



Weekly Advisory: June 11, 2020

Telehealth, Covid-19, and the watershed moment for digital health

Presented by
Health Care Advisory Board

Today's Research Experts



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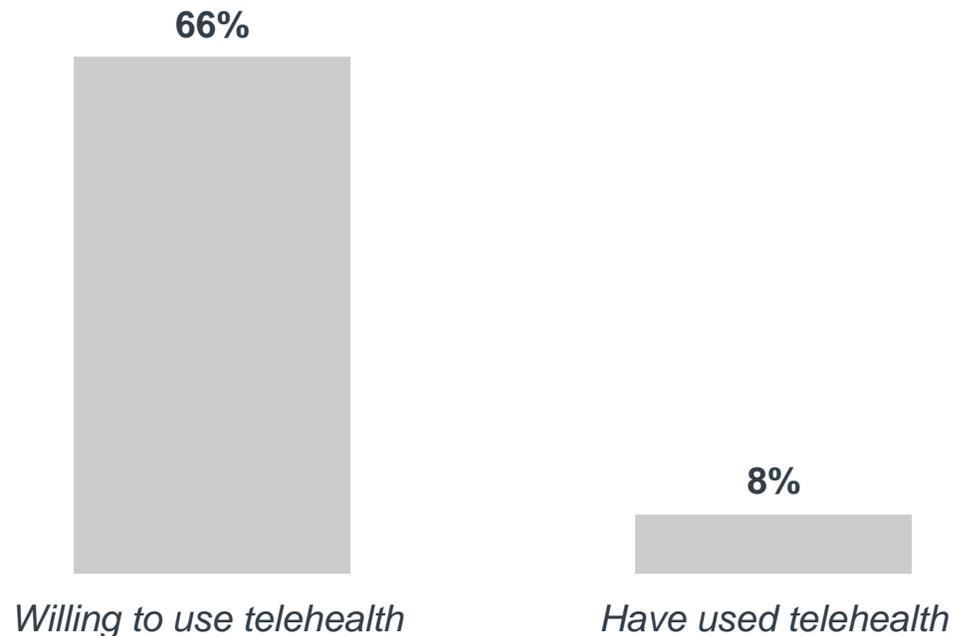
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Pre-Covid-19 disconnection between interest and use

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



DATA SPOTLIGHT

Providers failed to effectively promote telehealth offerings

23% Internal/family physicians who provided video visits

6% Consumers who said their doctor offered telehealth services

Source: Amwell, Telehealth Index: 2019 Consumer Survey; Amwell, Telehealth Index: 2019 Physician Survey.

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 RPM¹ 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.



DATA SPOTLIGHT

1 billion

Estimated number of U.S. telehealth visits in 2020

1. Remote patient monitoring

Source: "[Healthcare Predictions 2020: Virtual Care Visits Will Soar To More Than 1 Billion In The US.](#)" Forrester Research, March 16, 2020.

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

50-175x

Average increase in number of telehealth visits across providers compared to pre-Covid levels

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

Sources: Drees J, "NYU Langone Health Adds 1,300 Providers to Telemedicine Platform," *Becker's Healthcare*, March 2020, <https://www.beckershospitalreview.com/telehealth/nyu-langone-health-adds-1-300-providers-to-telemedicine-platform.html>; "Blue Cross Blue Shield of Massachusetts Telehealth Claims Skyrocket During Coronavirus Pandemic," *PRNewswire*, April 2020, <https://www.prnewswire.com/news-releases/blue-cross-blue-shield-of-massachusetts-telehealth-claims-skyrocket-during-coronavirus-pandemic-301039447.html>; Bestsenny O, et al., "Telehealth: A Quarter-Trillion-Dollar Post-Covid-19 Reality?" McKinsey and Company, May 2020, <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>.

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**



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

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

Source: "Telehealth: A Quarter-Trillion-Dollar Post-Covid-19 Reality?" McKinsey and Company, May 2020. <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>; "The Rapid Transition to Telemedicine: Insights and Early Trends," Press Ganey, May 2020.

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 RPM¹ = **\$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

1. Remote patient monitoring.
2. Through June 5, 2020.

Investors are enthusiastic for telehealth—even in a weak market

101%

YTD increase in
Teladoc valuation¹



Amwell files
for IPO

1%

YTD decline in
S&P 500²



DATA SPOTLIGHT

\$250 billion

US health care spending that could be virtualized

Source: ["Telehealth Companies Lead Digital Health to Record VC Funding in Q1 2020 with \\$3.6 Billion,"](#) Mercom Capital Group, April 13, 2020; Landi H, ["Telemedicine companies see funding boom of \\$788M in Q1,"](#) Fierce Healthcare, April 14, 2020; Lovett L, ["Amwell scores \\$194M, as telehealth business booms during coronavirus pandemic,"](#) mobihealth news, May 20, 2020; Pifer R, ["Amwell files for IPO,"](#) Healthcare Dive, June 5, 2020; ["Telehealth: A Quarter-Trillion-Dollar Post-Covid-19 Reality?"](#) McKinsey and Company, May 2020; Google Finance.

