety of approaches. He now represents one of the country's largest providers of innovative health savings with a proprietary program called HealthPerx®.

The HealthPerx program offers a number of health and lifestyle benefits, all wrapped around its unique Telemedicine benefit, that can help both employers and employees save time and money and fill in many gaps in their health care plans. These are all “non-insurance” benefits that can complement any health care plan. For more information call (205) 222-4062 or email JMarks@HPerx.com.