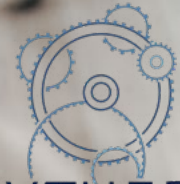




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# Telehealth: Current Trends and Long-Term Implications

A joint thought leadership perspective by The Chartis Group and Kythera Labs

*Authors: Sue Anderson, Ryan Bertram, Eric Mayeda and Hillary Stetson*

*Contributors from Kythera Labs: Jason Wreath, Jeff McDonald, Jeremy Ellis, Richa Joshi and Ryan Leurck*

## Introduction

Prior to the COVID-19 outbreak, telehealth visits represented less than 1 percent of total physician visit volume. By the fourth week of April 2020, 42 percent of all physician visits nationwide were being performed via telehealth. COVID-19 has ushered in a new era for telehealth, accomplishing in weeks what many thought would take years. While this spike in adoption speaks to the need for patients to receive care at a distance right now, the exponential growth in telehealth visits will plateau and possibly abate as physician practices reopen. However, the nimbleness of providers and receptivity of consumers during this rapid acceleration foreshadows a future care delivery paradigm that broadly embraces telehealth. That said, it will take time for providers to adapt workflows, evolve care team models, stabilize digital infrastructure, and develop sustainable, financially-viable business models for telehealth to endure within reimaged, integrated care models in the coming years.

The Chartis Group, in partnership with Kythera Labs, analyzed physician visit claims from providers across the country to track week-by-week telehealth adoption trends.

## Key Implications for Providers

Not unexpectedly, telehealth adoption is not uniform across regions, specialties or consumer segments.

Analyzing trends over the first six weeks of the pandemic raises **three important considerations** for providers regarding the long-term role telehealth will play in the care delivery ecosystem:



Telehealth growth will stabilize as physician offices reopen, but remain an essential component of care delivery.



Telehealth will impact every physician specialty—from primary care to medical and surgical disciplines.



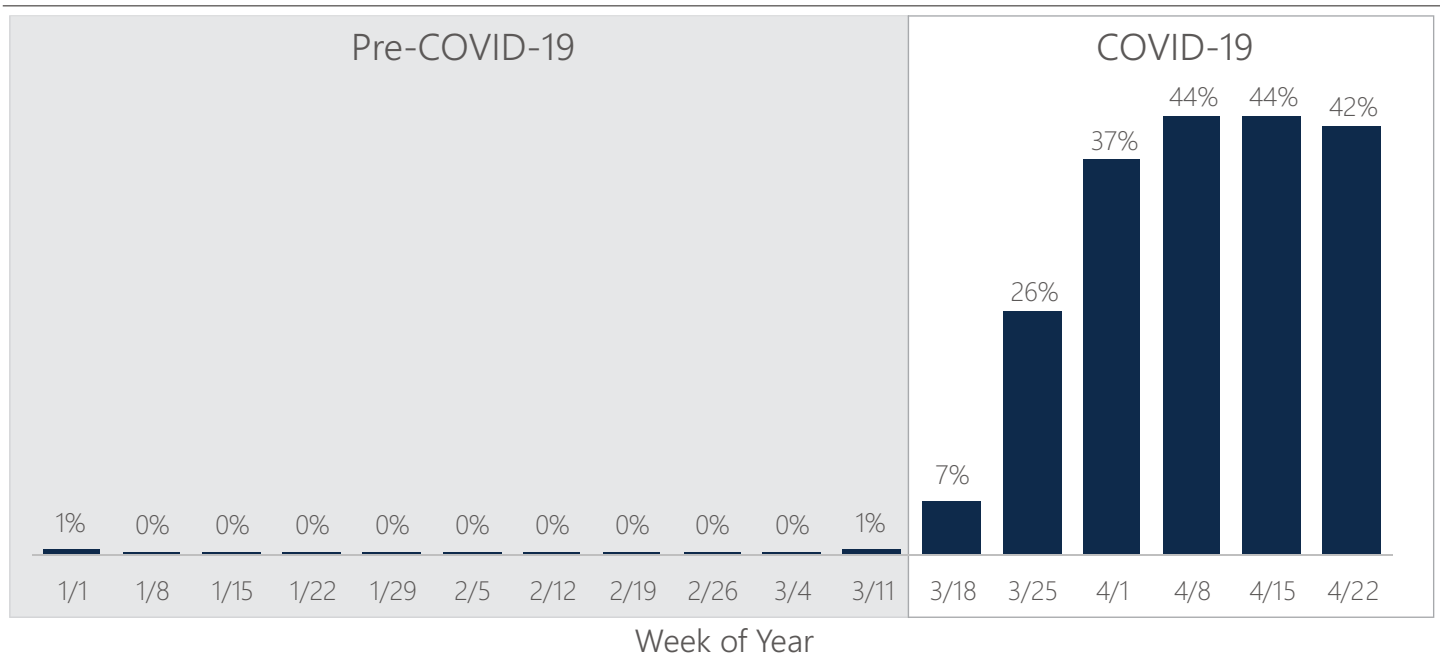
Telehealth’s impact on health disparities must be understood and addressed.



