



COVID-19

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Telehealth is booming — but will it have lasting impact?

By John League, Senior Consultant, Advisory Board

COVID-19 has pulled telehealth adoption forward by five years — in only a matter of weeks.

Current conditions have increased both demand for and supply of telehealth visits. On the demand side, consumers have pivoted to virtual visits with aplomb. Hospitals and health systems have increased virtual visits by orders of magnitude. Here are just two examples of many:

- Cleveland Clinic saw their virtual visits increase from about 3,400 per month to more than 60,000 in March 2020.
- Novant Health in the Carolinas was doing more than 2,000 virtual visits each day at the end of March 2020, after only doing about 200 in all of 2019.

Within this series, we've discussed how hospitals and health systems have rapidly responded to telehealth demands by making changes to their [IT](#), [human capital](#) and [reimbursement strategies](#). But what lies ahead for telehealth in a post-crisis world? Will consumers, providers and payers all support widespread adoption going forward? How will providers need to redesign the way they deliver care in a world of virtual visits? And how will telehealth disrupt competitive dynamics?

Widespread adoption of telehealth will depend on reimbursement parity

Physicians have consistently pointed to reimbursement as the [biggest obstacle](#) to their use of telehealth. In response to the pandemic, [Medicare has led the way](#) in securing a supply of clinicians for telehealth visits by reimbursing at the same rate as in-person visits for more than 80 kinds of interactions. [Some plans have followed suit](#), largely for COVID-related visits but also for other acute and routine visits.

If payers retrench post-crisis to limited use and lower reimbursement for telehealth, the supply of virtual visits is likely to dry up. Health care will find itself right back where it was before COVID-19 — but with greater patient demand for a service that undercuts in-person provider reimbursement rates.

One way to overcome this obstacle will be to demonstrate that telehealth is a viable means of care delivery in its own right, rather than a compromise or convenience measure. Payers worry that telehealth will increase in-person utilization rather than replace it. Providers will have to be able to connect patients to all of the downstream services and interventions they need — such as labs and referrals — without a subsequent in-person visit.

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Providers will need to redesign most care pathways

Effective telehealth is more than just a remote connection between patient and clinician. Providers and payers must consider the necessary interactions upstream and downstream of the actual virtual visit if they want telehealth to deliver on its potential. Such interactions include (but certainly aren't limited to):

- Providing clear and easy access points for telehealth visits through a digital front door, kiosk or [other portal](#)
- Integrating virtual visits data into the EHR
- Connecting patients to appropriate remote monitoring devices, labs and referrals
- Developing care standards and pathways that take advantage of telehealth options
- Providing training and protocols for telehealth

Fortunately, the recent pivot to virtual care (even if limited only to a few months of 2020) should provide ample data and experience to evaluate appropriate and creative uses of telehealth, and its specific integration needs for the future.

With broader acceptance and familiarity with telehealth from patients and clinicians, novel and underutilized applications of telehealth could gain traction. Already, leading health systems are considering ways to become truly digital-first providers, including such potential telehealth uses as:

- Pre- and post-op visits
- “Exception-based” in-person visits, where telehealth is the dominant mode of patient-clinician interaction, and in-person visits are limited to procedures and comprehensive physical examinations
- Hospital-at-home, including post-procedure observation and rehab

Telehealth will disrupt competitive dynamics

Regardless of reimbursement parity, the current explosion of telehealth has changed the way we think about the way high-quality care can be delivered effectively. Advisory Board's consumer research on virtual visits has consistently shown that, once patients try a virtual visit, they tend to be satisfied with both the care received and the clinician interaction. Moreover, they say that they are willing to use virtual visits

to receive care in the future. With telehealth visits in U.S. estimated to top 1 billion across 2020, it's clear that patients will continue to turn to virtual care — and expect it to be available. For the first time, telehealth will be “table stakes,” that is, it will be a necessary component of basic patient or member retention and engagement strategies.

Telehealth also will broaden the industry's conception of both service area and competition. Existing platforms allow patients and providers to connect far beyond the geographic reach of a local health system or provider practice. And new technologies like 5G networks will further expand the services and diagnostics that are available remotely. This expanded connectivity is just as true for provider-to-provider consultation as it is for direct-to-consumer telehealth.

This disruption may require providers to reconsider their physical, brick-and-mortar footprints. Investment in physical assets in a world of widespread telehealth adoption may not be advantageous from a business development perspective. At the same time, a seamless, convenient integration of telehealth across the care continuum will require providers to think about how to use their physical locations as genuine complements to their telehealth services, and vice versa.

COVID-19 has provided a [national demonstration case for telehealth](#) that would never have been possible otherwise. Consumers, providers, and payers have all seen the benefits of digital care in today's world. Sustained and expanded adoption will depend on stakeholders' ability to align on recognizing and furthering digital health's potential to generate value and transform care delivery. Telehealth is here to stay, and could turn out to be the future of medicine.

Meet our expert



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