

Practice Management

Telemedicine's Impact on Urgent Care: What You Need to Know

Urgent message: Telemedicine represents a new growth opportunity for urgent care centers that want to attract consumers looking for on-demand medicine.

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Urgent care providers are well positioned to take advantage of new market opportunities being driven by consumers and employers who increasingly look to the Internet for on-demand medicine. Telemedicine represents one such opportunity. This article will help you understand applications of telemedicine to urgent care and assess key risks and benefits that the technology can afford your practice.

Case Study: Conjunctivitis

Twenty years ago, the emergency room (ER) was the only available option for the parents of a child with conjunctivitis, whose primary care physician was unavailable for an extended period of time because of a full appointment book or office closure. The concept of urgent care did not yet exist.

Last year, more than 8,700 urgent care clinics were available to parents in the United States in a similar situation, according to estimates from the Urgent Care Association of America (UCAOA).¹ In addition, there were 1,100 retail clinics in stores such as Walmart, Target, CVS, and Walgreens according to the Deloitte Center for Health Solutions.² Growth projections for both urgent care and retail clinics were, and still are, high.

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Meanwhile, two-thirds of ERs had closed since the late 1980s as the marketplace shifted towards urgent care and most ERs became financially insolvent.³

Today, the parents of a child with conjunctivitis have a new option that doesn't require them to leave the house. Through telemedicine and the emergence of numerous online services connecting patients and physicians over the Web, these individuals can receive care from home, the office, or a hotel room for conjunctivitis and a large list of other low-acuity yet urgent ailments.

Currently, most consumers are not yet aware of the Internet/telemedicine option, but awareness is growing – fast. The impact that telemedicine will have on urgent care cannot be overstated. It will be critical in the months and years ahead for the urgent care industry to determine how to capitalize on this movement rather than be displaced by it.

Thankfully, modern telemedicine is creating new opportunities to drive growth for urgent care centers. Using telemedicine, urgent care practices and providers can grow patient volume during early months of operation and even before they open their doors. With telemedicine, the patient pool a clinic or provider can treat can be expanded statewide rather than including only those who live within a 3- to 5-mile radius. Clinics and providers can also provide telemedicine-based follow-up visits that create stronger relationships with patients, increase repeat business, and potentially reduce risk of medical malpractice claims. Moreover, urgent care centers can leverage telemedicine to compete in the rapidly growing space of employer-based health and wellness services.

Modern Telemedicine

Despite strong awareness of the potential telemedicine holds, broad use of the practice was stymied for years, but not for lack of effort. Notable politicians and thought-leaders such as Newt Gingrich and Tommy Thompson spoke and wrote at length about the potential for telemedicine to expand access while simultaneously lowering costs.^{4,5} Even Barack Obama described the possibility for patients to have Web-based video-chats with their providers in his 2011 State of the Union address.⁶ Until recently, however, telemedicine was challenged by persistent obstacles. Rather than gaining widespread adoption, telemedicine has been limited to highly specialized, high-cost pilot programs connecting specialists to patients with acute needs via fixed access points and private broadband networks.

Today things are changing. An emerging class of telemedicine solutions are becoming available that target the routine ailments of regular people using everyday Web technology. Five basic factors have driven these recent advancements:

- 1) Basic videoconferencing technology and access to the Web are now commonplace for people at all socioeconomic levels. Virtually every laptop and mobile device comes with a webcam pre-installed. A basic webcam capable of broadcasting high-quality video for computers not already equipped with one typically costs only \$20.

- 2) Medical malpractice risk associated with telemedicine encounters is now readily underwritten. Many insurers now underwrite telemedicine in their existing policies or will do so upon request. This ensures a competitive market, fair rates and manageable application processes.

- 3) States are increasingly requiring payors to reimburse telemedicine visits and many private insurers are voluntarily doing so as a way to reduce costs and improve outcomes. Twelve states (California, Colorado, Georgia, Hawaii, Kentucky, Louisiana, Maine, New Hampshire, Oklahoma, Oregon, Texas and Virginia) have some form of mandate requiring payors to reimburse for telemedicine visits and such legislation is in process in many more states.⁷

- 4) Providers are becoming more familiar and comfortable with telemedicine practices. The same academic medical centers researching the antiquated form of high-cost, highly specialized telemedicine are those where new physicians are completing their educations.

