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INCORPORATING TELEHEALTH INTO YOUR EMPLOYEE BENEFIT OFFERING

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With employer and employee healthcare costs continuing to increase each year (Health Research Institute predicts the medical cost trend for 2019 will be 6 percent¹), companies are looking for ways to help mitigate that rising cost with a variety of technologies. One such option that continues to grow in popularity is telemedicine. It not only helps reduce overall medical plan costs, but also provides employees with an additional level of care that is easy to use.

The National Business Group on Health 2019 Health Care Strategy and Plan Design Survey² indicates that 51 percent of large employers see implementing telemedicine solutions as their leading healthcare initiative. The marketplace is active in delivering those solutions. Virtual care continues to branch out beyond physician consultations to encompass everything from mental healthcare to physical therapy.

WHAT DOES TELEMEDICINE COST EMPLOYERS?

When working with companies and discussing the addition of a telemedicine option to their employee benefit package, I usually get two questions: "Who offers this?" and, "What is the cost to their medical plan?"

There are dozens of telemedicine companies that can be added to a benefits package as a standalone third party product, but many are also already integrated with existing medical carriers. For example, Teladoc is integrated with Premera and available with any health plan that your organization has with that carrier. I find that many of groups are unaware of this option when I first start working with them, and thus haven't taken advantage of it.

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In regards to the question, "What does it cost?" The answer varies by which type of medical plan you're offering and if you're using a telehealth solution provided by your medical carrier. For those options that are embedded with the medical carrier, you'll find that accessing their telehealth solution is of no cost to you, but your employee may face a charge depending on the type of healthcare plan they have. If you're providing a

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standard patient provider organization (PPO) plan, your employees can use telemedicine at no out-of-pocket cost anytime they want for illnesses that are covered by a telemedicine visit. For those employees who are on a high deductible health plan (HDHP), there typically is a fee associated with using telemedicine each time you call. Nevertheless, compared to the cost of actually visiting an urgent care center or your primary care doctor, it's minimal.

It's also not just the hard dollar employee savings that are attractive, but the soft dollar advantages that should make telemedicine something that is promoted and advertised to employees. I can personally speak to both the hard and soft dollar components.

TELEMEDICINE PUT TO USE

Parker, Smith & Feek currently offers a high deductible health care plan with a Health Savings Account (HSA), and through our carrier, we have the option to use Teladoc. When I utilize the plan, it costs me \$40, and I use my HSA funds to cover that. I also have twins, and when one gets conjunctivitis (pink eye), the other will almost always get it right afterward. Without the Teladoc option, that would require two separate appointments at their doctor's office, time away from work, and a total cost of about \$160 per child. Using the Teladoc option, I can call when I get home from work and use my phone's FaceTime app to show the doctor that they do, in fact, have pink eye. The prescription is immediately sent to our pharmacy, so all I have to do is go pick it up. I can do all this for the cost of \$40 per child and from the comfort of my home.

But Telehealth isn't only beneficial to employees – it can help organizations significantly drive down costs, as well. Consider Anna Haynes' of Promontory Healthcare Companies experience:

CLIENT'S THOUGHTS

“After a year where we saw our healthcare costs go up 19 percent, we were willing to try anything to help keep costs down. Jeff and Parker, Smith & Feek suggested we go with a third party telehealth solution that was more active in driving usage than the embedded option our current medical carrier offered, and after our first year we saw a 41 percent utilization rate and an almost flat renewal. Obviously, I can't attribute that all to the telehealth solution, but my employees love it and I think it more than justified the per employee per month cost.”

~ Anna Haynes, Promontory Healthcare

Telehealth may not be a full-blown replacement for all doctor visits, but it can help alleviate the associated time, stress, and expense for lesser issues. If you are interested in implementing a telehealth option into your benefits plan, contact an experienced employee benefits broker to learn more.

References and Resources

1. <https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>
2. <https://www.businessgrouphealth.org/news/nbgh-news/press-releases/press-release-details/?ID=348>

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