

The Flexibility, Financial Challenges of Videoconferencing

By Ed Rabinowitz - Monday, December 6th, 2010

Don't buy a car in the first year the model is introduced, the old adage goes. Instead, purchase the automobile in its second year of production, after the manufacturer has eliminated all the little bugs and glitches that often accompany the launch of a new product.

The same is true with technology: The quality improves -- and the price comes down -- the longer the product is on the market. Given those reduced prices and improved quality, research and consulting firm [Frost & Sullivan](#) recently forecast that the healthcare field is ripe for a significant increase in the use of telemedicine videoconferencing systems.

"Acceptance is growing," says Joe Peterson, MD, Chief Executive of [Specialists on Call](#), a Westlake Village, Calif., supplier of specialty physician consultations delivered via telemedicine. "The technology itself is not very difficult to engage or entertain." And the physician benefits are measurable.

A Changing Mindset

Siva Chaturvedi, CEO of [Damaka](#), a Richardson, Texas-based provider of mobile videoconferencing solutions, says physicians don't want to be tied to a desk or a given location. Videoconferencing capabilities, whether delivered to a laptop computer or a handheld device, such as a smartphone, enable them to review patient information or provide care while on the move.

"This is very powerful. Physicians can participate remotely, and patients don't have to wait a half hour or an hour for a doctor to show up," Chaturvedi says. "I believe in the next five years we will see huge penetration worldwide, not just in the U.S."

Peterson of Specialists on Call agrees, and says physicians who make use of videoconferencing tools are able to realize significant efficiency and productivity gains. "Many of the things that plagued the ability of physicians to deliver good bedside care, like adequate time to spend with the patient, many of those kinds of hurdles have now been overcome," he says. "Our doctors don't have to factor into their day all of the logistics of driving to the office, then into the ER or the ICU to do a consult. Or even walking across the hospital to do a consult."

Patient Acceptance Is Growing

The ability to connect the patient to the doctor has been around for about a decade, but the technology has been underwhelming. Patients, Peterson explains, relate the quality of the physician's videoconference consult to the quality of the video. If the video is poor, patients tend to assume that the entire process is unsatisfactory. But video quality, now with HD capability, has never been better. As such, patients are more willing participants when it comes to videoconference consults.

"We poll 100 percent of the patients with whom we do a video interaction for customer satisfaction," Peterson says. "That will be about 12,000 patients this year. And the use of video gets high marks."

That said, Damaka's Chaturvedi points out that even as video technology continues to improve and reliance on the technology increases, nothing can replace a face-to-face consultation. "You can solve maybe 70 or 80 percent of problems with video, but there is that 20 to 30 percent of the time that you have to meet with your doctor," he says. "Video can provide a physician with an initial diagnosis, but it cannot solve everything, because physicians cannot touch or feel the problem." So, he says, video consulting has its limitations, but they're not extensive.

The Cost Factor

The high price tag that often accompanies new technology is no longer an issue where videoconferencing is concerned. Price, says Chaturvedi, is at its lowest point in years, and will likely continue to come down as acceptance and advances move forward. Damaka's software runs approximately \$500, depending on the volume of the deployment. In comparison, purchasing all the hardware and software necessary to conduct a videoconference could cost \$50,000 or more.

"The market has created competitive pricing, so it can be used by the small business," Chaturvedi says. "And where usability is concerned, our goal is plug and play. Other than setting up the camera, the software should work just fine. Our goal is to minimize the learning curve."

One challenge physicians continue to face, however, is creating a financial model that works, says Peterson of Specialists on Call. "Whether you're trying to extend yourself to different locations by videoconference, or whether you're extending yourself through other media to connect to your patients, your reimbursement profile today doesn't change," he says. "So, I think it's a valuable technology, but I think the focus for physicians has to be on the reimbursement side. Who's going to pay the doctor is a far bigger barrier to bandwidth or equipment."

Indeed, with the issue of physician reimbursement still so up in the air, the upfront reward of videoconferencing at the present time is not so much the financial benefit it provides but the flexibility it affords physicians in scheduling their workdays.