

Telemedicine: A Resource Guide



Overview

At the intersection of health care and technology lies an important tool that is already opening the doors to quality health care for millions of Americans, with the potential to help millions more: telemedicine.

Telemedicine, formally defined, is the use of medical information exchanged from one site to another via electronic communications to improve a patient's clinical health status.¹ As technology changes and expands daily, there are an increasing number of tools available through which patients and providers can communicate, including online videochat apps like Skype or Facetime.

Telemedicine offers a personalized and convenient alternative to visiting an emergency room, urgent care center, or doctor's office for non-emergency medical needs. The use of telemedicine has already proven successful in reaching rural or underserved populations, helping to better manage chronic conditions, achieving cost-savings for consumers, and reducing the number of unnecessary hospitalizations. As it stands, more than 60 percent of health care institutions in the United States

already use some form of telehealth, and between 40 and 50 percent of all hospitals in the United States currently employ some form of telehealth.²

TAHP supports the use of telemedicine to improve access to health care and convenience, while also reducing health care costs. Many TAHP members have already made significant strides in providing telemedicine services to their members.

As policymakers debate the future of telemedicine in Texas, TAHP will be advocating for free-market principles that allow the telemedicine industry to grow and become a more viable option for Texans to access quality, convenient and low-cost health care services for appropriate medical needs. TAHP does not support limiting access to or stifling the growth of telemedicine through overly restrictive regulations, artificial barriers, or benefit, contract or rate mandates that encourage unnecessary and costly emergency room visits, hospital admissions, tests or procedures, and higher premiums costs for Texans and their employers.

Telemedicine: Time-Saver & Cost-Saver

As it stands, one-sixth of our national economy is devoted to health care spending (\$3.1 trillion in 2014 alone), and experts agree that as much as 30 percent of health care spending is wasteful, inefficient or redundant.

Today, many patients seek care at traditional or freestanding emergency rooms for medical situations that could in fact be treated at a walk-in urgent care center or traditional doctor. One study found that 80 percent of emergency room visits are due to patients lacking access to a primary care physician.³ In fact, more than 90 percent of consumers seen by freestanding emergency rooms are discharged home and not to the hospital. This trend is resulting in higher costs and less time for ER providers to spend with those who are truly in emergency situations. For those with more simple, routine health care needs, telemedicine offers a valuable alternative that reduces the need for unnecessary follow-up visits or hospitalization, offers dramatically shorter wait times, and results in lower out-of-pocket costs for the consumer.

What would it have cost?

ACTION	AVERAGE COST
ER Visit	\$1,477
Teladoc	\$40
	\$1,437 Savings
Urgent Care	\$163
Teladoc	\$40
	\$123 Savings
Specialist	\$196
Teladoc	\$40
	\$156 Savings
PCP Visit	\$131
Teladoc	\$40
	\$91 Savings

Source: Teladoc, Telehealth and Clinical Quality, April 2014

Patients using telemedicine for uncomplicated health care needs are avoiding the hassles of ER/hospital visits and unnecessary follow-up appointments:

- Telemedicine eliminates nearly 1 in 5 emergency room visits.⁴
- 90 percent of telemedicine visits require no additional care by a primary care physician.⁵
- To the contrary, 13% of all traditional doctor's office visits and 20% of all trips to the ER require a follow-up visit. For 97 percent of telemedicine visits, doctors, physician's assistants, or nurse practitioners are able to make a definitive diagnosis and treatment recommendation.⁶
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- Patients who are diagnosed and treated through a telemedicine visit are 34 percent less likely to require additional care for the same condition at a "brick and mortar" office, and 68 percent less likely to seek treatment at an ER.⁸

Telemedicine brings down costs. Consider the following costs to consumers:

- Average cost of an ER visit: \$2,168.⁹
- Average cost of an urgent-care visit: \$150.¹⁰
- Average cost of first-time visit at traditional doctor: \$82.¹¹
- Average cost of a telemedicine visit: \$40.¹²

Just as importantly, telemedicine offers a faster alternative to patients, many of whom cannot afford to miss work for a long doctor's appointment, are home with multiple children, or have to travel long distances to visit a doctor.

