Special Report

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Telemedicine and Telehealth:
A simple solution for employers’ most critical health care challenges.

Advanced technology is used in virtually all areas of medicine, from research to diagnosis and treatment to administrative tasks. It also is used in the delivery of health care to consumers. Known as both “telemedicine” and “telehealth,” this new approach enables employees to receive medical care virtually anywhere, anytime, on demand. Please note that “telemedicine” has well-defined meanings in different states. Telehealth is the broader term. This is what CMS and American Telemedicine Association state:

“Telemedicine” and “Telehealth” Defined

“Telemedicine” is the “use of medical information exchanged from one site to another via electronic communications to improve a patient’s health.” Such electronic communications include two-way, real-time interactive communications between a patient and a distant site physician but does not include telephone or facsimile.

Closely associated with telemedicine is the term “telehealth,” which is often used to encompass a broader definition of remote health care, including the use of the telephone, that does not always involve clinical services.

Telemedicine and telehealth are not a separate medical specialty. Products and services related to telemedicine and telehealth are often part of a larger investment by health care institutions in either information technology or the delivery of clinical care. Even in the reimbursement fee structure, there is usually no distinction made between services provided on site and those provided through telemedicine or telehealth and often no separate coding is required for billing of remote services.

Telemedicine and telehealth encompass different types of programs and services provided for the patient. Each component involves different providers and consumers.

Telemedicine and telehealth are more than a nurse helpline. Employees receive one-on-one consultations with state-licensed physicians by phone or via online video conferencing. Doctors have access to the employees’ health histories and can diagnose medical issues and prescribe medications.

Already millions of employees enjoy the benefits of telemedicine and telehealth, and each year more U.S. businesses offer telemedicine and/or telehealth as part of their health benefits. Telemedicine and telehealth hold the promise of:

- Excellent quality of convenient care
- Lower health care costs
- Faster access to medical care
- Reduced absenteeism
- Improved productivity
- Increased employee satisfaction

This brief explores how telemedicine and telehealth are helping employees and businesses solve their greatest health care challenges. For more information about telemedicine and telehealth and what it can mean to your business, please call 1-855-362-6625.
In the national health care discussion, “access to care” has focused on low-income Americans and the uninsured. The fact is that all Americans—even those paying high premiums for quality health plans through their employers—can have trouble getting the care they need, when they need it.

The cost to businesses is high. Without care, sick employees stay home, resulting in higher costs of absenteeism. Perhaps even worse, sick employees go to work. In addition to reduced productivity, they spread illness to their colleagues, which significantly exacerbates the problem.

The cost to employees is high, too. Unable to get the care they need, minor health problems can become bigger medical issues, leading to increased costs and a lower quality of life.

**Employees wait days—even weeks—to see the doctor.**

It doesn’t matter where you are or who you are. Getting in to see the doctor isn’t fast or easy. Here’s a look at average wait times at major metropolitan areas across the country.¹

The map above shows the average appointment wait times (in days) for five medical specialties: cardiology, dermatology, OB/GYN, orthopedic surgery, and family practice.

Bad as this looks, it gets even worse. The physician-to-population ratios in these metropolitan areas are traditionally some of the highest in the country.¹ If it takes weeks to see a doctor in these areas, the problem can be expected to be worse in areas with fewer physicians per capita.
Telehealth Solution #1: Improve access to care.

While health care reform is intended to improve access to care for certain segments of the population, mandated insurance could worsen the problem in general. Massachusetts provides a glimpse of the impact of mandated insurance:

- Average wait time to see a Boston physician: 49+ days¹
- Family medicine physicians no longer accepting new patients: 40%²
- Internal medicine physicians no longer accepting new patients: 56%²

Massachusetts offers a cautionary tale: The expansion of coverage was not matched by growth in primary care capacity. As a result, visits to emergency departments increased.³

Telehealth delivers shorter wait times, better access.

Instead of taking days or even weeks for a doctor’s appointment, telehealth provides timely access to medical care. Through personal telehealth consultations, employees get quality care from a licensed physician, delivered faster and more conveniently.

