Emerging Business Models: Telemedicine
Alan A. Ayers, MBA, MAcc
Content Advisor and Board of Directors, Urgent Care Association of America
Associate Editor, *The Journal of Urgent Care Medicine*
Vice President, Concentra Urgent Care

Health care functions most efficiently when the capabilities of the medical provider match the patient's presenting symptoms. For example, when patients with low acuity conditions utilize hospital emergency rooms—which must have facilities, equipment and staff prepared to handle whatever life-threatening conditions may arrive—individuals, employers and government payers incur additional, unnecessary costs. In fact, studies have shown that hospital EDs charge up to five to ten times more than urgent care for treating the same conditions.

Urgent care has experienced phenomenal growth in response to consumer demand for affordable, no appointment necessary care that's open nights and weekends. But for low-level conditions, urgent care may *not* necessarily be the *cheapest* or *most convenient* option available consumers.

As the same entrepreneurial spirit that has driven urgent care pushes forward, it's spawning new business models that combine technological innovation, the need to fully utilize a dispersed workforce of medical providers, and consumer demands for immediate relief—with even greater cost savings.

Telemedicine, in its various forms, can be *cheaper* and *more convenient* than urgent care for minor conditions. In the same amount of time that it would take a patient to drive to an urgent care center and park, that patient can register on a website, enter insurance and/or credit card information, call a toll-free number, speak with a doctor, receive a diagnosis and treatment plan, and have a prescription sent to their corner pharmacy. And certainly while telemedicine may augment location-based urgent care services through improved provider utilization and a steady stream of referrals, telemedicine's lower costs and added convenience certainly stand to take business from urgent care centers.

According to one telemedicine provider, AmeriDoc, if its service had not been available, 39% of its patients would have gone to an ER, 30% to primary care, and 13% to other options—but *18% chose telemedicine instead of urgent care.* As consumers, employers and payers become aware of these new health care options, visits that once presented at urgent care centers are bound to migrate elsewhere. As an urgent care owner, operator or provider, consider the business models in Table 1 and how they either compete with, or augment, location-based urgent care services.

Table 1: Examples of Telemedicine Providers with Urgent Care Implications

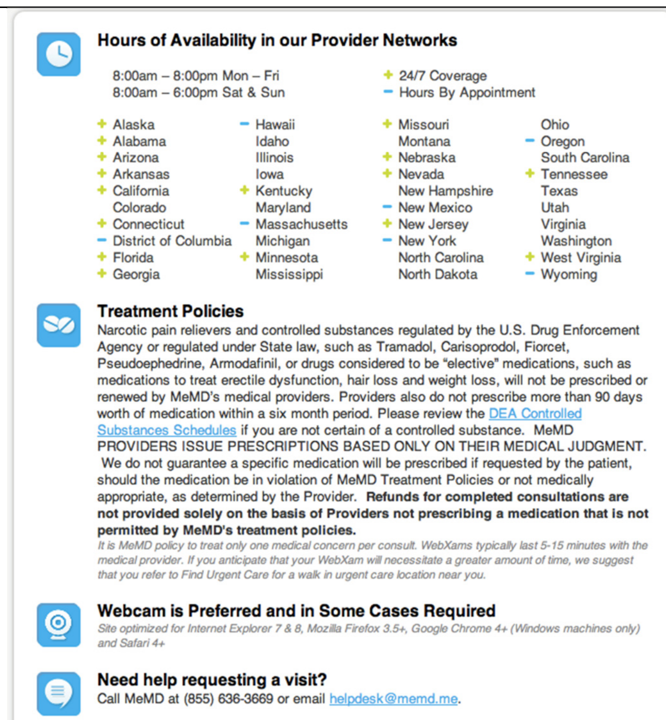
<table>
<tr>
<td><u>ZoomCare</u>
ZoomCare is a Portland-based operator of 21 walk-in medical centers in the Pacific Northwest that also offers "Take Out" visits to Oregon residents age 18 and older via Skype. According to its website, online diagnosis and treatment is available for 27 conditions, from 8am to 12am Monday-Friday and 9am to 6pm on weekends. Patients register for an appointment online, hold a reservation using their credit card number, and then are contacted at the designated time by the ZoomCare provider. Providers consist of physicians, physician assistants and nurse practitioners. Online visits cost $89 for self-pay and are also covered by most private payers in Oregon. Medicare, Medicaid and Tricare are not accepted. If the web consultation requires a follow-up at a ZoomCare clinic, self-pay patients are credited back the $89 and pay only $16 for the in-person visit while insured patients pay their office co-pay.</td>
<td>
</td>
</tr>
</table>

