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The Survey Says: Telemedicine is Part of the Future for Urgent Care

According to a recent survey by HEALTHePRACTICES, a consultant and solutions provider to the healthcare industry, telemedicine is part of the future for urgent care. Having worked closely the past two years with one of the largest vendors of teleradiology services, we observed the growing phenomenon of telemedicine in urgent care and hypothesized that its use is widespread. Our survey findings indicate that urgent care centers currently use certain types of telemedicine (e.g., teleradiology used by 97% of respondents) and will consider additional telemedicine services carefully as part of practice growth.

Scope and Objective of Survey and Respondent Demographics

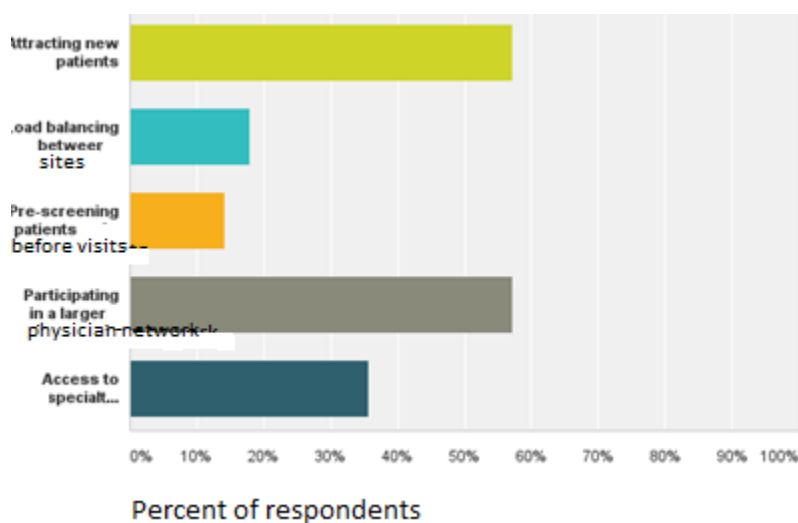
The survey, which explored urgent care centers' current use of telemedicine and near-term future interest in offering it, was sent to 930 urgent care centers and completed by 4% (37 responses). Respondents include representatives of several of the largest urgent care chains as well as single urgent care centers. All regions of the United States were included, and there was a good mix of urban, suburban and rural centers. Follow-up interviews were conducted with five respondents who expressed an interest in further discussion.

Survey findings confirmed our initial hypothesis that teleradiology has become largely ubiquitous in urgent care centers (97% of respondents reported using telemedicine in the form of teleradiology). Just one center reported using its own ER-trained physicians to view all X-Ray exams performed at their facility. We also wanted to answer three primary questions:

- 1. Are urgent care centers interested in using other types of telemedicine to help grow their practices?**

Urgent care center owners are comfortable using teleradiology services, but this has not yet translated into other types of telemedicine. Once telemedicine becomes a proven effective tool, it will be adopted. The great majority (75%) of centers responding to the survey are either using, planning to use, or will consider using live video consultations in support of their current practice. They are interested in providing telemedicine services for two major reasons: to attract new patients and to participate in a larger telemedicine network.

Key Reasons for Interest in Telemedicine: Attract New Patients and Join Larger Networks



Specialty Services are of Some Interest, with Most Interest in Dermatology

When asked which specialty they **would** strongly consider using via an on-line consultation, dermatology had the most interest (24% likely to use or consider using) followed by psychiatry (14%) and neurology (11%).

“Specialty consultation may be a great idea, but a lot of doctors won’t admit that they don’t know something”. MD/Owner of two northeast urgent care centers

2. Will teleradiology expand to other imaging modalities?

Teleradiology vendors will see an expanding opportunity, given their existing market presence and the interest of urgent care centers in providing additional services needed by their patients (28% of centers surveyed either offer Ultrasound exams or plan to in the next twelve months). Of these, 70% plan to send the exams for interpretation by an off-site radiologist. Cardiac exams (EKGs

and echoes) are largely read on-site, but 10% of centers send their exams for outside interpretation and another 25% would consider this. We have also observed a growing trend of urgent care centers (primarily in Texas) offering advanced imaging services such as CT scans.

One additional point of interest is the finding that 60% percent of respondents send all their X-Ray exams to be read by a radiologist, while 40% send only a subset (all chests, all pediatric), leaving the decision to send a study for outside consultation to the physician at the local center.

3. What are the major barriers to further expansion of telemedicine services at urgent care centers?

Major barriers identified (with multiple choices allowed) include lack of sufficient reimbursement (58%), insufficient demonstrated patient need (38%), difficulty in controlling quality of care (28%), and potential costs (28%). If current efforts to resolve reimbursement issues are successful, this may open the way for urgent care centers to pursue markets for telemedicine more aggressively, in order to attract new patients and be able to participate in physician networks.

