

## The cost reduction and healthcare service benefits of Telemedicine

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You're probably familiar with Telemedicine, the use of electronic communication to exchange medical information either from patient to physician or between doctors. But did you know Telemedicine is helping to solve healthcare access problems and drive down the cost of care?

Telemedicine is capturing a lot of attention from employers recently, and with good reason. Medical costs are expected to continue to trend upward in the near future; PricewaterhouseCoopers Health Research Institute projects an increase of 6.5% in 2014. More employers are also implementing consumer-driven healthcare plans (CDHPs), which increase out-of-pocket medical expenses for plan participants. The rise in CDHP use is prompting both employers and employees to look for ways to offset out-of-pocket costs.

An overlooked solution is Telemedicine. While Telemedicine has been around in one way shape or form for a long time, advances in communication technologies and the **Affordable Care Act's (ACA)** focus on efficient and cost-effective care have helped reshape this approach to healthcare delivery. Telemedicine has come a long way from connecting patients in far-off places with a doctor possessing a particular expertise. Today, Telemedicine puts a subscriber (i.e., an employee) in touch with a U.S. board-certified physician to treat non-emergency illnesses. Telemedicine gives the patient direct access to a doctor 24 hours a day, seven days a week and 365 days a year. The consultation can take place by a phone call, email or a web-based video call, and may include discussing symptoms, treatment options and prescriptions. Telemedicine consultations are a supplement for non-emergency treatment and visits to a primary care physician.

### **What's the advantage for employers?**

Including Telemedicine as a part of an overall portfolio of group employee benefits has become an important healthcare cost containment tool. Telemedicine reduces office co-pays for employees and claim costs to the employer's group healthcare plan. In a study<sup>1</sup> of 17,000

telemedicine participants, hospital admissions dropped by 30% and doctor visits were reduced by 60% for a savings of 45% in unnecessary doctor and emergency room visits.

The American Medical Association (AMA) states that 70% of doctor's office visits can be handled over the phone and 50% of ER visits are non-emergencies. Telemedicine's savings in claim costs range from \$300 per year for a single employee or more than \$1,000 per year for a family of four.<sup>2</sup> Rent-A-Center, a nationwide furniture rental company, saved approximately \$800,000 in direct healthcare costs and employee productivity through the use of Telemedicine.<sup>3</sup>

### **What's the advantage for the employees?**

Telemedicine provides a subscriber with quick access to a doctor over the phone, email or video call. It has been found to be an efficient route to care—97% of patients are treated in their first dial-in attempt with an average response time of eight minutes.<sup>4</sup> This option can often eliminate visits to a primary care doctor, urgent care center, or ER and the high costs associated with those visits.

But it's important to note that all workers in an organization—those who qualify for group benefits and those who do not—can benefit from using Telemedicine. A Telemedicine program can be bundled into your group medical insurance coverage or offered as a **voluntary benefit**. For employees who can't afford to pay the premium for group benefits, or who are part-time, 1099 contract workers, or seasonal, Telemedicine can give them direct access to affordable healthcare.

### **Implementing the program**

A successful Telemedicine program begins with changing employee behavior toward accessing medical care. The implementation of a program should include a well-designed employee education and communication campaign on the benefits of using this service.

Employers should choose a broker/consulting partner with a proven track record of designing and implementing communication and education campaigns that increase awareness and engagement in benefit programs. This will ensure a successful implementation and put both the employer and the employee in the best position to reap the benefits of Telemedicine.

<sup>1</sup>. Case study conducted by Ameridoc, [www.ameridoc.com](http://www.ameridoc.com)

<sup>2</sup>. "Telemedicine Means Great Discounts," Employee Benefits Advisor, [www.eba.benefitnews.com](http://www.eba.benefitnews.com)

<sup>3</sup>. "Telemedicine Moves Into Mainstream as More Employers Offer It." [www.TLNT.com](http://www.TLNT.com).

<sup>4</sup>. "Could Telemedicine Be a Game Changer?" Employee Benefits News. [www.ebn.benefitnews.com](http://www.ebn.benefitnews.com)