AmeriDoc.com/AmeriDocKids.com

This division of Dallas-based Innovative Health Insurance Partners advertises 24/7/365 access to its physician network (which includes board certified pediatricians) via telephone and email for conditions that do not require a physician examination. The membership model starts at $9.95/month for an individual and $12.95/month for up to five family members. Once a member, email consultations for medical information and medical advice start at $10 and diagnostic consults via telephone or web video cost $30. As a membership model, insurance is not accepted. The company's physician screening and credentialing process assures providers are able to treat patients via the telemedicine platform. Within 24 hours of a provider consult, a medical assistant calls patients to answer questions and assure satisfaction. Every six months, the company conducts a quality assurance review of each provider, which includes patient feedback, to assure the provider is following AmeriDoc's practice protocols. AmeriDoc markets directly to individual consumers (see magazine ad to right) as well as to employers and brokers, many of whom offer AmeriDoc as a supplement to reduce utilization of traditional health insurance plans.

MeMD

Dr. John Shufeldt, who founded NextCare Urgent Care in 1993, launched MeMD in October, 2010. Physicians, physician assistants and nurse practitioners are recruited from urgent care and primary care practices to see patients via the MeMD platform. The value proposition to providers is to capitalize on clinics' excess capacity and improve provider utilization. The company's website asks "Why wait at an urgent care? Get treated at your home or office now." For $49, individuals age 18 and over can arrange a telephone consultation for 32 conditions with a provider licensed in their state, who can have an e-prescription sent to the patient's local pharmacy. Minors are treated so long as a parent or guardian initiates the call. Controlled substances and elective medications are not prescribed. Patients can download their medical records from MeMD's secure website to share with their primary care provider. Currently insurance is not accepted although patients may themselves submit a claim for out-of-network reimbursement.



Hours of Availability in our Provider Networks

8:00am – 8:00pm Mon – Fri
8:00am – 6:00pm Sat & Sun

\+ 24/7 Coverage
– Hours By Appointment

+ Alaska	– Hawaii	+ Missouri	Ohio
+ Alabama	Idaho	Montana	– Oregon
+ Arizona	Illinois	+ Nebraska	South Carolina
+ Arkansas	Iowa	+ Nevada	+ Tennessee
+ California	+ Kentucky	New Hampshire	Texas
Colorado	Maryland	– New Mexico	Utah
+ Connecticut	– Massachusetts	+ New Jersey	Virginia
– District of Columbia	Michigan	– New York	Washington
+ Florida	+ Minnesota	North Carolina	+ West Virginia
+ Georgia	Mississippi	North Dakota	– Wyoming

Treatment Policies

Narcotic pain relievers and controlled substances regulated by the U.S. Drug Enforcement Agency or regulated under State law, such as Tramadol, Carisoprodol, Fiorcet, Pseudoephedrine, Armodafinil, or drugs considered to be "elective" medications, such as medications to treat erectile dysfunction, hair loss and weight loss, will not be prescribed or renewed by MeMD's medical providers. Providers also do not prescribe more than 90 days worth of medication within a six month period. Please review the DEA Controlled Substances Schedules if you are not certain of a controlled substance. MeMD PROVIDERS ISSUE PRESCRIPTIONS BASED ONLY ON THEIR MEDICAL JUDGMENT. We do not guarantee a specific medication will be prescribed if requested by the patient, should the medication be in violation of MeMD Treatment Policies or not medically appropriate, as determined by the Provider. **Refunds for completed consultations are not provided solely on the basis of Providers not prescribing a medication that is not permitted by MeMD's treatment policies.**

It is MeMD policy to treat only one medical concern per consult. WebXams typically last 5-15 minutes with the medical provider. If you anticipate that your WebXam will necessitate a greater amount of time, we suggest that you refer to Find Urgent Care for a walk in urgent care location near you.

