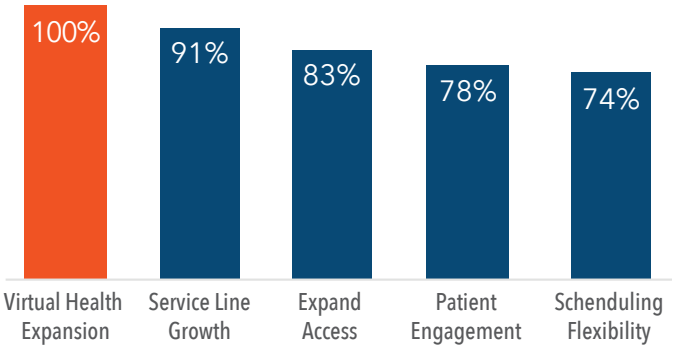
# Inside Track Report | Business & Operating Models

*Document Illustrative of Academy Insights Thought Leadership*

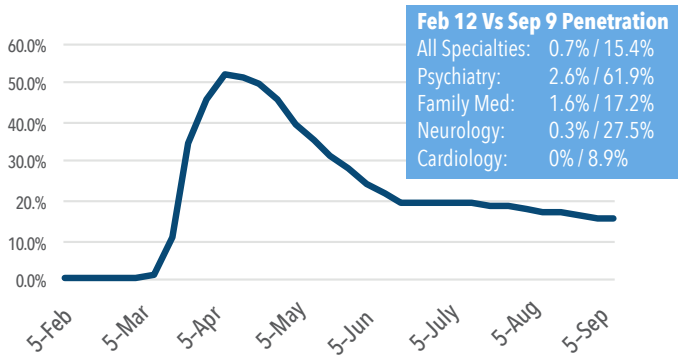
## Tradl' Telehealth is a Baseline Expectation But Much Work Remains

### Program Sustainability Requires Optimizing Use Cases and Mastering New Workflows

**Top 5 LHS Growth Tactics Next 18 Months**
*Academy Survey of Finance Executives, July 2020*




**Telehealth Adoption Tracker: Gradual Decline and Plateau**
*The Chartis Group Analysis, as of September 9, 2020*




### Key Considerations for LHS Beyond Initial Telehealth Ramp-up

- Deciding on tech platform: virtual agent to assist with triage/improve scale; patient messaging for care & engagement continuity; and functionality that ensures revenue cycle isn't an afterthought
- Developing virtual care pathways & workflows for best-fit areas like behavioral health and chronic conditions Establishing rational adoption goals, incentives; creating and monitoring metrics to validate cost savings and clinical efficacy
- Just beginning to strategize around delivery of ancillary services (e.g., lab, imaging) to mitigate breaks in care continuity, revenue loss

## Experimenting with New Provider Workflows & Further Integration

**"Virtual health has been better than we thought it would be. After taking a history and seeing the patient, in many cases, you are able to make a good portion of the diagnoses without contact."– Clinical Executive, Leading Health System**

- LHS are also using the disruption in patient visit volumes due to COVID to experiment with new provider workflows.
  - » LHS leadership collaborated with emergency room physicians to create a 'virtual ED' program.
  - » The Psychiatry group in one LHS went 100% virtual and was able to increase their volumes because of the more flexible schedules that remote work offers. They attracted several new physicians to the group because the new physicians could live in different states.
- LHS expressed excitement at further advances in virtual care technology – as long as payment models continue to support it.
  - » Order sets in crowded emergency departments can be managed by a nurse practitioner or a 'virtual doc.'
  - » Locum physicians may be replaced by a virtual doctor in specialties such as infectious disease or allergy, which may not need a provider on campus full-time.
- All LHS set some level of virtual care as a cultural expectation, particularly among ambulatory providers.
  - » It is difficult to manage differing workflows and preferences among providers, some of which are more reluctant to come back to do office visits than others.
  - » Hybrid virtual/in-person schedules are also hard on support staff. Patients are overall more satisfied with virtual visits, but less willing to wait than if they were in the office – they expect providers to be on time.
- One LHS described their top four needs for their virtual health platform:
  1. It cannot require a download
  2. It must be user-friendly for both patients and providers
  3. It must easily enable reconnection if someone drops
  4. It must allow invitation of multiple different participants within the same visit

