

The rise of telemedicine  
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A tourist couple take a photo in an iconic red telephone box in Parliament Square as snow falls in London, Friday, Jan. 18, 2013. (AP Photo/Alastair Grant) A tourist couple take a photo in an iconic red telephone box in Parliament Square as snow falls in London, Friday, Jan. 18, 2013. (AP Photo/Alastair Grant)

Tim Bright's work as a well-site geologist for Denver-based Columbine Logging Inc. takes him from his home in Las Vegas to jobs all over the Rocky Mountain region. One Saturday in early November, Bright was preparing to go to an undeveloped job site in northern Nevada, where he would spend three weeks away from civilization.

Then he realized he didn't feel well.

"My throat was sore and my lymph nodes hurt," he says. "As time went on, I felt worse."

Going to his doctor would have meant not working on Monday—if he could get a Monday appointment—and when Bright isn't working, he doesn't get paid.

Going to the doctor from his job site wasn't a great choice, either.

"We live and work at the well site, working for a couple of weeks at a time, then taking a week off," Bright says. "You'd either have to go to the doctor when it's not your 12-hour shift, or call the boss to send in someone else to come take your shift. The boss is in Denver. I'm in the wilds of Nevada. Calling to get relief for just one day would not go over too well."

So Bright used his employer's new telemedicine benefit.

"I had a conversation with a nurse first, then a doctor called me back and wrote me a prescription for an antibiotic," Bright says. "At first I was a little hesitant, because you kind of feel like you want the doctor to see you. But basing a treatment on my description is pretty much what they do anyway at a doctor's appointment. The antibiotic worked, and I think this is a neat idea and a really useful tool for people like me who work way out there."

It's a useful tool for Bright's employer, too. Kurt Sonka, who is Columbine's vice president of accounting, says that in September, the firm began paying \$6 a month per employee for a telemedicine benefit from Chicago-based First Stop Health. Columbine offers the benefit in addition to a standard health package.

“A lot of our employees work remotely on oil rigs, so they might have to drive 100 miles to see a doctor,” Sonka says.

Talking to a physician by telephone lets workers get health care without leaving the job site, which would typically involve a day without pay. It also means the company doesn't have to put a project on hold while it finds and transports a substitute worker.

It's not a cure-all

To be sure, there's a lot things telemedicine can't do, from prescribing opiates to setting a broken bone or biopsying a suspicious lump. But for antibiotics, lower-strength pain medications, antihistamines, basic dermatology, forgotten medication, and questions about whether an in-person doctor's appointment is warranted, a doctor who is available by voice, Face Time, or Skype can be just the ticket, says Deb Loughlin, a principal at Digital Benefit Advisors in Colchester, Vt.

“They can triage stuff like hernias, which can be boring or an emergency,” Loughlin says, or suggest an over-the-counter medication that would help someone who can't easily reach a pharmacy or is traveling outside the United States, where American physicians can't prescribe.

Some people insist on seeing their own physicians, who have their complete medical records. Many more, however, are accustomed to having their needs met immediately through remote technology, particularly when they are nowhere near their regular physicians.

“People travel a lot more than they used to, and the things they need are often urgent, but not emergencies,” Loughlin says.

Other potential telemedicine clients include anyone who's away from home, whether traveling, working, or going to school; college-age adults who have graduated from a pediatrician's care but don't yet have an adult primary care doctor; people who work in the wilderness; individuals who are used to technology driving simple, immediate solutions; and anyone who can't easily take time away from work to visit a doctor.

A lot of people share an enthusiasm for telemedicine, it seems. According to a report from the Wellesley, Mass.-based market research firm BCC Research, the telemedicine market was worth an estimated \$11.6 billion in 2011, up from \$9.8 billion in 2009. Over the next five years, the market's compound annual growth will reach an estimated 18.6 percent, with the telehospital and teleclinic segments estimated to grow at 16.8 percent during that time period.

Growth spurt

First Stop Health is riding that growth. The Chicago-based company started in 2011 and launched its product in the autumn of 2012.

“Our goal is to make the cost of health care lower, especially as the cost of health care rises and high-deductible plans proliferate,” says company cofounder and CEO Patrick Spain. “This can help bring down costs, particularly with self-insured employers. Telemedicine doesn’t cost very much, but it’s an important potential way to save. The challenge is to take something that looks minor and sell it as a potentially major way to save. We want brokers to make it part of nearly every package they pitch.”