Consider the following wait times for patients seeking medical care:

- Average wait time to get an in-person doctor's appointment: 20 days.¹³
- Average wait time to get an in-person appointment with a specialist: 18 days.¹⁴
- Average wait time in the doctor's office prior to being seen: 84 minutes.¹⁵
- Average wait time to get a telemedicine visit: 2 minutes.¹⁶

Telemedicine: Expanding Access to Care

Juggling jobs, children, education and more, nearly 75 percent of patients recently surveyed indicated that access to health care services was more important than actually having an in-person interaction with a health care provider.¹⁷ As physician shortages grow across the country and especially in Texas, which has 425 designated Health Professional Shortage Areas,¹⁸ access to health care is becoming a chief concern for many Americans.

In the same survey, 70 percent of patients said they were comfortable communicating with providers via text, email, or video, in lieu of an in-office visit. In addition, nearly 60 percent of doctors are willing to conduct a video visit with

their patients, according to a nationwide survey of more than 2,000 primary care physicians.¹⁹

Consider the figures for one large national provider of telemedicine services; the figures tell us that many of the patients who used their services may have not otherwise seen a provider:

- 34 percent of telemedicine visits occur on weekends and holidays.²⁰
- More than 20 percent of patients had not seen a health care provider in the prior year. (Footnote: Rand Study on Telemedicine, February 2014.²¹)

Telemedicine: Ensuring Positive Health Outcomes

Not only does telemedicine open the doors to health care services, saving time and resources, years of studies indicate it produces the same diagnostic accuracy and as good as or better outcomes for patients as in-person medical visits. One major study found that more than 90 percent of health outcomes in telehealth cases were as good as or better than traditional care.²² At the same time, telemedicine is not meant to be viewed as a

replacement for in-person care but instead as a complement to it and an extension of in-person care. Telemedicine providers maintain the same required training, credentialing and clinical standards as all other traditional providers. Telemedicine is an important piece of the integrated care solution that seeks what is best for reach individual patient.

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Telemedicine allows us to achieve the goals of the ‘triple aim:’ enhanced patient care and a better patient experience in a more cost-effective manner.

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Natasa Sokolovich, JD, MSHCPM, executive director, Telemedicine at the University of Pittsburgh Medical Center

One area where telemedicine has the potential to dramatically improve outcomes for patients is in diabetes screenings. Early detection and treatment is key to prevent blindness from diabetic retinopathy. However, a recent study by the University of Michigan Health System found that fewer than 65 percent of U.S. adults with diabetes undergo screening. Of those surveyed, only 3 percent had heard of telemedicine. Once telemedicine was explained, 69 percent believed telemedicine could be more convenient than traditional one-on-one exams with a specialist. The study's bottom line: If telemedicine services are convenient, patients will use them.²⁴

Another area where telemedicine can improve the patient experience and outcomes is in elderly care. For elderly individuals, hospital stays present a unique set of challenges. They often

deteriorate either mentally or physically in the hospital, even if they recover from the original illness or injury that brought them there. Many times, with their immune systems compromised, the elderly will contract additional illnesses while in the hospital. Research shows that roughly one-third of patients over 70 years old and more than half of patients over 85 leave the hospital more disabled than when they arrived.²⁵

At Presbyterian Healthcare Services in Albuquerque, New Mexico, staff adapted the “Hospital at Home” telehealth model developed by the Johns Hopkins University Schools of Medicine and Public Health to provide acute hospital level care in patients' homes. Research shows that patients who participated in the program showed comparable or better clinical outcomes compared with those who were treated inpatient.²⁶

How Health Care Providers Are Using Telemedicine To Improve Outcomes

- **Field nursing:** Instead of constantly readmitting patients with chronic health issues, some hospitals provide specially trained nurse-practitioners with iPads and mobile applications that enable them to visit patients in their own homes. The field nursing approach is a cost-effective way of providing patients with the ongoing follow-up care they need while reducing hospital readmission rates.
- **Telepresence clinics:** Pain management is one of the toughest clinical challenges hospitals face — and one of the biggest quality-of-life issues for patients. It can also contribute to high readmission rates. To address this challenge, one large healthcare network in California invested in a telepresence facility where it can run sophisticated pain-management seminars.
- **The virtual nursery:** A hospital specializing in premature births is using technology to overcome the heart-wrenching problem of parents who can't have close contact with their newborns because their babies' conditions are too delicate. In this case, a two-way audio/video feed enables parents to see their incubated preemies and speak comfortingly to them at any time of the day or night, resulting in better clinical outcomes and reduced emotional distress.

