



# Telemedicine in cost containment

**New communications technology is being adopted and deployed in various public healthcare systems and private health insurance plans, but how could it be utilised as a cost containment tool in the travel insurance world? Pierre Saddik looks at the expansion of telemedicine**

No-one can argue with the fact that the best discount we can get is 100 per cent. In certain situations, this is not far from what telemedicine applications in insurance yield, by averting claims ... before they happen.

Since its earliest days, the travel insurance industry has evolved incredibly in terms of mitigating costs. Successive insurers have introduced and perfected travel assistance, early notification requirements, pre-existing condition exclusions, medical questionnaires, PPO contracting, patient steering to network hospitals, repatriation techniques, auditing, bill review, post-claim negotiation/arbitration, co-ordination

of benefits and subrogation recoveries. Historically, healthcare delivery has always taken the form of a one-on-one physical encounter between a physician or other medical provider and a patient. Now, with the advent and adoption of new technology, remote delivery of healthcare is gaining popularity in many countries, including the US. The fusion of telemedicine and a travel insurance industry keen to keep costs down is now a reality rather than a concept, and its success is spreading.

## Tele-generation

The American Telemedicine Association (ATA) defines telemedicine as: "The use of medical information exchanged from one site to another via electronic communications to improve patients' health status." They add that: "Closely associated with telemedicine is the term 'telehealth', which is often used to encompass a broader definition of remote

healthcare that does not always involve clinical services. Videoconferencing, transmission of still images, e-health including patient portals, remote monitoring of vital signs, continuing medical education and nursing call centers are all considered part of telemedicine and telehealth."

In the US, reimbursement for telemedicine services is on the rise from both private and public players. In fact, the US Medicare system now reimburses fully for physician services delivered via telemedicine in certain geographic areas. In the reimbursement fee structure, there is usually little distinction made between services provided on site and those provided through telemedicine, and often only minor coding changes are required for the billing of remote services. If the patient is in a remote location where adequate medical facilities may not be available, telemedicine may become the only way to provide high-quality medical

care. Medical services can be provided anywhere that Internet, telephone, cellular phone, or satellite connections could be established.

Emmanuel Légeron, CEO of Europ Assistance IHS Services, says his company's Remote Control Aid (RCA) project, a tool for emergency remote assistance, was developed to provide medical solutions to isolated patients in extreme situations like sailing or mountain climbing, but that RCA tools may also be used in other, less extreme, situations for healthy populations such as cruise passengers or in Club Med-type resorts.

Légeron emphasises that while there is currently no universal coding of symptoms, (like the internationally adopted ICD classification), some tools are now available that prompt the patient to self report

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symptoms, localised pain, abnormalities or injuries on a 3D model, along with a self-fill questionnaire, which would then be electronically transmitted, interpreted and acted upon.

Medical databases are an important concept in the realm of telemedicine. One proponent, Victor Ronis-Tobin, Ph.D., president of JMEDS Solutions, Inc., emphasises the importance of these online resources, otherwise known as personal health records (PHRs). They are provided by companies such as MyMDFile and Google Health. These databases:

- enable the utilisation of all other telehealth systems, including remote monitoring, remote consultation, and so forth, by providing the relevant

obstructive pulmonary disease produced exceptional results, achieving over 98 per cent satisfaction levels. Hospital admissions decreased by over 64 per cent and emergency department visits were reduced by more than 72 per cent. OTN is one of the largest and most active telemedicine networks in the world, and its vision is that telemedicine will be a mainstream channel for healthcare delivery and education. Dr Brown suggests some travelling groups that travel insurers might be interested in monitoring using remote devices:

- higher-risk customers (such as those with heart, lung or diabetes conditions) where acute care episodes, and ensuing costs, could be reduced;

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insusceptible to problems.

Nevertheless, some travel insurers have started by integrating telemedicine in their assistance delivery as a cost containment tool, but they have not embraced the product explicitly. In fact, very few travel insurers have yet embedded telemedicine in their product presentation.

However, despite the slow adoption of such innovative tools and technologies by the travel insurance industry, it is only a matter of time. Technology continues to develop and customers are becoming more comfortable and more proactive when it comes to using the Internet, GPS, smart phones and other remote devices in a medical emergency. Most importantly, telemedicine and related technologies

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patient medical history to support medical decisions;

- reduce costs by eliminating redundant re-testing, re-hospitalisation, procedures, and utilisation of emergency medicine. In addition, it would foster increased utilisation of preventive medicine;
- reduce the potential for fraud and abuse by the sheer fact of avoiding unnecessary exposure to diagnostics and treatments; and
- reduce risks by reducing prescription errors, medical errors by new providers and would improve clinical audits and second opinion.

By their sheer nature, PHRs are individualised, portable and shareable. In addition, the use of PHRs would help patients to access relevant health education and health alerts and keep them informed about health initiatives. From the provider's end, it would contain up-to-date integrated clinical information, which would improve continuity of care, reduce confusion over sources and provide quality control.

#### Pioneering project

Dr Ed Brown, CEO of the independent, not-for-profit Ontario Telemedicine Network (OTN), which is funded by the Canadian Government, says his company's pilot remote medical monitoring project using patients who had congestive heart failure, or chronic

• snowbirds wishing to take their telehome care equipment with them when travelling, which could result in travel medical insurance savings for insurers. US-based insurers quick to adopt the use of telemedicine for their domestic health business include Aetna, Humana, UnitedHealth Group and WellPoint's Anthem Blue Cross in California. These providers are conducting trials or have announced plans for programmes that allow patients to wirelessly and remotely send data, such as weight, blood pressure and other vital sign readings, to a healthcare professional for tracking and follow-up purposes. However, although remote monitoring systems provide several benefits to patients, healthcare providers and insurers, they have some limitations, according to the *Wall Street Journal*. For example, physicians can be 'over-alerted' if a device is improperly used by a patient. In addition, patients must remember to use the systems, which are not

Andy Jacobson, chief executive of InRoom MD, a US-based travel health concierge provider, states that offering the patient the chance to speak with a physician over the phone, have a video consultation via the Internet, or have a physician make a house call produces a win-win situation for the patient and the carrier for three main reasons:

- The patient receives the same quality care, but through immediate interaction with a physician, avoiding a long wait at the clinic or ER;
- In most cases, the carrier would save by avoiding a costly ER visit. Should the doctor advise that an ER visit is warranted, that visit would be more effective because of the early evaluation and existence of current medical history.
- Further savings could be achieved by steering the patient to 'within network' providers.

represent a confluence of the insurer's interest and that of the patient. Insurers have a new opportunity to control costs, while patients see a way to get faster, more convenient, high-quality healthcare.

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