Webcam is Preferred and in Some Cases Required

Site optimized for Internet Explorer 7 & 8, Mozilla Firefox 3.5+, Google Chrome 4+ (Windows machines only) and Safari 4+

Need help requesting a visit?

Call MeMD at (855) 636-3669 or email helpdesk@memd.me.

KentuckyOne Anywhere Care

KentuckyOne, the state's largest health system with 200 point-of-care locations, launched a consumer telemedicine service for Kentucky residents in November, 2013. The service is available 24 hours per day (wait times under 30 minutes) via phone consultation or secure video chat with a board-certified physician or nurse practitioner. Visits cost $35, insurance is not accepted, and the service is unavailable to Medicare and Medicaid beneficiaries. Providers will prescribe non-controlled substances as needed and if an in-person visit is required to reach a diagnosis, the consultation fee will be refunded. Technology is provided by Seattle-based Carena, who piloted a similar program with Catholic Health Initiatives' Franciscan System of Tacoma, Washington. Clinical staffing is with CareSimple Medical Group, by Washington-based providers who are licensed in Kentucky. KentuckyOne claims that the service is intended to "enhance" access channels like urgent care centers and retail health clinics and to improve access to primary care in a state which has historically been underserved. According to its surveys, 44% of Anywhere Care patients have no primary care provider.

Concentra MyDocDirect

Concentra, based in Dallas, operates over 300 freestanding walk-in urgent care and occupational medicine centers in addition to another 200+ clinics at employer worksites. After gaining experience in location-based telemedicine at its employer worksite locations, in November, 2013, Concentra opened walk-in telemedicine clinics inside two San Antonio-area Walmart stores. The centers are staffed by a registered nurse who can provide health screenings, immunizations, point-of-care lab tests, and patient education. Diagnostic visits facilitated by the on-site nurse occur via two-way video technology with a physician located at a freestanding Concentra medical center. These MyDocDirect installations are located within the retail storefronts of Concentra's parent company, Humana, which provides health and wellness information and customer support for its insurance plans. In addition to serving Humana members, the centers will bill major insurance payers. Self-pay visits start at $65 for a telemedicine encounter with a physician and $40 for a nurse-only visit.

Competitive Implications for Urgent Care

If the most efficient health care system is one that aligns a patient's symptoms with a facility and provider's capabilities—it stands to reason that there are conditions being treated in urgent care today that could be treated through lower cost channels. And if consumers are satisfied with the experience and outcomes of these urgent care alternatives, they're bound to keep using them and will tell others to do likewise. According to the nation's largest telemedicine provider, Teledoc.com, its 4.5 million members are happy with its service; giving a 97% patient satisfaction rating with 90% of patient issues resolved via telephone and zero malpractice claims.

It's clear that telemedicine and other emerging delivery channels will put some urgent care visits at risk. The question for urgent care operators is how to respond. Urgent care operators may:

- Choose to ignore the rise of telemedicine. The risk is that low acuity visits once seen in urgent care will be lost. To maintain historic volumes, urgent care centers will have to focus on treating higher acuity conditions;

- Partner with telemedicine providers to receive referrals for location-based services for higher acuity conditions that cannot be diagnosed or treated via telemedicine; and/or

- Offer telemedicine services from the urgent care center to better utilize providers and/or augment center revenue.

Conclusion

Telemedicine is an emerging health care delivery channel that potentially offers many patients with low acuity conditions a cheaper and more convenient alternative to urgent care. As awareness of telemedicine providers grows, they stand to capture patients who might otherwise be seen in urgent care centers. Urgent care operators should thus understand this emerging business model and determine the most appropriate response given their business objectives.