Weekly Advisory: June 11, 2020
Telehealth, Covid-19, and the watershed moment for digital health
Today’s Research Experts

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Pre-Covid-19 disconnection between interest and use

Nearly 7 in 10 were interested in telehealth, but fewer than 1 in 10 had tried it.

Percentages of consumers who are willing to and have used telehealth, 2019

- Willing to use telehealth: 66%
- Have used telehealth: 8%

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Providers failed to effectively promote telehealth offerings

- 23% Internal/family physicians who provided video visits
- 6% Consumers who said their doctor offered telehealth services

Telehealth is an essential tool against Covid-19
Virtual connections preserve capacity and prevent exposure

Patients and clinicians benefit from telehealth

COVID-19 patients
Tele-triage methods keep mild cases out of the hospital and give hospitals time to prep for high-risk cases.

Non-COVID patients
Virtual visits and RPM\(^1\) help patients continue non-COVID related care without risking exposure in hospital settings.

Clinicians
Remote care protects clinicians from additional exposure and allows quarantined clinicians to continue providing care.

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1 billion
Estimated number of U.S. telehealth visits in 2020


1. Remote patient monitoring
Medicare drops barriers to telehealth
Restrictions lifted on where, how, and with whom patients can access virtual care

Changes to Medicare telehealth

- **Patients can access telehealth from home**
  - Originating site requirement now includes homes and any health care facility

- **Telehealth visits can use smartphones**
  - Phones with audio/video capabilities and “everyday” platforms like FaceTime and Skype are eligible

- **Audio-only visits are reimbursable**
  - CMS added behavioral and patient education services and some evaluation and management services to the list of services eligible as audio-only visits

- **New patients can get telehealth visits**
  - HHS won’t audit to confirm an existing relationship between patient and provider

- **Providers can reduce or waive cost-sharing**
  - No penalty for limiting or eliminating co-pays or deductibles

- **All providers are eligible to use telehealth**
  - All health care professionals eligible to bill Medicare for their professional services can now use telehealth
Covid-19 accelerates telehealth adoption
Unprecedented levels of consumer interest and clinician adoption

Blue Cross Blue Shield of Massachusetts

3,500% Increase in telehealth claims between February and March 2020

NYU Langone Health

1,300 Number of providers added to expanded telehealth platform

4,345% Growth in non-urgent telehealth visits from early March to mid-April

Broad exposure improves perceptions of telehealth
Patients and providers increasingly satisfied with telehealth visits

Patients approve of quality of telehealth interactions

74%
Of telehealth users report high satisfaction

Firsthand experience warms more providers to telehealth

57%
Of providers view telehealth more favorably than they did before Covid-19

64%
Of providers are more comfortable using telehealth than before Covid-19

Patients overwhelmingly positive about the quality of virtual interactions with their care providers

The money keeps pouring in
Valuations and expectations rise for telehealth companies

Telehealth funds raised in 2020
Total Q1 telehealth = $788 million, up 1,818% from 2019
Total Q1 RPM\(^1\) = $142 million, up 168% from 2019

Biggest fundraising rounds in 2020:
• Amwell: $194M Series C
• TytoCare: $53M Series C
• K Health: $48M
• 98point6: $43M Series D
• Doctor Anywhere: $27M Series B
• SonderMind: $27M Series B
• Medici: $24M Series B
• Bright.md: $8M Series C
• SteadyMD: $6M Series A

Investors are enthusiastic for telehealth—even in a weak market

101% YTD increase in Teladoc valuation\(^1\)

1% YTD decline in S&P 500\(^2\)

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$250 billion
US health care spending that could be virtualized

CMS poised for permanent expansion of some telehealth?
But administrator’s comments cast doubt on full reimbursement parity

Three key comments from Seema Verma

Overall coverage

“I can’t imagine going back… People recognize the value of this, so it seems like it would not be a good thing to force our beneficiaries to go back to in-person visits.”

What it means:
Expect CMS to cover a wider range of patients and services delivered via telehealth

Sites of care

There are a lot of things that require you to get a service face-to-face. We’re going through all of those. We’re also going through our normal rule-making process, so you’ll see some progress.