CDW Solutions Blog, "Telemedicine: Much More Than Remote Diagnosis," June 2015



Trends in Telemedicine

Consumers across the country are increasingly seeking out telemedicine services. It has been projected that telehealth services will rise from 19.7 million visits in 2014 to 158.4 million by 2020—a roughly 700 percent increase.²⁷

Currently, hundreds of thousands of Texans have access to telehealth through their health plans. One of the nation's largest insurers, United, began providing telemedicine visits in 47 states in 2016, expecting to offer these services to 20 million customers. Oscar, a new health insurance company selling product in Dallas, is offering unlimited access to telehealth with no co-pays or deductibles for all of their enrollees.

Employers are seeing the benefits of telemedicine as well. According to a new report from the National Business Group on Health, nine in 10 large employers (in states where telemedicine is legal) will make telehealth services available to their employees next year, up from seven in 10 this year.

Why is Texas a Strong Market for Telemedicine?

There are a number of factors that make Texas a likely and strong market for telemedicine. Access to care is a crucial problem, with Texas leading the nation in the number of uninsured and consistently achieving low marks for doctors per capita. The Texas Medical Association reports that there are about 186 physicians for every 100,000 residents, falling far below the national average of 236 per 100,000.

Telemedicine creates efficiencies that allow Texas-licensed physicians to treat more patients. It expands the reach of physicians into every corner of our vast and diverse state. Unfortunately, the State of Texas has not been quick to embrace and expand the use of telemedicine. These hindrances come at a time when many Texans are forced to travel long distances or wait days or weeks to see a physician. Texas' critical physician shortage is not just limited to rural areas; urban areas across the state are also experiencing shortages and seeing long waits to see primary and specialty care providers.

New research by the Texas Association of Business (TAB) indicates Texans are eager to have greater access to telemedicine. In 2016, TAB surveyed 600 registered Texas voters to understand their viewpoints on telemedicine and their use of health care. Key findings of the results include:

- 70 percent of Texans favor the use of telemedicine to diagnose common medical conditions.
- 25 percent of Texans have used an emergency room to treat such common conditions – a much more costly and time-consuming alternative to telemedicine.
- 51 percent of Texans believe that access to health care providers has gotten more difficult.
- 24 percent of rural Texans have to drive 30 minutes or more to get to the doctor's office.
- 23 percent of Texans have to 14 or more days to see their doctor.

