

TREND BRIEF

What's on the Horizon for Telehealth? Growth, Change and a Hard Look at Efficiency.

Out of pandemic necessity, the adoption of all types of telehealth has increased dramatically. Around-the-clock telephonic nurse advice has become invaluable. Many individuals are trying on-demand virtual physician consults for the first time. Provider practices are embracing telemedicine.

But will this mean a slow and steady continued growth of telehealth? What will need to change to help virtual care truly deliver on its promise?

In this brief, we examine telehealth's emerging role as an integral part of the nation's healthcare delivery system and the considerable transitions that lie ahead in terms of growth, infrastructure and consumer experience.





On-demand 24/7 telehealth is here to stay—and is expected to expand quickly into other areas.

When it comes to on-demand, around-the-clock virtual care, all signs point to increased adoption. Why? Because once consumers experience the convenience of telehealth for appropriate kinds of care, there's little impetus to go back to the way things were.

Plus, we already know that 24/7 telehealth can deliver cost-savings for both the patient and the payer due to unnecessary care avoidance (emergency, urgent and primary care visits)—offering further incentives for both stakeholders.

That's one of the reasons why the industry will experience further expansion, and healthcare consumers will show more interest, in areas like:

- On-demand mental health support, with no referral needed, and crisis care that de-escalates situations and keeps patients with behavioral health emergencies out of the ER
- All-virtual preventive and primary care, including the ability to choose your on-demand provider and develop patient-clinicians relationships
- 24/7 chronic care management teams, providing assistance whether it's 3 p.m. on a weekday or 3 a.m. on a Saturday night

NEXT STEPS:

To support further telehealth growth, the industry will need to make some changes, including moving away from a one-size-fits-all mindset. Not everyone will want to see a dermatologist via telehealth about an uncomfortable skin infection, for instance, but may be fine interacting about a simple rash via virtual care. Not all telehealth will need to be video-based, which will solve for connectivity and user technical limitations; in fact, audio, email/portal exchanges and other channel options may be adequate.



Consumer education, encouragement and assistance will be needed to sustain telehealth growth.

A recent Deloitte poll showed that 80% of consumers who have had a telehealth visit would choose to have another. Generation Z and millennials in particular were eager to continue with virtual care at 86% and 83%, respectively. A large portion (88%) of those with chronic disease planned to continue, as well.

On the other hand, baby boomers may need more support to reach that level of optimism. The 2020 National Poll on Healthy Aging found that not all seniors view virtual care as an adequate substitute for in-office care. Gender also plays a role, according to a recent Harris Poll: Men are more likely to use telehealth today than women.

Additionally, October 2020 research from J.D. Power found high consumer awareness of telehealth (75%), but more than half (54%) of consumers cited a lack of understanding of whether their health plan even covers these services.

NEXT STEPS:

Payers, providers and telehealth partners will need to work together to keep the momentum going, and to educate and support consumers.

The industry will need to consider responsive strategies that help bridge the gap between interest and successful use of telehealth by seniors. A study by Harvard Business School found that seniors who have impairments related to vision or hearing can struggle with telehealth and may benefit from devices and one-on-one training assistance offered by providers or payers.

Costs—who pays for what kinds of telehealth and how much—will need more attention.

The welcome news from the Centers for Medicare & Medicaid Services that 144 telehealth services will be permanently covered by Medicare marks a pivotal moment for virtual care.

Many states are also working toward improving telehealth reimbursement policies. A report from the Center for Connected Health Policy showed that all 50 states and the District of Columbia have some form of Medicaid reimbursement for telehealth in their public program now. However, most industry payer and provider associations and experts agree more conversations and action regarding costs are necessary.

Healthcare consumers will have their say, too. A Wakefield Research study found that 50% of patients surveyed said they would consider changing providers if affordable telehealth was NOT offered. More than 20% said they would access telehealth only on a limited basis if their insurance didn't cover it. Medicare Advantage plan purchasers have also indicated that significant telehealth coverage was important to them during the most recent enrollment period.

At Carenet Health, we've long suggested that payers should consider offering free telehealth (with no copay) to members, with upfront costs offset by the resulting diversion of unnecessary emergency and urgent care.

NEXT STEPS:

In particular, commercial and Medicare Advantage plans will need to consider lowering or eliminating telehealth copays for consumers in the future to truly reap all of the benefits virtual care can deliver. Plus, traditional healthcare organizations may soon encounter rising competition from new and non-traditional players that will offer free or low-cost virtual care opportunities in the market.

Telehealth—when smartly integrated with other services—will continue to reduce overall costs for the healthcare system.

Any time a patient can use on-demand telehealth versus in-person care (emergency, urgent, primary office care) for an appropriate healthcare need, payers, risk-based providers and their members save money. But there are ways to take that a step further with digital front doors and smarter integration of virtual services.

For example, placing a registered nurse in front of on-demand physician consults (like the Carenet model) can save additional costs, as treatment guidance by an RN costs less than care from a licensed physician. In fact, our estimates show that nurses can triage nearly 700 adult and pediatric conditions and that a “nurse first” approach can save healthcare organizations up to 67% over a direct-to-econsult infrastructure. This type of approach may also serve as a gatekeeper for appropriate use of telehealth and fraud prevention.

NEXT STEPS:

Telehealth will become especially important for organizations interested in unnecessary emergency care avoidance. Each time a patient enters the emergency department (ED) with a condition that can be treated in a primary care setting, it comes at an average cost of \$2,032 to the healthcare system, according to an analysis published by UnitedHealth Group.

Up to 18% of ED visits end in inpatient admission, and many of those hospital stays are recommended out of extra caution.

Taking it a step further, cautionary inpatient admissions that can result from an ED visit—and up to 18% often do, says the Emergency Department Benchmarking Alliance—could also be avoided with a more robust telehealth infrastructure. (The average cost of an inpatient admission can now exceed \$22,000, according to various sources.)

Progress will ultimately come down to the patient experience.

Yes, the pandemic forced telehealth into the spotlight. And yes, the future looks bright—with innovations, investments and improvements on the horizon. But like any other service in the modern world, user experience will eventually determine how the future of virtual care plays out.

As your healthcare organization plans for the future amidst continued uncertainty, it will be critical to focus on that patient experience. Those who do, and who can differentiate their services, will be in the best position a year from now.

NEXT STEPS:

Industry stakeholders will need to consider the consumer journey in a virtual care world. How can AI and data be used for personalization and better care? What other options for seamless consumer experiences and whole-person service integration are available? Could the telehealth experience include more robust behavioral health support, member/patient advocacy, care coordination services and 24/7 customer service assistance—all connected in a virtual space?



HOW CAN WE HELP?

Carenet Health is the nation's premier healthcare engagement partner—providing consumer engagement, clinical support, telehealth and advocacy solutions on behalf of 250+ of the nation's most consumer-focused health plans and health systems. Contact us at marketing@carenethealthcare.com, call **800.809.7000** or learn more at [carenethealth.com](https://www.carenethealth.com).

Summary

Now that telehealth is becoming a larger part of the care delivery ecosystem, the healthcare industry shouldn't lose focus on the value that virtual care can offer beyond a pandemic-fueled landscape.

As is true in so many areas of healthcare today, we don't have to have all the telehealth answers, but we do need to continue to put strategic effort into understanding shifting consumer trends and expectations, and evaluating the patient experience for improvement.