Compare the wait times above to the average wait time for a personal consultation with a physician from the leading telehealth company, which provides access to telehealth physician consults:

![Average callback time from a leading telehealth company: 22 minutes from anywhere in the country](image)

In addition to the dramatically shortened wait times, telehealth offers the ability to consult with a doctor from anywhere 24/7. This is more than a convenience: It’s a benefit for employees and employers alike. Employees can consult with physicians:

- **After normal office hours**
  No time away from the office, reduced absenteeism

- **On a vacation or business trip**
  Employees return to work healthy, rested and productive

- **24 hours a day**
  Ideal for pediatric care without parents taking time from work


“This is an unsolicited statement concerning how Teladoc saved my life.

Due to an unusual circumstance, I was not taking care of myself physically. Over time, it began to catch up with me. Over the course of a week, I started getting erratic heartbeats, and it felt like my heart was going to jump out of my chest. But my heart also felt bruised. The pain stretched into my left arm, to below my elbow.

I was too busy to go to the doctor; I just didn’t have time for it. When the pain started getting really bad, and I realized I needed a doctor, it would have been a minimum of 48 hours before I would have gotten to see my doctor—I would have taken a day off work. I was telling myself, “Well, I’ll get better any day now.”

It got to the point one evening where I just called the Teladoc service. I didn’t have to take time off work. I just wanted to make the call and talk to a doctor to see what he said. Within 30 minutes, a local doctor called me back.

I explained to the doctor the circumstance and my symptoms. The doctor asked me a bunch of questions and quickly identified that I was experiencing the beginning stages of a heart attack. He was very clear with me that I had to immediately go to the emergency room. I would definitely not have done this if I did not call Teladoc, because I did not understand the severity of the situation.

At the emergency room, I received a battery of tests that confirmed what the Teladoc doctor said—I was in the beginning stages of a heart attack, and had I not gone to the hospital, it was almost certain that I would have experienced a massive heart attack in the next 24 hours.

Because it was so easy to call Teladoc and find out about these symptoms, that’s probably why I’m here today. I really believe that if my employer didn’t give me the Teladoc service, I might not have celebrated my 39th birthday last week. My body is now recovering, and my health has improved thanks to Teladoc and the ER doctors.”

— James F.
Telehealth Solution #2:
Lower health care costs.

Total national health care expenditures reached $2.3 trillion—or $7,681 per person—in 2008, and are expected to reach $4.4 trillion by 2018.\(^5\) Health care costs for employers and employees are rising at twice the rate of inflation.\(^6\)

Since most Americans get their health coverage through their employers, businesses are being hit the hardest by high and rising costs. In 2011, a 9% rise in medical costs is projected for employers.\(^7\)

One of the factors fueling this rise in cost is the lack of access to care. Unable to get a timely appointment with their primary care physician, employees turn to more expensive urgent care and emergency care providers. Only 55% of emergency room visits are considered to be emergent or urgent.\(^8\)

One of the biggest barriers to acute care in primary care practices is the many office-based practitioners’ busy schedules. This makes same-day scheduling and other efforts to ensure access extremely difficult.\(^3\) In addition, only 40 percent of primary care physicians see patients after hours.\(^9\) Thus, patients go to an emergency room.

Telehealth provides a more affordable option for non-emergency health care. In addition, it helps open up emergency rooms and urgent care centers to take care of people with true emergencies.

**Telehealth can significantly reduce claims costs.**

Without the overhead and personnel expenses of traditional office visits, telehealth has the potential to significantly reduce the cost of delivering health care.

A leading telehealth company, which provides access to telehealth physician consults, surveyed its patients regarding their care options. If they had not used telehealth, they would have used:\(^10\)

- Primary care physician: 53%
- Urgent care: 23%
- Emergency room: 9%
- Specialist visit: 2%
- Done nothing: 13%

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<tr>
<th>Case Study</th>
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<tr>
<td><strong>Type of business:</strong></td>
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<td><strong>Size:</strong></td>
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<td><strong>Employees:</strong></td>
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<td><strong>Implementation:</strong></td>
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<td><strong>Results:</strong></td>
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In addition to providing employees with faster access to care, telehealth delivers dramatically lower claims costs for employers. Data illustrate the savings possible:

