

The Importance of Telehealth

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America's healthcare system is regarded as among the world's best, yet systemic problems with our traditional models continue to hamper effective delivery. Every person who has ever sat in a waiting room as the minutes ticked by, just to receive a 15 minute follow-up exam, simple referral, or routine assessment, has wondered why the health care system can't offer a more expedient way to deliver its service.

Today, organizations are faced with the ongoing challenge of minimizing healthcare cost increases while continuing to provide employees and their families with high quality, affordable coverage. Telemedicine offers a progressive solution. Defined as diagnosing, treating, or following up with patients at a distance, telemedicine focuses on moving information, not people. By including telemedicine in a benefit plan design, organizations can realize a tremendous return on investment while providing access to high-quality physicians anytime day or night. Telemedicine can decrease absenteeism, improve productivity, promote wellness and increase employee satisfaction with benefits.

Costs can be reduced as the healthcare system moves from in-person physical exams to virtual visits. The average cost of a visit to an emergency room is \$1,024 and the average cost of a primary care office visit is \$140.¹ Compare these costs to a \$55 telemedicine consultation with a board-certified, emergency trained physician at SwiftMD, the savings can become staggering. In a business case for lowering healthcare costs, a self-insured organization in New York City with 10,000 plan participants turned to SwiftMD for help. By replacing only 20 percent of Primary Care office visits and 20 percent of ER visits with SwiftMD's services, the organization conservatively estimated a \$4.7 Million savings in year one.

Excessive lab tests cost employers billions of dollars annually. During a routine medical checkup, patients have at least a 43 to 46 percent chance of undergoing an unnecessary medical test.² "Defensive medicine" may play a role in the excessive use of lab tests, but current reimbursement practices also support this practice. Physicians get paid a set amount from insurance companies or Medicare/Medicaid for every service that they do, which creates a financial incentive for ordering more tests. Of course, medical tests are useful and necessary. By starting with a telephonic consultation, however, lab tests are prescribed more appropriately, not as a routine reaction in all medical encounters—an approach that can relieve stress as well as save money.

Growing numbers of time-starved, cost-conscious patients, employees and health plan members who once waited for weeks to get a doctor's appointment or rushed to their local emergency department in frustration, are now turning to the Internet to receive healthcare on-demand. Lisa Koch, a working mother of three living in Arlington, VA, has used telemedicine to treat her son for a sport related injury. "Not only did we save money by avoiding an ER Visit, we avoided sitting in an emergency room for hours waiting to be treated. The convenience factor is just what the doctor ordered for our busy lives," said Koch. "The peace-of-mind knowing that my son's injury wasn't serious let me focus on the other important things in my life."

Consumers use the emergency room for primary care to avoid taking off from work costing employers millions of dollars annually. For privately insured individuals, 63 percent have used the emergency room because it is more convenient than going to the doctor's office and 51 percent use the emergency room because their symptoms occurred at night or on a weekend.³ According to the American Medical Association up to 70 percent of doctor office visits and 40 percent of emergency room visits were unnecessary. These conditions could have been handled effectively with a telemedicine consultation while matching the appropriate healthcare resource to the problem.

Employers realize savings and improve worker productivity from lower absenteeism attributable to employees seeking care via telemedicine. The American Journal of Health Promotion recently found a 26 percent reduction in healthcare costs and 28 percent reduction in sick leave absenteeism in companies with telemedicine and preventative health programs.⁴

Telemedicine can enhance wellness programs and preventive care. Focusing on prevention rather than the treatment of disease could stave off 40 million cases of cancer, heart disease, and other chronic illnesses over the next 15 years—a reduction that is estimated to reduce the cost of medical care and lost productivity by \$1.1 trillion, an amount equal to half of all healthcare spending in the US in 2005.⁵ Allowing consumers to schedule appointments that are convenient promotes this emphasis on preventative care.



Increasingly, employees are controlling how some of their health dollars are spent. Vehicles such as Health Savings Accounts (HSAs) and Flexible Savings Accounts (FSAs) allow consumers the ability to self-determine the best way to allocate their health resources. Employees have a greater investment in obtaining the best health care value in terms of convenience, quality, and economy.

Patients are willing to pay for the convenience of a telephonic consultation over an in-office visit. Patient satisfaction with telemedicine is extremely high. One study shows patient satisfaction with telephonic consultations to be 98.3 percent.⁶ Reasons given for patient satisfaction include the convenience, the comfort and privacy of consultations within the patient's home, and the security of having 24-hour monitoring and access to services.⁷

The future of healthcare is virtual and virtually unlimited for those who want to embrace change. The exam room of the future will be where patients are. Resources will be more intelligently matched to problems, with fewer unnecessary trips to offices and ERs. By using the internet and phone, individuals can connect with a doctor anywhere, anytime! Telemedicine transforms healthcare by delivering it better, faster and for less! Telemedicine is proven to improve productivity and decrease absenteeism, all while delivering quality healthcare on-demand.

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