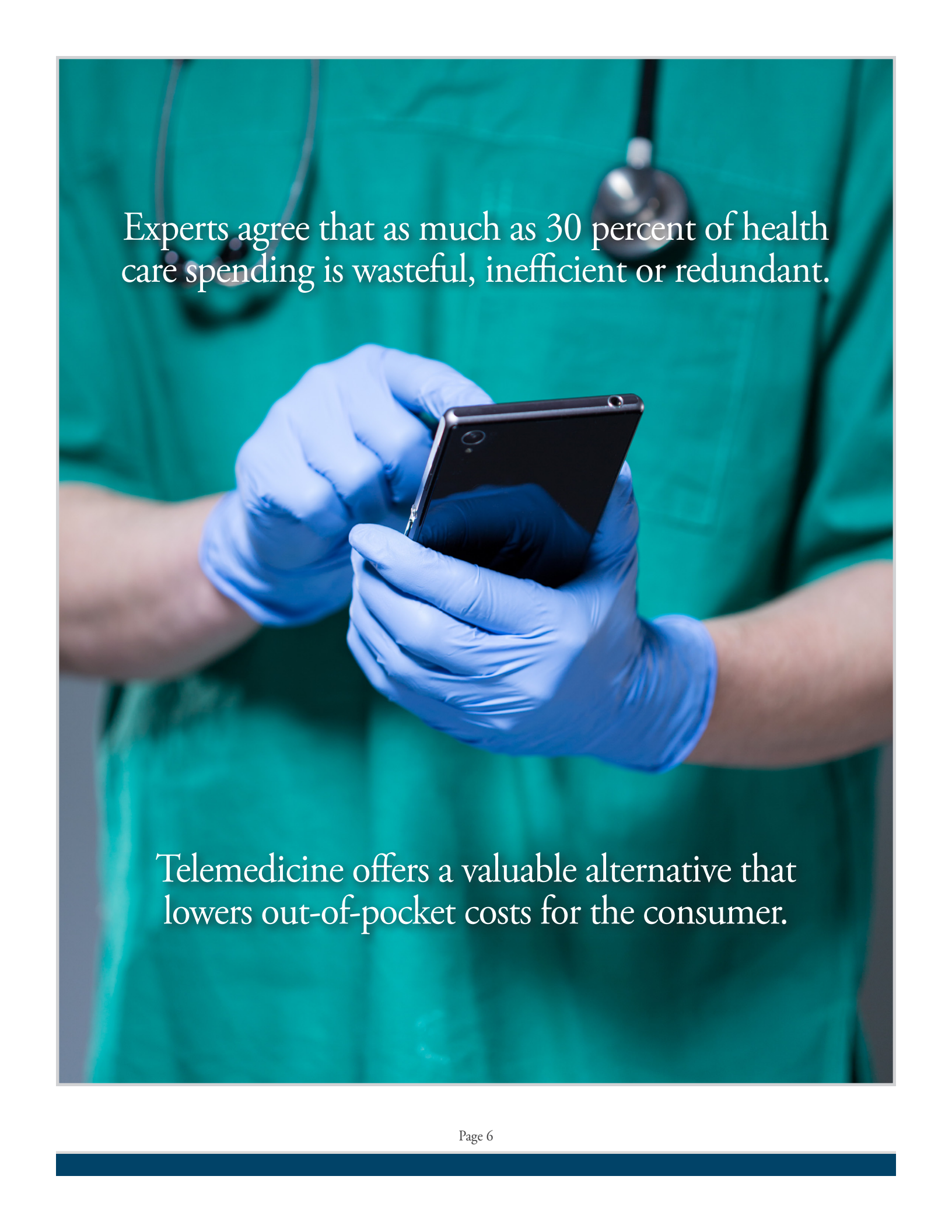
TAB also surveyed 159 of its member businesses, the majority of which are small businesses. Key findings from that survey include:

- 77 percent favor the use of the telemedicine to diagnose common medical conditions.
- 70 percent believe that access to health care providers has gotten more difficult.
- 18 percent of companies offer telemedicine as part of their employee health benefits package.

- 100 percent of companies that currently offered telemedicine as a benefit plan to continue offering it and 24 percent have plans to expand the benefit.
- 66 reported positive feedback on employees' experience using telemedicine and 0 percent reported a negative response from employees.

Health plans are looking for ways to expand, not limit, the use of telemedicine in Texas and so are the employers they serve. On the national level, powerful economic, social, and competitive forces have fueled the quick market adoption of telemedicine, including, most notably, the growing consumer demand for more affordable and accessible care. Telemedicine brings increased access, choice, and convenience to consumers. As a result, consumers are increasingly using and seeking out these services, and employers and health plans are rapidly adopting and expanding access to these services. The private market is working to ensure consumers have access to telemedicine. The Texas Association of Health Plans does not support limiting access to or stifling the growth of telemedicine through overly restrictive regulations or benefit/rate mandates that encourage inappropriate utilization and increase premium costs for individuals and employers.