<table>
<thead>
<tr>
<th>Action</th>
<th>Average cost of visit</th>
<th>Cost of telehealth consultation</th>
<th>Average savings per consultation</th>
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</thead>
<tbody>
<tr>
<td>Primary Care Physician visit</td>
<td>$100</td>
<td>$38</td>
<td>$62</td>
</tr>
<tr>
<td>Specialist visit</td>
<td>$120</td>
<td>$38</td>
<td>$82</td>
</tr>
<tr>
<td>Urgent Care visit</td>
<td>$150</td>
<td>$38</td>
<td>$112</td>
</tr>
<tr>
<td>Emergency Room visit</td>
<td>$750</td>
<td>$38</td>
<td>$712</td>
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Average savings per consultation $119.40

Loss of productivity (4 hrs. lost @ avg. wage of $35/hr.) $140.00

TOTAL SAVINGS PER CONSULTATION $259.40

In addition to reducing claims costs, telehealth can help reduce the cost to businesses caused by absenteeism. The average employee visits an office-based physician approximately 3.4 times per year. Telehealth lets them call right from work and pick up a prescription at a local pharmacy.
Telehealth Solution #3: Increase satisfaction.

Not surprisingly, high costs and lack of access to health care can lead to dissatisfaction with our entire health care system. Telehealth has the potential to remedy many of the issues that contribute to this dissatisfaction. For employers, adding telehealth to the company’s benefits package can lead to greater employee satisfaction.

Based on internal data and member surveys, a leading telehealth company, which provides access to telehealth physician consults, reports:

- Member satisfaction: 97%
- Physician satisfaction: 97%
- Patient issues resolved: 91%
- Malpractice claims: 0

In fact, telehealth may be one of the only solutions that can significantly help reduce costs while increasing employee satisfaction. As in all areas of health care, it’s important to find a company that provides access to physician consults that offer quality, service and experience you want for your business and employees.

What to look for in a company providing access to telehealth:

As in all areas of health care, it’s important to find a company that provides access to physician consults that offer quality, service and experience you want for your business and employees. Ask potential candidates to describe their capabilities and credentials in the following areas:

- Experienced management team
- Length of time in business (Recommendation: Minimum 5 years)
- Notable customers
- Volume of consults and members (Recommendation: Minimum membership 2.5 million, 50,000+ consultations)
- Stringent quality assurance (Recommendation: Credential physicians every 3 years to meet or exceed NCQA standards and subject consults to a 10-20% random audit)
- Types of physicians used and qualifications (Recommendation: ABMS or AOA approved board-certified in internal medicine, family practice, emergency medicine or pediatrics)
- US physicians who reside in the US
- English and Spanish fluency and access to interpreter language lines
- Implementation time and experience (Recommendation: Ability to support multiple plan designs)
Summary:
Using new technologies to reduce costs, improve access and increase employee satisfaction.

A comparison of cost-saving programs currently available to employers demonstrates the potential advantages of telehealth:

<table>
<thead>
<tr>
<th>Comparison of Cost-Saving Programs</th>
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<tr>
<td><strong>Telehealth</strong> (leading provider)</td>
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<td>COST SAVINGS</td>
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<td>Wellness Programs</td>
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Learn more about Teladoc.

Teladoc is the first and largest provider of telehealth consultations in the U.S., serving over 3 million members. It was founded in 2002 with a vision of tackling the biggest issues in health care by providing 24/7/365 on-demand access to quality care. As premiums, health care costs and out-of-pocket expenses rise twice the rate of inflation, Teladoc offers care at a fraction of the cost of an ER or doctor’s visit, saving everyone money.

1-855-362-6625
teladoc.com

Teladoc does not replace the primary care physician. Teladoc does not guarantee that a prescription will be written. Teladoc operates subject to state regulation and may not be available in certain states. Teladoc does not prescribe DEA controlled substances, non-therapeutic drugs and certain other drugs which may be harmful because of their potential for abuse. Teladoc physicians reserve the right to deny care for potential misuse of services.

1 2009 Survey of Physician Appointment Wait Times, Merritt Hawkins & Associates
2 “‘Severe’ doc shortage seen hiking wait times,” Boston Herald, September 15, 2009
4 Internal Teladoc data; not available in Oklahoma
6 Kaiser Family Foundation and the Health Research and Educational Trust Report, 2007
8 National Ambulatory Medical Care Survey: 2007 Emergency Department Summary, 6 August 2010
10 Teladoc reporting
11 National Ambulatory Medical Care Survey: 2007 Summary, 3 November 2010