

## Telemedicine: a disruptive innovation

Nathalie Devillier

Doctor of law - Associate Professor  
Grenoble Ecole de Management  
[nathalie.devillier@grenoble-em.com](mailto:nathalie.devillier@grenoble-em.com)

The impact of innovation has disrupted the status quo and has changed the way people have acted for decades. Telemedicine has dissolved the typical singular doctor-patient syndrome. Its asynchronous nature and the explosion of the quantified self have changed the traditional model of delivering care. The ultimate question about the procedure of reimbursing telemedical care is about to be seized by new stakeholders.

### The two facets of Janus telemedicine

Five years after the adoption of the telemedicine Decree (2010), and although France proclaims to support its deployment at a national level, Governments still haven't truly adopted this solution with respect to its financing, remuneration and cost. The law of social security finance (2014) offers an experimental option and leaves the main responsibility to the regional health agencies (RHA): depending on the place of care, the system of compensation changes. Thus, despite a solid legal framework (Art.L6316 - 1 of the Public Health Code) telemedicine remains a marginal practice. Most of the physicians involved are either voluntary or receive a fixed lump sum which is determined according to the contract between the RHA and the hospital. As a result, the variety of services offered (e-consultation, tele-expertise, etc.) has no impact on their remuneration.

Telemedicine seems doomed to continue in this way. Nevertheless, the development of telemedicine in France is not evenly distributed: the number of doctors freely practicing telemedicine is four times less than the number of hospital doctors. We know what hinders the starting blocks: remuneration is a major barrier because there is an absence of adapted dialogue between suppliers and purchasers, and few public-private partnerships (the pharmaceutical industry participates in regional programmes). Regarding funding, the solutions vary from one country to another; the definition of telemedicine itself is changing: there are more than a hundred different concepts in the world! In the US, the *Balanced Budget Act* of 1997 has reached a standstill concerning the reimbursement policies of the Medicare that covers telemedicine. In Denmark and the U.K., telemedicine is a routine service, whereas France still uses temporary funding (the General Interest and Assistance to Contracting Mission, the Intervention Fund for the Quality and Coordination of Care, and the Modernization Fund of public and private care facilities).

## Traditional stakeholders: cautious or reluctant?

Independent physicians will not engage in telemedicine as long as the tariff of this practice has not been determined. In the current situation, they will remain outside of telemedicine thereby reducing its impact. This leads to the following question: where is telemedicine in terms of professional practice? It seems incompatible with a payment system since different health professionals are involved: this will cause an inflation of costs. Should foreign solutions be implemented in France? In Denmark and the U.K., telemedicine is part of the health care system. These two States have adopted policies for telemedicine and digital medical records are common practice. These examples from the Beveridge model are in contrast with Germany and France (Bismarck model) which are characterized by compulsory health insurance. Here, the remuneration is *ex post* and depends on the patient's health care coverage; telemedicine has a legal definition but no system of reimbursement, the personal medical record system is barely universal. If this is the case, telemedicine will attract few independent physicians but financial constraints will be met.

## New doctors who have mastered these technologies could upset existing hierarchies.

Financing *ex ante* valid for all physicians, public and independent, is possible by setting a rate for each telemedical act performed. A system based on an allocation of points has been introduced in the Midi-Pyrénées region (each point is worth 0.97 euro): the price depends on the time devoted to the telemedical act and the role of the physician (requiring the telemedicine act or giving his advice for example). We could also view telemedicine as a better practice since it allows better tracking of chronic diseases and the reduction of inequalities in health care access. The telemedical act would thus become eligible for a performance-based payment. A hybrid system is also possible with, on one hand, a single payment for an isolated telemedical act and, on the other hand, a package for other cases where the telemedical act involves several health professionals or long-term monitoring. Universal reimbursement of telemedicine by insurers is becoming more and more common. In fact, from January 1, 2016, all employers in the private sector should at least offer their employees a contract of complementary health. AXA already offers its members a non-stop teleconsultation service approved by the National Commission on Informatics and Liberty (CNIL) and the RHA.