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

Source: Ross C, [“I can't imagine going back”: Medicare leader calls for expanded telehealth access after Covid-19.](#) STAT News, June 9, 2020.

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.

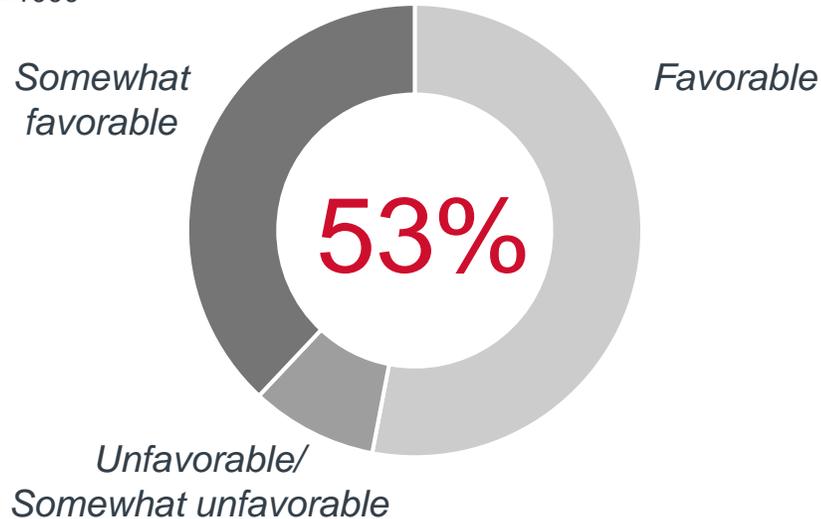
Will seniors take to telehealth?

Those who use telehealth like it and will use it again, but few have tried it—yet

MA¹ seniors rank telehealth experience as favorable

Better Medicare Alliance and Morning Consult survey

n=1000



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

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

1. Medicare Advantage

Sources: “As The Country Reopens, Safety Concerns Rise,” Sage Growth Partners, May 2020, <http://go.sage-growth.com/covid-19-market-report>; “POLL: Seniors Give Telehealth High Marks; Medicare Advantage Satisfaction Smashes New Record,” Better Medicare Alliance, May 2020, <https://www.bettermedicarealliance.org/newsroom/press-releases/poll-seniors-give-telehealth-high-marks-medicare-advantage-satisfaction>.

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

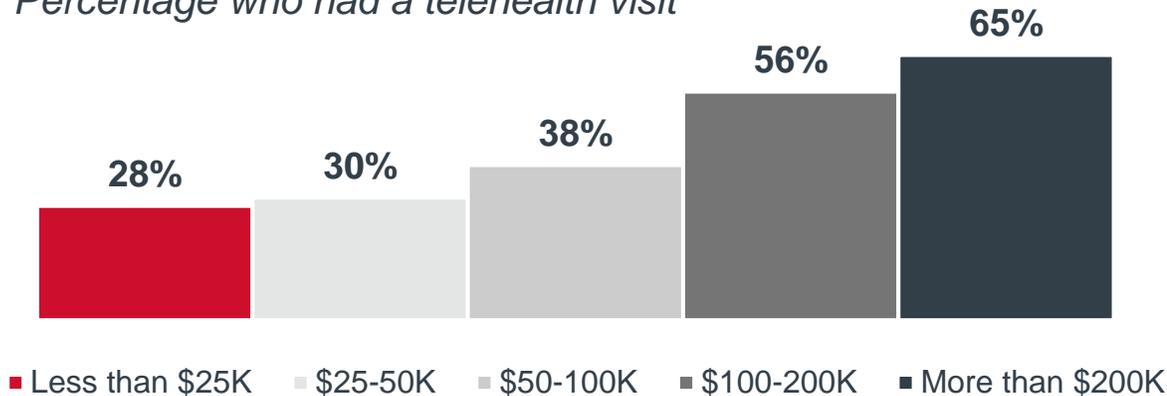
- Promote telehealth widely through patient portal and outreach
- Consider deploying staff to virtually “room” patients like they would in-clinic

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



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



DATA SPOTLIGHT

21 million

Americans lack access to high speed internet

162 million

Americans not using broadband speed

Source: ["Medicare Advantage Satisfaction Smashes New Record"](#), Better Medicare Alliance, May 2020; ["Addressing Equity in Telemedicine for Chronic Disease Management During the Covid019 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



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



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



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](https://www.advisory.com/covid-19)

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