## Phones

The time is right for telemedicine, Loughlin agrees, “It’s definitely on the rise, driven primarily by economics, but also by culture. It’s more and more supported within regulation, and insurers are being told that they need to support it.”

A variety of bills around the country, both pending and final, will allow doctors to practice telemedicine across state lines and requiring carriers reimburse telemedicine services.

## Cost controller

On the economic side, Loughlin says, is telemedicine’s ability to tamp down the rising cost of health care by allowing consumers to use less face time with doctors. A company that offers workers telemedicine in addition to a standard medical plan, she estimates, might save 25 percent on medical costs. If the company is self-insured, that savings goes directly to the bottom line. If the company is fully covered, that savings likely translates to lower premiums.

Telemedicine saves money, experts say, because physicians charge less for a telephone call than from an in-person visit. About 50 percent of office visits are unnecessary, Spain says.

“The typical family of four goes to a doctor 14 times a year. Eight of those visits could have been handled over the phone. If someone uses telemedicine, even imperfectly, they might avoid four of those visits, at about \$100 a piece,” Spain says.

When his company road tested its product, “90 percent of the people who called got a reduction in the overall cost of their care, because they downgraded from emergency room to urgent care or didn’t need a visit at all,” he adds. “Only 10 percent of the calls were people that the teledocs couldn’t really help.”

Telemedicine also can increase worker productivity, because an employee doesn’t need to take half a day or more in sick time in order to deal with a medical issue. Because

telemedicine offers immediate access to medical professionals, workers aren't chained to their desks all afternoon, afraid to attend a meeting because they're waiting for a doctor to return their telephone calls.

"Doctors aren't typically paid for telephone calls, and people work around getting a call back from them," Loughlin says.

A lack of pay makes returning patient calls a low priority for many doctors. Others are simply overwhelmed by patient needs. A typical primary care doctor in Vermont might earn \$125,000 a year, Loughlin estimates. In the medical world, that's not a huge salary, so relatively few medical students choose primary care as a career.

According to a Nov. 7, 2013, article in the Wall Street Journal, only about 20 percent of medical students choose primary care specialties—pediatrics, internal medicine, and family medicine—as their focus.

That leaves too few primary care doctors taking care of too many people already, and the problem is only getting worse. Millions of formerly uninsured patients will buy insurance through the Affordable Care Act's exchanges, and ten thousand people will turn 65 every day for the next two decades. By 2020, the Association of American Medical Colleges predicts, the United States will be short 45,000 primary care doctors.

Those doctors would have acted as medical advocates, in addition to directly treating patients. Spain says telemedicine can help replace those services, too.

"If someone has a serious crisis and needs help getting information about treatment options, a telecom can give advice about whether that person needs a local provider or a center of excellence. Sometimes the wait can be a while at a center of excellence, and a medical advocate can sometimes cut down on the wait," Spain says.

More than meds

Administrative advocacy is another potential telemedicine service.

"A surprising number of medical bills are wrong, and not in your favor," Spain says. "One of our members was in a car accident and broke her leg. The emergency medical technicians called a helicopter to take her to the hospital, and then she got a \$42,000 bill for the helicopter ride. An ambulance would have been both faster and cheaper. So she called the telemedicine service. They did an analysis around whether the helicopter ride was medically necessary, and they got the bill down to less than a tenth of the original amount."

To realize all these benefits, employers, brokers, and providers need to persuade workers to use telemedicine as a first responder. That may not be easy.

“When we started rolling this out to employers and agents, nine of 10 customers had never heard of telehealth. The brokers were familiar with it, but sometimes not in a positive context, as telemedicine used to be sold as a low-cost benefit that hardly anyone used,” Spain says. “In one case, we talked to an employer who had telehealth for about 300 employees for three years. In those three years, no one had called.”

So First Stop Health uses a different approach. The company sends emails, offers webinars, and issues reminders such as stickers and magnets to dispersed workforces.

“We want our customers’ employees to use this,” Spain says, adding that his company aims for 20 percent participation—“not the usual 1 percent to 2 percent. If we get 15 percent to 20 percent of employees to use the service at self-funded employers, the investment will be repaid three to four times.”

It’s still early, Spain emphasizes, but so far about 70 percent of contacted brokers seem interested in selling the benefit. Time will tell how quickly it catches on.