### *Telehealth Growth Will Stabilize as Physician Offices Reopen, but Remain an Essential Component of Care Delivery*

Chartis and Kythera’s analysis of claims during the first six weeks of the COVID-19 pandemic quantified the telehealth adoption trends that many patients and providers have been sharing anecdotally. Namely, telehealth visits began to supplant the role of in-office patient visits as the pandemic unfolded.

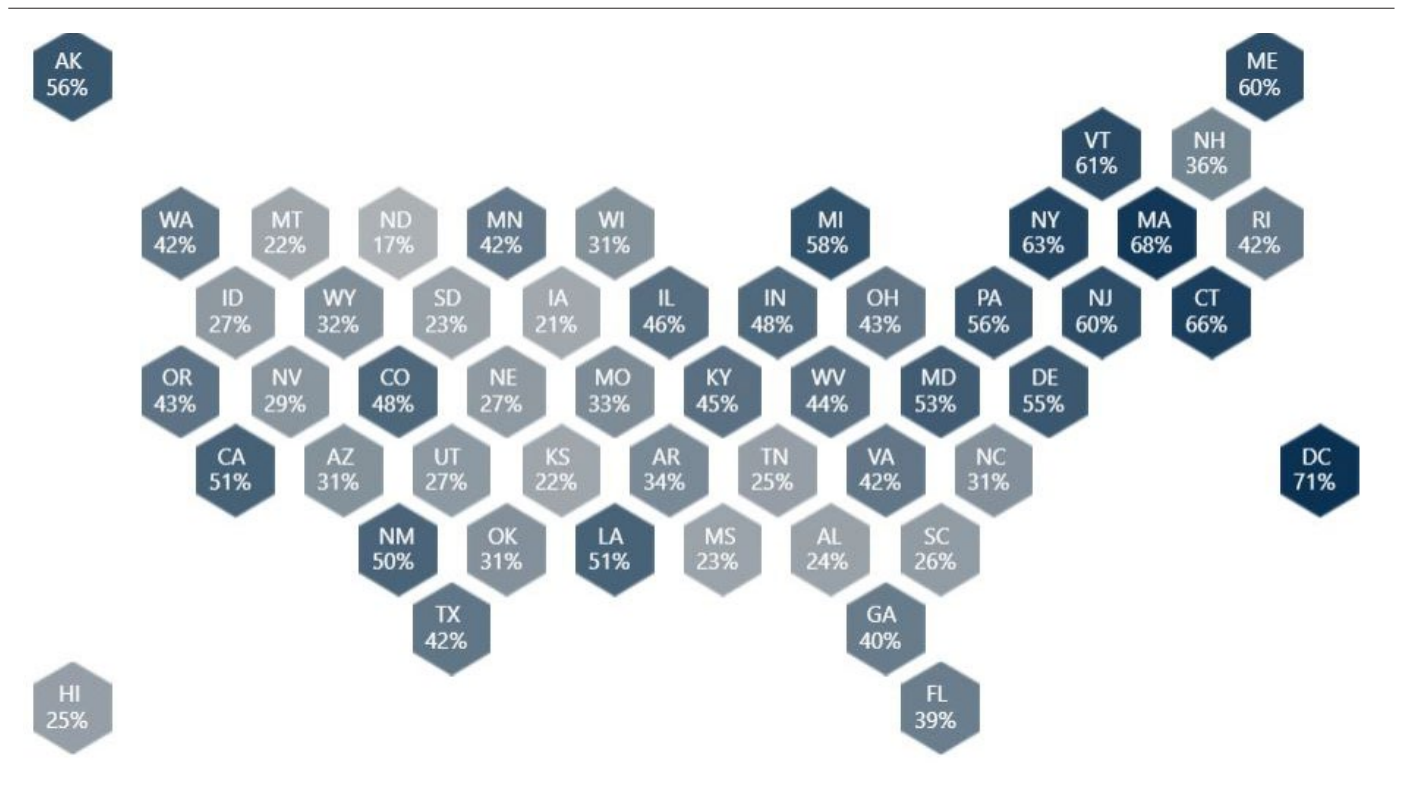
Figure 1. Telehealth Visits as a Percent of Total Physician Visits by Week