What it means:
Limitations to rural areas or provider offices/clinics will be relaxed—to the extent possible—through regulation

Reimbursement

We’re maintaining that equilibrium, but going forward that’s something that needs to be looked at. I don’t see it as a one-to-one.”

What it means:
Continued parity for all eligible virtual visits is unlikely; some specific cases of parity are possible

Go beyond digital substitution to digital transformation
Consider alternate telehealth modalities and relationships

Move beyond virtual visits to asynchronous and RPM

Key questions:
• What applications of asynchronous telehealth and remote patient monitoring are gaining traction with patients, providers, and payers?
• For what care delivery or patient engagement problems to these applications solve?

Embrace new relationships and models

Key questions:
• What payment models (PMPM¹, care coordination payments, shared savings, etc.) are being scaled?
• What data are providers and payers willing to share in order to align their objectives around telehealth?

¹. Per member per month.
Will seniors take to telehealth?
Those who use telehealth like it and will use it again, but few have tried it—yet

**MA seniors rank telehealth experience as favorable**
Better Medicare Alliance and Morning Consult survey
n=1000

78% Of those who have used telehealth are likely to use a telehealth service again in the future

Majority of seniors are still not using telehealth even if they have access to it

"24% of seniors on Medicare Advantage have used telehealth services during the coronavirus to receive health care.”
– Better Medicare Alliance

"81% of consumers age 55 to 64 and 84% of consumers age 65+ who have access to telehealth have not had a virtual/telemedicine visit.”
– Sage Growth Partners

No-regrets telehealth investments
Four steps that make sense in any environment

Implement a secure telehealth platform
- Waivers permitting use of FaceTime and Skype are likely to be rolled back
- Integration of telehealth platform with EHR will streamline provider experience

Train all providers to use telehealth
- Recurrent pandemic surge may demand a return to virtual-only visits
- Develop standard operating procedure for virtual visits

Take this opportunity to get scheduling right
- Integrate, standardize, and templatize scheduling for telehealth
- Maximize clinician capacity and improve access for patients

Support patients to use telehealth
- Promote telehealth widely through patient portal and outreach
- Consider deploying staff to virtually “room” patients like they would in-clinic
Not all patients are benefiting from telehealth
Underserved populations also struggle to access care virtually

Telehealth use by income level shows disparity in access to virtual care

Percentage who had a telehealth visit

- Less than $25K: 28%
- $25-50K: 30%
- $50-100K: 38%
- $100-200K: 56%
- More than $200K: 65%

Ways to improve access

Access to devices
- Help patients obtain devices
- Notify patients of subsidized broadband access
- Find creative alternatives

Digital literacy
- Provide tutorials
- Set up walk-through trainings
- Proactively reach out to underserved populations

Broadband connection
- Advocate for change at the local, state, and federal levels to fund equipment, connectivity, and reimbursement parity

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21 million Americans lack access to high speed internet
162 million Americans not using broadband speed

Source:
- "Addressing Equity in Telemedicine for Chronic Disease Management During the Covid19 Pandemic," NEJM Catalyst, May 4, 2020
- "FCC Reports Broadband Unavailable to 21.3 Million Americans, BroadbandNow Study Indicates 42 Million Do Not Have Access," BroadbandNow Research, February 2, 2020
- "Nextlink Internet and Microsoft closing broadband gap in central US," Microsoft, September 18, 2019
Your top resources for COVID-19 readiness

**CDC and WHO Guidelines**
Compiles evidence-based information on hospital and personnel preparedness, COVID-19 infection control recommendations, clinical guidelines, and case trackers

**Coronavirus scenario planning**
Explores twelve situations hospital leaders should prepare for and helps hospital leadership teams pressure test the comprehensiveness of their preparedness planning efforts and check for blind spots

**Managing clinical capacity**
Examines best practices for creating flexible nursing capacity, maximizing hospital throughput in times of high demand, increasing access channels, deploying telehealth capabilities, and engaging clinicians as they deal with intense workloads

**How COVID-19 is transforming telehealth—now and in the future**
Explores how telehealth is being deployed against COVID-19 and essential next steps for telehealth implementation

To access the top COVID-19 resources, visit advisory.com/covid-19
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