

6 Ways Telemedicine Increases the Hospital's Bottom Line

The COVID-19 pandemic has had a significant impact on many aspects of our lives, but especially our healthcare system and its staff. Particularly heavily damaged have been the health systems in rural areas. The pandemic has also exacerbated long-standing workforce concerns and raised new ones. Many rural health facilities' financial position has been compromised as they have struggled to mobilize their staff while having to sustain the higher costs of patient care and invest in the additional resources required for the response of the pandemic.

Without a doubt there is a rising deficit of healthcare access in rural areas in the United States. According to [The Center for American Progress](#), although only 14% of Americans—or about 46 million people—live in rural areas, these areas account for almost two-thirds of the nation's primary care health professional shortage areas (HPSAs). This translates to over 4,100 primary care HPSAs in rural areas. In comparison to urban settings, rural locations provide complex barriers for both patients and healthcare professionals. These relentless inequities have resulted in distinct health disparities between rural and urban communities.

Research from the Center for Healthcare Quality and Payment Reform notes other key surprising stats:

- More than 500 rural hospitals in the United States face an immediate risk of closure due to financial losses and a lack of financial reserves to support operations.
- At least one rural hospital is under imminent danger of collapsing in almost every state.
- 25% or more of rural hospitals in 21 states were under immediate danger.
- The hospitals recognized as being at urgent risk of closure had either insufficient or non-existent financial reserves and a cumulative negative total margin over the previous three years.

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Increasing Healthcare Resilience

Telemedicine can increase the hospital's bottom line by lowering costs, retaining patients and increasing specialty services. Using telemedicine can benefit patient health while also lowering costs when used effectively. Consider these six ways telemedicine is driving increased healthcare resilience and opportunity for financial sustainability:



1. Limit patient transfers

Telemedicine connects patients to critical health care services via videoconferencing, remote monitoring, electronic consults, and wireless communications. This ensures patients receive the appropriate care, in the right place, at the right time by increasing access to physicians and experts. When rural hospitals have the resources to deliver acute care or serve patients better after hours, they can limit the need to transfer patients to other facilities, keeping care and revenue local.



2. Fill gaps in patient care

Having a real, live doctor on site overnight is an expensive benefit, especially in a rural community. A telemedicine doctor can cost half the hourly rate and the cost is spread out across numerous hospitals, which pay either a set rate or a per-consult fee. A “telenocturnist” program may be the best financial fit for many hospitals. All around the U.S., there are severe physician shortages, which reveal an even wider gap when it comes to physician specialists. Therefore, telespecialists are also another essential component of the equation, providing on-demand consultations and treatment regimens on a prompt timetable. With care gaps comes lost revenue. By filling the gaps – whether with more access to night shift coverage or access to specialists – telemedicine offers increased opportunity to service patients for increased billings.



3. Lower recruiting costs

Our country currently has an immediate physician shortage attributed in part to the aging of the U.S. population and the ultimate retirement of the physician population. With today's physician shortage recruiting costs are skyrocketing. This particularly hits rural hospitals hard. It is difficult to compete with more desirable locations or larger facilities for the physician staff needed to deliver necessary services. Using telemedicine, hospitals can access the additional physicians they need to serve their community without paying high recruiting costs or salaries to gain the staff they need.



4. Reduce staff physician attrition

Telemedicine gives doctors the flexibility to work anywhere they want. It gives practitioners a level of freedom that was previously impossible, whether they are working from the convenience of their own home or treating patients at a satellite clinic without leaving the main office. Traffic and travel time between clinics may become obsolete. With no overhead, bills, or insurance hassles to deal with, telemedicine physicians are drastically reducing their stress levels. Consequently, telemedicine has shown that it can improve on-staff physician job satisfaction by giving them better work-life balance and lowering their stress.

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5. Expand specialty services

By delivering access to specialists that hospitals may not otherwise be able to access, they can offer an increased set of higher priced services. This expands the hospital's top line revenue while also building patient loyalty as specialty services can be delivered closer to home. For example, a radiologist may not always be on staff in smaller hospitals, or they may not always have access to one at all times. As a result, patients who visit the ER—especially after hours—will have to wait for a diagnosis. With the help of teleradiology services, medical professionals can securely send a patient's x-rays and records to a licensed radiologist in another location to receive a rapid consultation on the patient's health.



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6. Reduce the cost to deliver care

Implementing telemedicine plans will without a doubt pay off for your facility in the short term by streamlining tasks that would otherwise cost money and staff time all the while making patients happier. And telemedicine services offer fractional physician support – so instead of adding an additional full-time physician to ensure peak-time coverage, the hospital can offset on-staff physicians with telemedicine, on demand and only when needed. This lowers the overall cost of care.

Because there is no one-size-fits-all answer, it is up to each hospital system to assess specific economic circumstances before selecting the best course forward. What factors impact the effectiveness of a telemedicine program? The measurements used to assess what defines a successful program differ, just as much as the different forms of telemedicine do. It is necessary to consider how the program's performance will be measured, whether financially or otherwise. Telemedicine is transforming inpatient care and with it the bottom line of the hospitals that offer it.

Learn more about how Eagle Telemedicine is creating a high return for digital care investments [here](#).

Contact Eagle today.