Telemedicine: On the Frontier of Better Healthcare

Telemedicine is a critical element of the healthcare industry’s shift to value-based care. This new care delivery platform can generate additional revenue, cut costs relating to avoidable emergency room visits and readmissions, and enhance member and patient satisfaction. The industry is experiencing rapid growth, and users are deploying the technology across a variety of applications. Along with patient consultations via video conferencing, health systems, hospitals, and provider groups are exploring remote patient monitoring and chronic care management programs, among other applications. Adoption numbers vary among organizations. In 2015, more than 50 percent of all patient interactions at Oakland, Calif.-based Kaiser Permanente took place virtually, according to a recent Fortune report. Yet, other reports suggest slow adoption by both providers and patients.

For an inside look at this evolving industry, we caught up with the cofounder of HGS partner CareClix, Dr. John Korangy, for an understanding of how telemedicine is gaining traction. Dr. Korangy, along with Dr. Sunil Budhrani, founded CareClix in 2006, leveraging 25-plus years of combined medical knowledge in the practice of medicine and telemedicine research to develop a platform and service offering that fits perfectly with any organization that is considering developing telemedicine solutions. The medical services offered through the CareClix platform range from ear, nose, and throat exams to psychiatric and orthopedic consultations. Here, HGS talks to Dr. Korangy about the adaptability of telemedicine, and the accessibility, population health, and cost-containment benefits of telemedicine programs.

Q: Can you provide a clear definition of telemedicine, as it is provided in today’s marketplace?

Dr. John Korangy: Telemedicine is commonly defined as “the remote diagnosis and treatment of patients by means of telecommunications technology.” Defining telemedicine, telehealth, and virtual health, among other terms, is not always consistent across the industry, but the definition above is concise and accurate. Even though healthcare organizations will use their own terminology, the key idea remains—patients can more reliably receive quality care via a telecommunications platform. Keep in mind that the applications and functionality of a telemedicine platform depend on the type of technology being used and the type of office visit required.

Q: What have been the market factors that led us to telemedicine?

Dr. John Korangy: I believe the consumer drove the quick rise and strong growth of the telemedicine market. Bringing healthcare to the patient and improving health outcomes continue to be industry themes. From clinics within pharmacies and grocery stores to urgent care centers and workplace clinics, demand for more convenient care is bringing healthcare services to the patient. Studies demonstrate that healthcare consumers value convenience as
much as, if not more than, cost. Accessing on-demand healthcare is rapidly becoming a service commodity, and telemedicine is the ultimate delivery platform to help an organization differentiate and beat the competition. Telemedicine is not only convenient, but an effective and evidence-based method for diagnosing and treating patients.

Q: What are the opportunities and benefits of telemedicine, for members and patients?

Dr. John Korangy: I’m not sure we know the extent of how telemedicine will benefit patients. It is the most convenient way to meet with a licensed provider. As technology advances, visiting with your doctor will become easier, and the number of conditions treated by telemedicine will grow. Currently, CareClix Exam incorporates up to 14 different FDA-approved devices, which assist with monitoring the health of individuals, and allow for clinical intervention when needed. Further to this point, CareClix offers out-of-the-box support for 98% of the most popular remote monitoring devices, so providers can focus on their patients, and not device integration or support. Our platform supports 100-plus devices covering 10 key vital signs used to better manage care.

Q: How will this service delivery affect payers and providers?

Dr. John Korangy: The biggest healthcare challenge is aligning incentives among the various stakeholders. Health systems earn revenue by treating patients, and payers gross better margins when patients use fewer healthcare services or at a lower cost. Telemedicine is a more cost-efficient method than in-person care—an immediate win for payers. However, to support providers, payers need to reimburse appropriate telemedicine services. We have seen a big push from states and the federal government to encourage public payer reimbursement. Commercial insurers need to follow suit. Beyond payment and cost, telemedicine can positively affect provider workflows. There is a shortage of primary care physicians (PCPs) in the United States, and telemedicine will relieve the burden placed on many of these PCPs.

Q: What are enablers that will optimize this service delivery?

Dr. John Korangy: One of the key advantages to the CareClix platform is that we built a cloud-based SaaS solution that works with the big electronic medical record (EMR) systems. Beyond our platform’s infrastructure, we provide ongoing support and education to our partners, who pass that learning to their staff and patients. Our expert consultants create marketing, education, and implementation strategies to encourage adoption, ensure engagement, and scale telemedicine throughout our client organizations. Additionally, we rely on partners like HGS to augment some of our services to assist with an exceptional patient experience. There are certain benefits that can be realized through this model. As healthcare organizations look to CareClix for telemedicine support, we entrust HGS to assist our organization with the administration of noncore functions in order to develop solutions to ensure that all client needs are met.

Q: What are some of the challenges currently facing telemedicine initiatives? Do you foresee these challenges increasing or decreasing in the next 1–2 years?

Dr. John Korangy: The biggest industry challenges are adoption and utilization rates. Telemedicine is a 180-degree turn in how healthcare has traditionally been delivered in this country and around the world. Without a steady stream of patients and providers using telemedicine, the industry could suffer from neglect. CareClix sees very positive adoption rates within our client organizations, and we would like to see other vendors take approaches to achieve similar results. All telemedicine vendors will benefit from greater adoption of telemedicine as a viable form of healthcare delivery. With telemedicine reimbursement continuing to grow, this industry needs to continue to build solutions that are customizable and unique to each user, in order to drive optimal health outcomes.

Q: Looking ahead, what’s the future of telemedicine?

Dr. John Korangy: We wouldn’t be in this business if we weren’t confident in the outlook of telemedicine. It is simply a better and more convenient way to treat patients. We have worked with school systems, local health systems, and workplace vendors. Across these use cases, we consistently see positive results after implementation. We are encouraged by the feedback we get from our customers, and we look forward to greater technological innovation and service offerings that will keep telemedicine on the frontier of healthcare delivery. Undoubtedly, the future of providing inventive ways of engaging patients is here, and it’s telemedicine.