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## Demonstrating Efficacy, Cost Savings Key to Virtual's Future

### Millions of Virtual Visits in 2020 But Little Visibility into (Measurable) Impact

### The "Right" Measures Are a Work in Progress

**"We know we need to go beyond measuring volume and satisfaction to comparing efficacy of telehealth vs. in-person visits. We're also worried about virtual modalities exacerbating health disparities." – CMO, LHS**

**"We took the old practice of medicine and moved it into telehealth, which wasn't a great experience. All patterns were broken, which led to longer visits and missed items, which eroded quality. We need to get used to it and create a different paradigm." – CMO, LHS**

### Sample Metrics to Evaluate In-person and Virtual Visits

- Total visits (in person, virtual) over time
- Visit mix by specialty, patient type
- % Video, phone
- Visit conversion rate
- % New patients
- Patient characteristics (e.g., SDoH)
- Pre, intra, post visit time
- Provider cost to administer visit
- PMPM trend
- HEDIS performance
- Patient satisfaction

### NCQA Taskforce Provides High-Level Framework

- Taskforce on Telehealth Policy: collaboration between NCQA, Alliance for Connected Care, American Telemedicine Association, 22 industry experts (e.g., Intermountain, UPMC, Humana, AHIP, Teladoc, Amwell, etc.)
- Safety: standards for telehealth and in-person care should be integrated, not separate
- Quality: Telehealth should be held to the same standards and quality measures as in-person care
- Where unique characteristics of telehealth dictate a change in a measure, it should be adapted rather than developed from scratch, if possible
- HEDIS: NCQA updated telehealth guidance in 40 HEDIS measures for 2020 and 2021, to align with guidance from CMS and other stakeholders
- Data flow: Develop clear data sharing standards, built on existing standards & 21st Century Cures Act data sharing/anti-data blocking regs

## Current Virtual Health Successes Enabled by Payment Model Flexibility

**"Virtual health has been better than we thought it would be. After taking a history and seeing the patient, in many cases, you are able to make a good portion of the diagnoses without contact."– Clinical Executive, Leading Health System**

- Several LHS noted that they had technology and infrastructure for virtual visits in place prior to the pandemic, but payment changes associated with the pandemic were a dramatic accelerator and enabler of the expansion of existing programs.
- Pre-pandemic, a LHS was limiting use of virtual care for HMO patients. Now that they have seen a thousand-fold increase in virtual visits over the course of the pandemic, they have opened virtual care options for all patients. They have also begun collecting copays for virtual visits, which were paused during the height of the pandemic.
- While many LHS noted success in obtaining payment parity when billing insurance for virtual visits due to relaxed payment rules, most were skeptical that the current payment system will endure.
  - » Some LHS noted that if CMS pays the same for a video visit and in-person visit on a permanent basis, insurers will most likely follow suit. However, phone-only (no video) visits are almost certain to be reimbursed at a much lower rate in the future.
- Some LHS have seen large drop-offs in virtual visits as in-person care has restarted, while others have seen more modest declines. However, most LHS report that making virtual care 'sticky' is one of their top priorities.
- One LHS has also seen delays in wellness visits, particularly among their Medicare population, which they believe may be due to that population's difficulty using digital technology.
- Another LHS has started a virtual urgent care service to attract new patients. The service grew out of a triaging call center which was stood up in response to COVID, and then stayed because it proved useful and efficient.
- Several LHS noted that a valuable element of a virtual care platform was the ability to seamlessly add another person to the same visit – another physician, family member, or care coordinator. This was something that not all platforms allowed.

