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About FYA

FYA – *For Your Advantage*, is a free twice-monthly newsletter published by TrendLeader Connections.

With every issue, FYA provides insights into the topics that concern healthcare leaders today and the challenges that will be faced in the near future.

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State of Medical Consultation on the Internet

A 57-year-old Florida woman was fighting a nasty cough. Seeing her doctor would have meant an hour's round trip drive and sitting in his waiting room with other sick people.

Instead she got what she needed sitting at her home computer in the evening after work. She spent 10 minutes on a secure Web site answering the same kind of questions her doctor would have asked her during an office visit.

The next morning, she not only had heard back from her doctor, she had the prescription antibiotic and cough medicine that he had called in to her nearby pharmacy.

The cost to her for the online consultation: zero. Her insurance company, Cigna, paid her doctor \$35 for the virtual office visit, and under her health plan she had no co-pay (compared with a \$20 co-pay for an office visit).

"I'm not into computers," said the patient. "But it was easy. It's a good idea."

Her story appeared in the *Orlando Sentinel* newspaper written by Harry Wessel.

It's a good idea for doctors, too, said her doctor, who is among the first physicians in Central Florida to conduct online, reimbursed consultations with patients.

With three major health insurance plans now reimbursing physicians for online consultations, the doctor expects he'll soon have plenty of company.

Blue Cross and Blue Shield of Florida has reimbursed a limited number of online visits for nearly four years, with roughly 1,000 doctors now capable of offering the service. But it's been slow to catch on, with Blue Cross officials estimating the total number of monthly online visits statewide at about 50, with fewer than a dozen being submitted for reimbursement.

"We might have gotten in too early," acknowledged Lynn Monson, the company's director of health information technology. "But, by gum, we're ready for tomorrow. We see this taking off."

One reason for Monson's optimism is that two other major health insurers, Cigna and Aetna, announced in December they would go national with reimbursements for virtual house calls made through the RelayHealth network.

RelayHealth, the same online healthcare communication service used by Blue Cross, was founded in 1999 and acquired in 2006 by the healthcare information-technology giant McKesson Corp.

The doctor, whose office has been a RelayHealth pilot site for more than a year, said that more than 300 of his patients have signed up to use it. He estimated he was conducting at least 10 online consultations a week, with patients typically getting a response from their queries within an hour or two on weekdays.

He is quick to point out that the Web visits are only for non-urgent medical problems and only for patients he already knows. "Mostly what we get are sore throats, ear aches, sinuses acting up," he said. "Everybody who uses it I've seen at least once, probably more."

(Continued...)

State of Medical Consultation on the Internet (Continued...)

He typically receives \$25 to \$30 for an online consultation, with patient co-pays ranging from 0 to \$10. Careful patient selection is critical. "There are definitely patients I would not treat through this," said the doctor, because not all patients are trustworthy and some don't understand the limitations of a consultation that is not face-to-face.

A physician recruiter in the northern Florida county, said more than a dozen primary-care physician offices in his area would have the capability to offer online consultations by the end of this year.

He predicted a significant upswing during the next year or two in the number of primary-care physicians offering online consultations, and within a few years "the vast majority of family-practice physicians" will be offering it.

Patients already are starting to demand it, he noted, and as physician offices increasingly adopt electronic medical record systems, doctors will be able to meet the demand.

Insurers and employers have their own reasons for demanding the service. The reimbursement for an online consultation, typically in the \$25 range, is about one-third that for an office visit. Despite the lower cost, patients still get the help they need, and more conveniently. And because the information presented to doctors is formatted, they can deal with it faster and within their daily work flow.

The RelayHealth "webVisit," one of a handful of secure, online systems available, uses a structured interview that takes the patient through a series of questions that cover roughly 150 types of symptoms.

"Ninety-five percent of what we get [through webVisits] we can address online," said the doctor, whose internal medicine, pulmonology and critical-care practice has more than 3,000 regular patients. Those whose problems can't be taken care of with an online response and a prescription order are asked to come to the office.