- 5) Overall healthcare costs continue to spiral higher, and despite Congressional Budget Office (CBO) analysis to the contrary, many experts predict that healthcare reform legislation will have a compounding as opposed to moderating effect on total healthcare costs. The financial case for telemedicine, thus, continues to become more compelling.

Modern telemedicine has made it possible for urgent care clinics to compete for patients in an entirely new space. However, it is also now possible for new Web-based services to compete for urgent care patients. It is therefore critical that urgent care providers understand this emerging space. The following are four market-based opportunities to consider building a telemedicine growth strategy around:

Opportunity 1: E-Visits

E-visits allow providers to complete the same interview and diagnosis that occurs in a traditional office visit using the Web and videoconference technology. Routine ailments that commonly drive urgent care visits, such as upper respiratory infections, urinary tract infections, and minor abrasions can be treated via e-visits.

E-visits enable providers to treat patients wherever their license allows them to legally do so. A provider in California, for example, can therefore expand his or her potential pool of customers to all of California's 37 million residents instead of only those within a 3- to 5-mile radius. In addition, providers can perform e-visits to expatriates overseas.

Opportunity 2: Follow-Up Care

Urgent care patients rarely follow up directly with their urgent care clinic or provider after making an office visit. Urgent care customers are inherently conscious of cost and time. Provided that a patient's condition is not worsening, the cost and drive time associated with a follow-up visit are prohibitive to pursuing a follow-up encounter.

Urgent care centers that offer e-visits for follow-up can do so at a lower cost and in significantly less time on the part of both patient and provider. Patients inevitably respond favorably to a differentiated service, greater personal attention, and more convenient access to a provider. Increasing a clinic's number of "promoter" customers drives more referrals and increased loyalty. Closer follow up also improves compliance and lowers medical malpractice risk.

Opportunity 3: Virtual Worksite Healthcare

Large employers and an increasing number of medium and small employers are adopting population-health-management strategies in an attempt to control rising health insurance premiums. Providing care at the worksite and/or through contracted providers has become a primary strategy for controlling costs. The profusion of worksite clinics is one of the fastest-growing trends in employer-based healthcare. A 2008 Watson Wyatt study concluded that nearly one-third of all large companies had or were considering a worksite clinic for their businesses.⁸ However, the high up-front investment and fixed overhead costs of a worksite clinic remain a major impediment to further adoption.

Leveraging telemedicine e-visits, urgent care centers and providers can join networks that staff virtual worksite clinics. Employees can obtain access to physicians for the same ailments they would in a traditional worksite clinic at a dramatically lower cost to employers and employers benefit from reduced absenteeism and increased employee satisfaction. A typical worksite clinic nets the employer \$1 in savings via increased productivity for every \$1 spent on the clinic.⁹ By reducing the up-front capital investment, virtual worksite clinics promise to deliver a significantly higher return on investment.

Opportunity 4: Worksite Wellness

Another opportunity in employer-based healthcare is the constantly expanding realm of wellness visits and personal pathway programs. Today, the first step toward implementation of the modern employer wellness program is establishing a population "baseline" that typically includes all employees completing a Health Risk

Assessment (HRA) questionnaire and a biometric screening. The HRA provides an individual employee feedback on his or her personal risk factors based on self-reported behavioral choices and biometrics, such as height and weight. A biometric screening provides verified measurements of height, weight, and blood pressure, as well as basic blood-panel information such as cholesterol.

Taken together, these baseline assessments help identify individuals considered to be "at-risk" for more serious chronic conditions such as heart disease and diabetes. Employees are then provided a recommended "personal pathway" program designed to address the specific chronic diseases for which they are considered to be at risk. Employers are provided the de-identified baseline information to understand how their group compares with the general population and strategies for interventions that best suit their employee base.

