Telemedicine: Smarter Health through Telehealth

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The Virtual Visit: How Telehealth is Reshaping Care Delivery

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Smarter Health through Telehealth

1. Problems with Current Healthcare Landscape
2. A Solution: Telemedicine
3. A Case Study: Teladoc
1. Problems with Current Healthcare Landscape
The Problem: Lack of Access

80%

Of adults discharged from ER were there due to lack of access to other provider.

What if they had another option…

The Problem: **Physician Shortage**

Standard population growth, the higher percentage of the population that is > 65 years old and the increased demand for PCPs from the newly insured together project a 25% increased need for physicians over the next 10 years.
The Problem: The Cost of Care

We spend over $3 trillion annually on healthcare, which makes up about 20% of the U.S. GDP. Now that the economy is recovering, consumers are beginning to use more physician and outpatient services again – meaning our spending is once again growing.
The Problem: **Out of Pocket Costs**

More than 1 in 4 Adults with **Higher Deductibles** Skip Care

- Had a medical problem but didn’t go to a doctor or clinic: 13% vs. 27%
- Didn’t get a preventive care test: 10% vs. 23%
- Skipped a medical test, treatment or follow-up recommended by a doctor: 14% vs. 29%
- Didn’t see a specialist when they or their doctor thought they should: 13% vs. 22%
- Had at least one cost-related problem: 23% vs. 40%

2. A Solution: Telemedicine
A Solution: **Telemedicine**

Telemedicine revolutionizes how consumers use the healthcare system by delivering **remote access** to **affordable, high quality care** – when, where, and how each patient chooses.

- **Timely access**
- **Lower cost**
- **Quality care**
What is Telemedicine?

- Telemedicine is NOT the practice of medicine.
- Telemedicine is a tool that allows physicians to practice medicine for the benefit of patients who are located remotely.
  - This can be done via
    - Phone and pictures
    - Video chat
- It is up to the individual physician to determine whether the standard of care can be met for the diagnosis and treatment of a given medical condition remotely.
- There is robust quality measures in medical literature supporting remote telehealth care.
Telemedicine Market Potential

Lack of Affordable Access Creates Demand:
- 62mm Americans without a PCP
- ~80% of ER visits when patient not admitted due to lack of access
- 33% of all office visits are addressable with telehealth (417mm of 1.25bn total per year)

Employers are Increasingly Relying on Telemedicine:
- 71% of employers with more than 1,000 employees to offer telehealth by 2017
- Towers, Watson Study estimates telehealth can save employers $6bn per year

Telehealth Market Seeing Record Growth:
- Various market research organizations peg the telehealth market growth rate between 18-30% per year.
- Telehealth market generated annual revenue of $9.6 billion in 2013, and is expected to grow to $38.5 billion in revenue by 2018
Increased Consumer Interest

Attitudes toward telehealth technologies in the U.S. have also undergone a significant shift in recent years.

According to a recent survey by Cisco:
- 76% of patients prioritize access to health care services over the need for human interactions with health care providers
- 70% of patients are comfortable communicating with their health care providers via text, email or videos, in lieu of seeing them in person
Telemedicine is a limited tool in some states due to differing laws.
Specific State Regulations Limiting Telemedicine

In-Person Visit: Requiring an in-person exam and visit before any remote follow up is allowed
- This negates the ability to offer a telemedicine solution.
- The Federal State Medical Board and the AMA do not agree an in-person visit is required.
- There are no data demonstrating improved patient outcomes from a telemedicine encounter following an in-person visit versus an encounter without one.

Licensure laws for NPs and MDs: Can only practice medicine in the state where licensed
3. A Case Study: Teladoc
Disclaimer

The following information is solely for illustrative purposes, and in no way constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.
The Process

- Step 1 – Complete medical history
- Step 2 – Request consult
- Step 3 – Talk with a physician
- Step 4 – Resolve the issue
- Step 5 – Continuity of care
- Step 6 – Settle up
# Most Frequent Uses

## Top 10 Diagnoses

- Sinus Problems
- Urinary Tract Infection
- Pink Eye
- Bronchitis
- Upper Respiratory Infection
- Nasal Congestion
- Allergies
- Flu
- Cough
- Ear Infection

## Prescription Management

- Electronic prescribing or by phone
- Frequency of prescribing lower than same diagnoses when comparing best provider practices
- Patient education and physician reminders for appropriate use
- No prescribing of DEA-controlled substances, medication for psychiatric illness, or lifestyle drugs (i.e. erectile dysfunction, diet).
- Generic drugs are automatically recommended
February 2014 RAND Study published in Health Affairs

34% of Teladoc visits occurred on weekends and holidays, vs. 8% for office visits and 36% for ED visits.

6% of Teladoc visits resulted in a follow-up visit for the same or similar condition, in contrast to 13% of office and 20% of ED visits.

21% of Teladoc visits were made by patients who had not accessed health care in the previous year.

25% of patients who did not have a telehealth service benefit actually went to the emergency room as their next best alternative for care.

Health Affairs, February 2014: 258-264 (Mehrota, Uscher-Pines)
Teladoc Growth in Members and Visits

Teladoc has seen an 80% compound annual growth rate in visits (2006-2014)
Consumers are demanding more convenient care

Employers & plans looking for new ways to reduce costs

Telehealth offerings are more sophisticated

User satisfaction with telehealth is very high
The patient-consumer has spoken, and they want to access primary care on their terms, not those of the healthcare industry.

Telemedicine offers this opportunity with maximal convenience to the consumer, with equal quality and a much reduced cost.

This is a true cost savings to employers and health plans: In 2015, 52% of large employers plan to offer telemedicine in their health plans.

Telemedicine transforms health delivery.