But even the most ardent proponents of online consultations acknowledge their limitations. The non-urgent medical matters for which they are designed constitute about 20 percent of all current office visits, said a spokesman for RelayHealth in Emeryville, CA, near San Francisco.

He views online visits as a new, improved version of the

phone consultation, with the advantage that it takes place at the convenience of both the doctor and the patient, and it's easier to track for billing.

"Most physicians do a fair amount of free service over the phone," he said. "We believe physicians should not do Web visits unless they get paid for it."

Nationally, physician-reimbursement levels for Web visits typically range from \$30 to \$35, according to the RelayHealth spokesman, with patient co-pays usually \$5 or \$10.

He estimated that fewer than 10,000 physicians nationwide offer Web visits, but that number should soon balloon.

"Health plans are now comfortable that there's enough of an exchange of [doctor-patient] information for reimbursement," he said.

The Florida doctor has little doubt that virtual visits will soon be commonplace.

"It hasn't caught on, but once people find out about it, it will," he said. "This is a really nice way to reduce cost. Insurance companies like it, we [doctors] like it, patients like it. It benefits everybody."

About



FYA - For Your Advantage is brought to you by TrendLeader Connections. The function of TrendLeader Connections is producing educational materials and seminars that help healthcare executives differentiate between fads and trends; and making connections with "Trend Leaders" within the healthcare industry.

We are committed to delivering new perspectives and ideas, creative and innovative healthcare solutions, provocative concepts and quality educational materials to today's healthcare leaders. We want to concentrate on "what comes after what comes next."

How Secure is Your Hospital's Information?

By Rick Kneipper, Chief Administrative Officer and Co-Founder of PHNS

Two-thirds of health information technology ("HIT") executives believe that a major security breach is inevitable if healthcare information security is not improved. This disturbing warning comes from a recent survey commissioned by the Health Information Trust Alliance ("HITRUST") and conducted by KRC Research.

"Nearly half" of the IT execs surveyed said that they were very confident in their own security, which means that the healthcare industry ought to be very concerned when more than a majority of HIT execs are not confident in their own security for sensitive healthcare information. Although perhaps this isn't a surprise since rarely does a week go by in which there isn't disclosure by someone in the healthcare industry about security breaches involving thousands or hundreds of thousands of patient records or information.

An even more shocking revelation from the survey is that 74 percent of the HIT execs surveyed "have concerns that their business partners do not have sufficient information security measures in place." That is a ridiculously high number – so why continue to do business with business partners who don't have adequate security to protect personal health information?!!

And if you want to get even more concerned about security risks, you should read the cover story entitled "The New Espionage Threat" in the April 10, 2008, edition of *Business Week*, which gives numerous examples of increasingly sophisticated cyber security breaches and states that "many security experts worry the Internet has become too unwieldy to be tamed." One very scary example is a malicious software code (or "malware") nicknamed "Poison Ivy" that is buried into authentic looking corporate or business documents. It is attached to authentic looking e-mails that contain what is known as a remote

administration tool (or "RAT") that, when the attachment is opened, secretly allows the attacker to take control of the "host" PC and begin to capture screen shots, peruse files and access confidential information on an ongoing basis.

Poison Ivy and other new types of digital intruders are "rendering traditional defenses – firewalls and updated antivirus software – virtually useless" according to the article. And it's not just the business world that is under cyber attack, but also our government databases – "Sophisticated hackers, say Pentagon officials, are developing new ways to creep into computer networks sometimes before those vulnerabilities are known."

So how well protected is the patient information in your hospital? What layers of security do you have in place to protect against unauthorized access to your protected health information? Is that information encrypted so that anyone getting unauthorized access cannot read the information? Perhaps most importantly, when was the last time that you had an independent assessment of your security protections?

And lest your answer is that your hospital can't afford the cost of sophisticated IT security, consider (1) the cost to your hospital's reputation if you are responsible for a serious security breach involving protected patient health information and (2) the cost of attempting to remediate or cure such a security breach, which could be many multiples of what it would've cost to implement the proper security in the first place.