Historic adoption of telehealth had been low and regionally sporadic as a result of limited reimbursement, difficulties in operationally merging telehealth into existing provider workflows and the lack of supporting infrastructure, among other reasons. When COVID-19 came in force to the US, the digital “switch” was flipped as many physician practices were forced to effectively transition to a telehealth-only model. With non-essential operations ceasing, physician offices closed and concerns increased around patient and care team safety, telehealth became the most viable option for patients to consult with their providers for non-emergent issues in many regions. CMS and other payors helped to accelerate this transition through time-bound changes in reimbursement. Relaxation in HIPAA requirements has also been a boon to this growth.

Figure 2 below illustrates the extent to which states hardest hit by the pandemic and those that have instituted stay-at-home orders have seen patients opting for telehealth as opposed to traditional in-office care. States like California, Louisiana, Michigan, Maryland, Massachusetts and New York show some of the highest rates of telehealth usage. Other areas, including parts of the Southeast and the West remained more reliant on in-office physician care, which may be due to lower COVID-19 incidence, limited provider interest in adopting telehealth modalities, less availability of technology and reliable internet, among other factors.

Figure 2. Telehealth Visits as a Percent of Total Physician Visits by State (Commercial & Medicare Advantage) – Week of April 22nd, 2020



As the surge subsides and physician offices reopen, we expect telehealth use to abate relative to current inflated levels; however, telehealth will continue to play an important role in care delivery going forward, for several reasons:

- 1. Patient and care team safety:** while the initial pandemic surge is projected to subside across the country in the coming weeks thanks to aggressive public health measures, SARS-CoV-2 will continue to propagate for months to come. Social distancing measures remain an effective tool to combat further spread, justifying continued use of telehealth for appropriate patient populations.
- 2. Consumer demand:** recent market research studies have illuminated consumer fear regarding a return to physical care settings. Furthermore, over the past several weeks, many consumers have been introduced to telehealth for the first time and have had a positive experience. These two factors create an environment ripe for continued use of telehealth even as physician offices reopen.
- 3. Provider adoption:** the rapid shift to virtual care forced providers to get comfortable leveraging these tools, which has converted many hesitant clinicians to appreciate the role telehealth can play in efficiently caring for patients.
- 4. Financial lift:** while we do not know where telehealth reimbursement will ultimately land, the current reimbursement environment allows for continued telehealth use with limited financial downside. Note that long term, we anticipate reimbursement will settle somewhere between pre-COVID-19 and current levels.