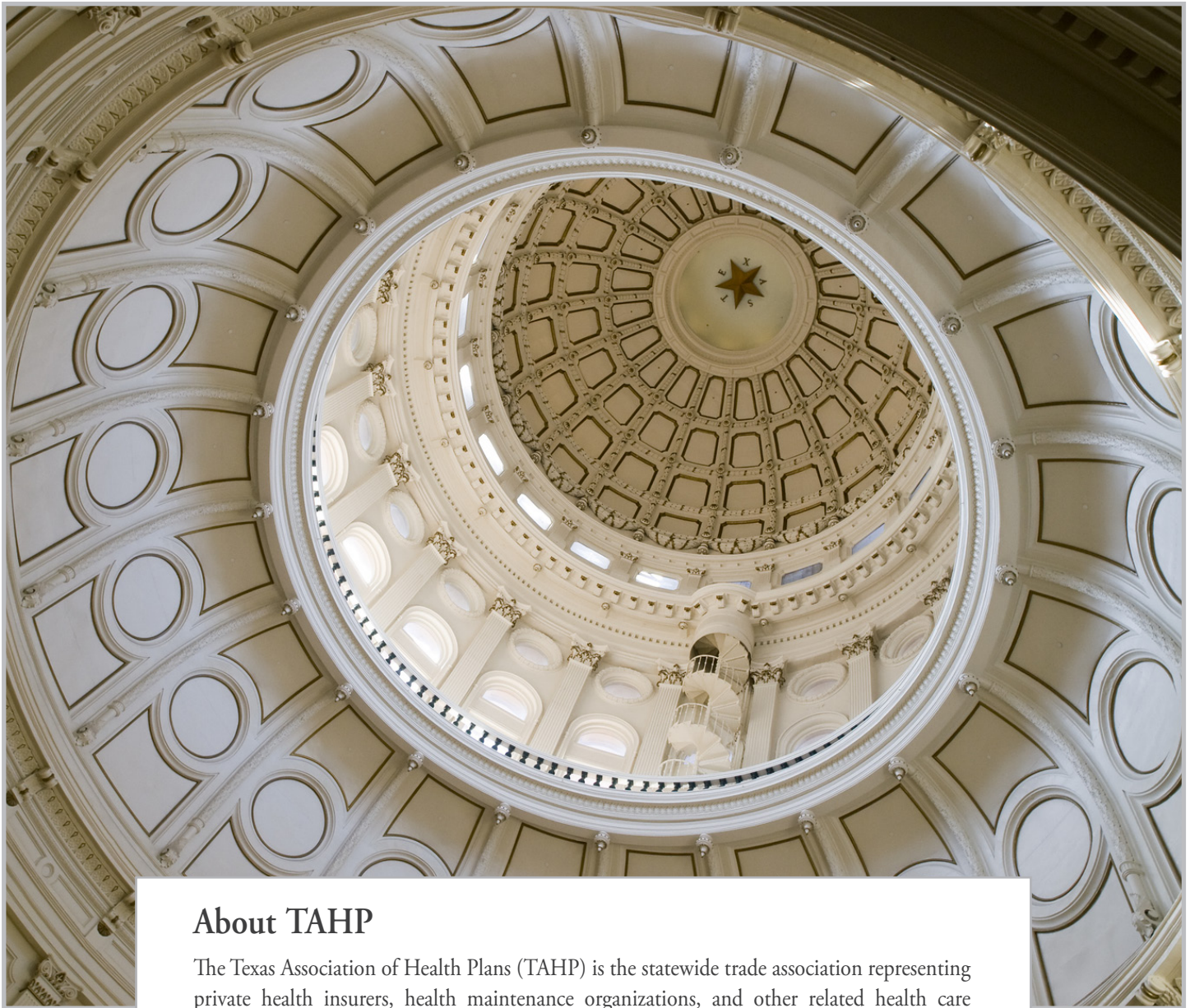
A close-up photograph of a healthcare professional wearing teal scrubs and blue nitrile gloves. The professional is holding a black smartphone with both hands, looking at the screen. A stethoscope is visible around their neck. The background is a solid teal color.

Experts agree that as much as 30 percent of health care spending is wasteful, inefficient or redundant.

Telemedicine offers a valuable alternative that lowers out-of-pocket costs for the consumer.

Sources

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About TAHP

The Texas Association of Health Plans (TAHP) is the statewide trade association representing private health insurers, health maintenance organizations, and other related health care entities operating in Texas. As the voice for health plans in Texas, TAHP strives to increase public awareness about our members' services, health care delivery benefits and contributions to communities throughout the state.

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