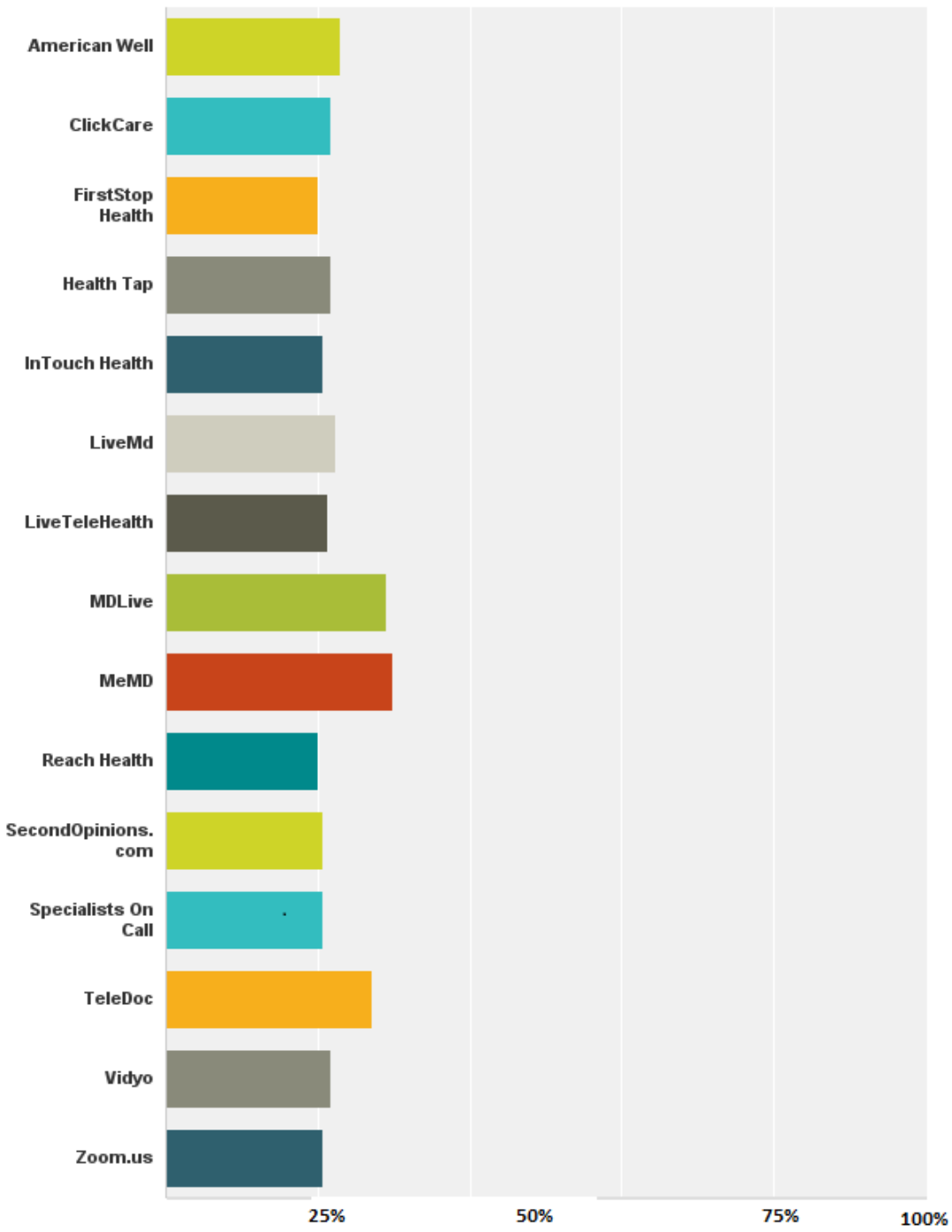
In addition, there is a lack of market awareness of the major vendors of telemedicine services. The next chart shows that no single telemedicine vendor receives even 50% market recognition.

We also asked about vendor satisfaction with already selected vendors and did not find a totally satisfied customer base:

“I am dissatisfied with the first vendor I used. They were supposed to send me patients and this rarely happens. Perhaps adding diagnostic capability (remote vital sign monitoring) will make a difference” MD/Owner of chain of multiple centers

Telemedicine vendors have a marketing challenge in gaining awareness of their offerings in this potentially large market. The good news for vendors is that there is no one dominant player that needs to be displaced. According to company press releases several telemedicine vendors have attracted significant financial support from the venture capital community. Companies raising more than \$20 million in 2014 include Doctor on Demand, Health Tap, LiveMD, Teledoc, and Specialists on Call. Vendors with the largest name recognition in the survey were MD Live, MeMD and TeleDoc.

No Telemedicine Vendor Received 50% Name Recognition from Respondents



Survey Conclusions and Observations about the Current Marketplace

Urgent care owners are comfortable relying on teleradiology services, and this could be an entry point of expansion to other telemedicine services. Urgent care center owners are entrepreneurs with a strong interest in growing their businesses while meeting the needs of their patients. They have an interest in delivering quality patient care at lower cost, and if telemedicine will help them achieve these goals, they will be enthusiastic participants.

Teleradiology vendors may have a near-term opportunity to expand their business by offering to read cardiac and ultrasound exams for their urgent care customers. It is uncertain whether current teleradiology vendors (see above) will expand their services to include telemedicine, or whether a leader will emerge from the growing list of vendors concentrating specifically on telemedicine.

Telemedicine: Part of the future for Urgent Care

Telemedicine is a matter of “when” rather than a matter of “if”. The best “vision” of the potential future of telemedicine for urgent care was provided by one of the MD/Owners:

“In the not too distant future, a patient walks into my center with a difficult condition. Rather than immediately referring that patient to a specialist, I can “click on the wall” and be presented with either a list of specialists I know, or a network of doctors who are immediately available for a consultation. I click on the doctor and we are soon engaged in a three way consultation with the patient. This will result in increased patient satisfaction and I know the patient will be back some time again and probably refer me to friends and family.” MD/Owner of single center on the West Coast

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