*Sources: US Physician Practices Spend More Than $15.4 Billion Annually to Report Quality Measures, Health Affairs, March 2016; Taskforce on Telehealth Policy, NCQA; COVID-Driven Telehealth Surge Triggers Changes to Quality Measures, NCQA June 5, 2020; COVID-19 Underscores The Need for Digital Quality Measurement, Health Affairs, Aug 26, 2020; Academy research and analysis.*

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## Building Business Models for Virtual Health

**Pivoting Traditional Approaches for Different Ways of Engaging Health Care Consumers**

Humana

### Humana Virtual Primary Care Plan

- Partnered with Doctor on Demand on a virtual primary care plan for employers
- Access to dedicated PCP, preventive care, urgent care, and behavioral health
- Enrollees receive medical device kit: digital blood pressure cuff, thermometer, and log
- Reduced premiums (20-50% less than traditional plans), patients pay no copay for Doctor on Demand telehealth services, and $5 copay for common labs and prescriptions

SteadyMD

### Virtual Care Concierge Practice at SteadyMD

- Membership-based (concierge) virtual care practice
- Assigns dedicated doctor and applies care management strategy using remote monitoring
- Doctor-patient pairings based on primary medical needs, dietary preferences, and lifestyle
- Pairings account for primary medical conditions like hypertension or diabetes, dietary preferences, and lifestyles
- Starting at $99/month for individuals, $178/month for families

### LHS Launching Comprehensive, Subscription-Based Care and Wellness Service Line

- Direct-to-consumer, self-pay membership service for all care except acute hospital care
- Digital care platform in development before COVID but accelerated by pandemic
- Rooted in effort to cultivate loyalty, capture greater share of wallet
- Will engage regular and infrequent health care consumers, both in existing and entirely new markets
- Version of plan designed for price-sensitive customers, including those without traditional health insurance
- Combined with care advocacy service – a healthcare team member "buddy" to help consumers navigate their healthcare journey (refills, testing, billing, etc.)

## Virtual Health and Implications for the Future

**"What does telehealth mean for the future? How do we take industry learnings and apply them, particularly lessons from private equity?" – Chief Financial Officer, Leading Health System**

- Forum members representing both Leading Health Systems (LHS) and industry partners are moving a piece of their businesses to telehealth. The pandemic forced providers to move more aggressively in this space. One CFO noted the health industry was slow to adapt, even when other organizations, particularly with private equity-backed funds, were building out their capabilities.
  - » The CFO noted that these organizations were taking different pieces of the value stream and bringing them forward.
- One LHS with a telehealth volume rate of less than 1% in February reached 80% at the peak of the pandemic and is now settling around 35-40% of visits completed virtually overall. Their CFO listed three components that are helpful in laying the framework: efficiency, e-consults, and second opinion.
- One industry leader said the acceleration and adoption of telemedicine across the country is one behavior change that should not snap back to normal post-pandemic, but that LHS will need to adjust to keep pace with the expectations of their patients.
  - » For example, telemedicine has dramatically reduced wait times, and patients are likely to be less patient with arduous wait times in the future. Telemedicine is also an opportunity for LHS to dive into consumerism. As one Forum member noted, patients will go anywhere to get the best care.
- The move toward telemedicine also raises some fundamental questions for LHS considering their entire framework for care delivery. One CFO noted that decades ago, "care" meant acute care. Despite major strides in realms like diabetes, cancer and chronic care, the system never adjusted. The digital process presents an opening to change care models.
- Members discussed two concerns in the telehealth space facing CFOs:
  - » For health systems, profitability is derived from maintaining relationships with patients via specialty visits, ancillary services, and procedures, which could be a concerning element of the swift move to virtual visits.
  - » Private equity companies have moved quickly toward finding ways to attach themselves to patients, so they eventually have better ability to direct where care is going and own more of the provider stream, at a low cost.