I would like to hear your comments.
Send them to:
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Can We Endure As a Provider?

Fortune magazine is out with its special annual issue devoted to the *Fortune* 500. This year, in addition to the lists and statistics, it has a column by Jim Collins, the mega best selling author of "*Good To Great*" and "*Built To Last*."

He points out that the *Fortune* 500 list is frequently used as evidence that great companies can no longer endure. Collins says his colleagues quote the great economist, Joseph Schumpeter, who wrote that technological change and visionary entrepreneurs give birth to new things that obliterate old things, only to see those new things become obliterated by the next generation.

The argument seems particularly valid when you consider that Bear Stearns disappeared over a weekend after more than 80 years of growth and number 156 on the *Fortune* 500.

Collins shows that 54 of the *Fortune* 500 lost a total of \$115 billion in 2007.

The vast majority of those on the list 50 years ago are off the list today:

- Of the 500 companies that appeared on the first list, in 1955, only 71 are on the list now.
- Some of the most successful companies in history no longer appear on the list (Scott Paper, Zenith, Rubbermaid, Teledyne, Warner Lambert and Bethlehem Steel.)

Collins, however, is an optimist. He points to the clear exceptions. In 1837, more than two decades before the American Civil War, William Procter and James Gamble formed a partnership to make soap and candles. In 1955, P&G was number 27 on the

Fortune 500; today it is 23rd. In 1886, Robert Wood Johnson issued a small catalog filled with antiseptic surgical dressings and medical plasters. When the first *Fortune* 500 list came out, Johnson & Johnson was number 159; today it stands at 35. GE was number 4 in 1955; today it is number 6. Collins' observed that "from candles to Pringles, from medical plasters to Tylenol, from light bulbs to jet engines (these companies) held tight to core values that have remained fixed for 100 years or more.

Collins also points to companies that fell from greatness, but then "regained their footing, standing defiant against the forces of creative destruction." Xerox entered the *Fortune* 500 at number 423 in 1963 and rose to number 21 by 1990. By 2000 it lost more than \$300 million. By 2007, it showed a profit in excess of \$1 billion.

Collins message is simply that "Companies do not fall primarily because of what the world does to them or because of how the world changes around them; they fall first and foremost because of what they do to themselves."

He goes on to say, "Yes all products, services, markets and specific solutions to social problems eventually become obsolete. But that does not mean that the organizations and societies that produce them must themselves become obsolete and irrelevant."

"After all," he goes on, "you can practice creative destruction inside your own walls and thereby endure for decades, perhaps centuries."

Collins concludes, "The best corporate leaders never point out the window to blame external conditions; they look in the mirror and say, 'We are responsible for our results!'"

The Best Things in Life are Free - Now It Is True!

~ FREE BOOK ~

I've just completed a new book (my 13th), ***Navigating the Boardroom: 40 Maxims - Things You Must Know and Do to Be a Great Director***. This little volume conveys practical, usable and empowering "shoulds" and "should-nots" to help directors improve their performance / contributions and get more out of the experience serving on nonprofit healthcare organization boards.

You can download this book for **free** from the homepage of <http://www.BoardFood.com> (this website contains a truck-load of other governance development resources). Second River Healthcare Press will be releasing a limited exclusive published version of this book in early June. Visit <http://www.SecondRiverHealthcare.com> and preorder your copies today.

- Dennis D. Pointer

Dennis D. Pointer, Ph.D. is Austin Ross - Virginia Mason Professor, Department of Health Administration, School of Public Health and Community Medicine, University of Washington (Seattle). Denny is the author of twelve books. *Really Governing* and *Board Work* have won the prestigious James A. Hamilton Book of the Year Award from the American College of Healthcare Executives.

Principal of Dennis D. Pointer & Associates, Denny is one of the leading governance consultants in the country today and has been retained as a governance consultant, retreat facilitator and speaker by over 250 healthcare organizations, commercial corporations, governmental agencies and professional/trade associations.

- The Publisher