Employers are now looking for medical providers to be involved in the review of employee HRAs, biometric screening results, and development of personal pathways for at-risk employees. Payors are increasingly covering these types of wellness visits in their standard plans.

The burgeoning wellness industry is delivering these high-margin services to employers by bringing medical providers directly to the worksite during wellness fairs and screening events. By joining virtual networks that provide telemedicine-based wellness visits, HRA reviews, and personal pathway program development, urgent care clinics can significantly participate in this rapidly expanding field while providing a more cost-effective solution to employers.

Risk Factors, Legal Considerations, and Technological Issues

Urgent care centers and providers must be cognizant of the myriad of risk factors, legal considerations (which vary considerably by state), and technological challenges associated with practicing telemedicine. It would be ill-advised, for example, for a clinic to simply use Skype to chat with patients and call that a telemedicine e-visit. Such a practice would almost certainly be in violation of the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) act, and state medical board regulations.

Issues to consider differ from state to state, but some of the more common issues of which to be aware are:

Notifications to patients and informed consent. Many states have very specific requirements for notifications that must be provided to patients at the time services are rendered through telemedicine.

HIPAA and HITECH act compliance. The entire software set-up and provision of service must ensure the privacy and security of patient data. This includes technical requirements such as encrypting data feeds, electronically logging who accesses medical records, and instituting password strength and expiration policies. It also includes process requirements, such as preventing inappropriate disclosure of personal health information to non-covered entities.

Malpractice coverage. Not all malpractice policies currently cover telemedicine. Urgent care providers should be certain their policy covers telemedicine or purchase a separate policy that specifically covers telemedicine visits.

Various telemedicine solutions and providers are now available to urgent care providers through subscriptions or partnerships. Some solutions providers even offer to cover the medical malpractice insurance associated with telemedicine visits. Urgent care owners and providers would be advised to make a thorough review of their state's telemedicine regulations and available solution providers before launching their e-practice.

Evaluating Telemedicine As An Urgent Care Growth Strategy

Despite extensive education and training, business managers often rely too heavily on raw intuition to make mission-critical decisions that warrant methodical analysis. Pets.com, for example, was one of the most notable overreaches for Internet-based commerce. The company closed its doors after less than 2 years in business and with expenditures of more than \$300 million in venture capital; their business selling pet supplies online actually lost more money than it took in. Pets.com is now known best for the sock-puppet mascot that appeared in Super-Bowl XXXIV commercials and as one of the most notable corporate failures in history. Conversely, many other household brands have been wiped off the corporate map as a result of underestimating the Internet's impact on their core business. Circuit City, Blockbuster Video and Borders come to mind, among others.

A growth strategy framework commonly taught in business schools is Igor Ansoff's "Product-Market Growth Matrix".¹⁰ It suggests that growth can be created via four approaches:

1. Market Penetration: Driving more sales of existing services to existing customers;
2. Product Development: Offering new services to existing customers;
3. Market Development: Selling existing services to new markets; and



Examine

new possibilities.





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4. Diversification: Selling new services to new markets. A telemedicine growth strategy for urgent care centers, then, can be evaluated based on the answer to four basic questions:

- Does it help expand your existing patient base for your current service offerings?
- Can it help deliver new services to the existing patient base?
- Will it expand your existing services into new markets?
- Will it enable you to offer new services to new patients?

The urgent care industry is in a state of rapid transformation. Larger corporate players, insatiable for increased scale and leverage, are acquiring and building at a rapid pace. Occupational medicine and work-site wellness are driving an increased focus on employer-based services. Retail clinics and alternative concierge models seek to siphon patients away.

Given the rapidly changing nature of the industry, urgent care enterprises and providers should evaluate a telemedicine strategy using the four basic strategic questions derived from Ansoff's product-market growth matrix, and assess the associated legal and technological considerations. An examination of the current marketplace of telemedicine solution providers is another critical step to determine if a partnership will help your clinic navigate the risk factors and state-by-state regulations. Once adopted, appropriate implementation and monitoring is paramount. ■

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