



Rise in telehealth poses challenges for medmal insurers: Allied World's Dreyer

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The growing use of telemedicine, along with other software that delivers lab results and the like to patients digitally, is an “evolutionary step forward” but also poses challenges to insurers, Allied World’s healthcare practice leader has said.

Terry Dreyer was speaking on Allied World’s “AW Soap” podcast, as part of a wide-ranging discussion that covered the surge in the use of telehealth services during the pandemic. “How that interaction goes down, the interpretation, the directives of patient care and referrals, there's a lot of stuff that changes faster than the traditional acknowledgement or acceptance of that interaction,” Dreyer said. “I think that's a big deal for all of us.”

Healthcare clinics are not tech companies, Dreyer explained. Issues such as maintaining compliance with the Health Insurance Portability and Accountability Act (HIPAA) are often not front and center. “I'm sure that's important to [providers], don't get me wrong, but they don't live and breathe that tech space,” he said.

“They're healthcare providers, and that's their core function.” The increasing pressure to use social media and other tools creates even more concern. The cost of bringing in experts to make sure their tech is secure can be daunting for many healthcare organizations, he said.

“Very few organizations can really make that investment in their intellectual capital to pull that off well,” Dreyer said. “I think that is essential, but it presents a host of exposures to us and how we have to address those.”

The US Centers for Disease Control estimated that telemedicine visits jumped 50% during Q1 2020 over the prior year, when most states were in some form of lockdown to stem the spread of coronavirus. While just 45% of health centers were capable of providing telemedicine pre-pandemic, that figure soared to 95% after Covid-19 reached the US. Usage of remote visits dropped during the rest of the year as states reopened but remained higher than pre-pandemic levels, CDC data shows. The agency expects usage to continue at a higher level than before Covid-19 reached the US.



Telemedicine was introduced in the 1990s, and traditionally was covered under miscellaneous umbrella categories and privacy extensions. “When Covid hit, and the insureds inquired whether they had coverage for telehealth services, we said yes,” Dreyer said. “But if they already had the privacy coverage extension, we informed them that we will be removing it at renewal.

“We can't have that compounded exposure to us of the privacy liability exposure neck, and then the traditional treatment via telemedicine or telehealth, that's a double whammy in my book that you just can't afford, so we got off about half of those coverage grants.”

What's clear, he added, was that dedicated products for this type of coverage are necessary. “Don't try to jam it in on your medical,” he said.