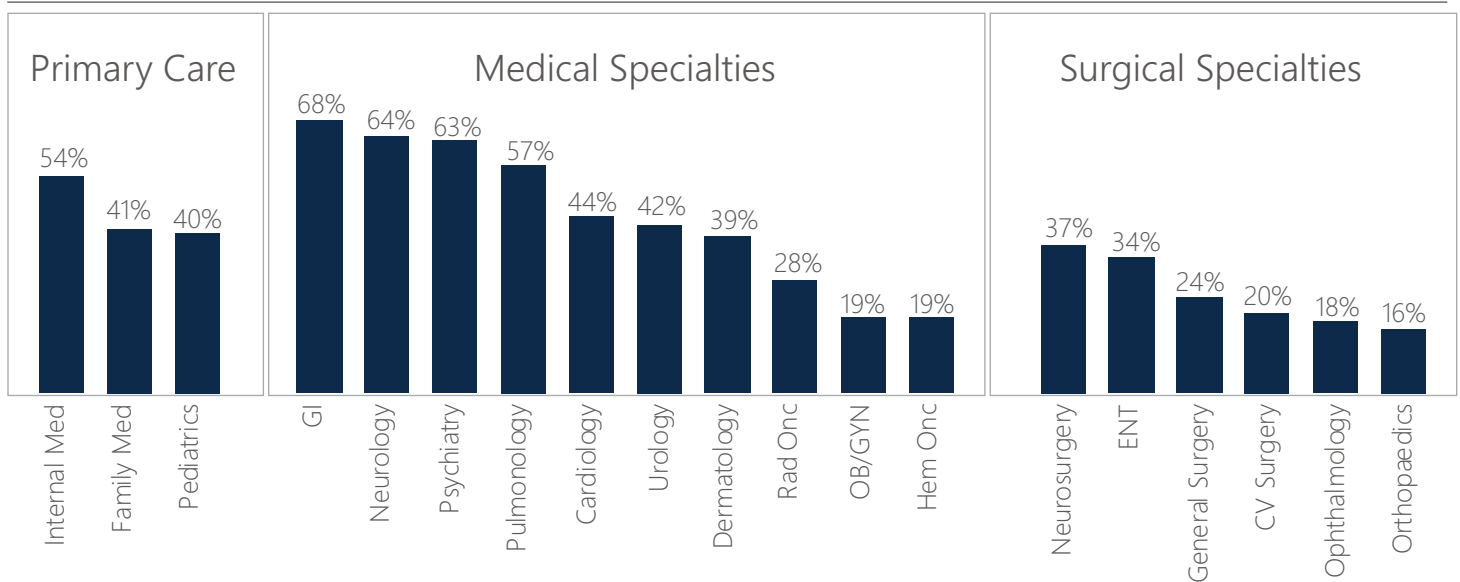
It will be prudent for providers to take this time to reimagine the role telehealth plays in their care models and how to structure financially viable business models (e.g., role of care team members, revenue models) in anticipation of reduced tele-reimbursement long term.



### Telehealth will Impact Every Physician Specialty—from Primary Care to Medical and Surgical Disciplines

As shown in the figure below, all specialties analyzed have seen some adoption of telehealth. Notable leaders include primary care specialties, psychiatry and several medical specialties such as gastroenterology and neurology. Not surprisingly, surgical specialties, including general surgery and CV surgery, lag in this trend because of the procedural focus of the work, but still demonstrate evidence of telehealth utilization. In some cases, the adoption of telehealth may be overstated, particularly for specialists, as the overall number of patients seeking physician care has declined in this time.

Figure 3. Telehealth Adoption by Select Specialties - Week of April 22, 2020



What this portends, though, is that there is a future for telehealth usage across medical and surgical specialty care, not just with primary care providers. Using telehealth for established patient visits or to evaluate candidates for surgery, as examples, could create more efficient practice operations for specialists in the long term. As provider organizations explore the future applicability of telehealth across their clinical product portfolio, they should consider the following tactics:

- Establish new clinical pathways to determine the appropriateness of virtual vs. in-person care
- Redesign care teams to clarify roles and promote top-of-license activities
- Modify provider workflows to allow providers to offer care through multiple channels
- Conduct financial scenario modeling prospectively to validate the economic viability of these new integrated care models (in light of uncertainty on where telehealth reimbursement will ultimately land) and retrospectively to prove the value (e.g., quality, cost) of the new models

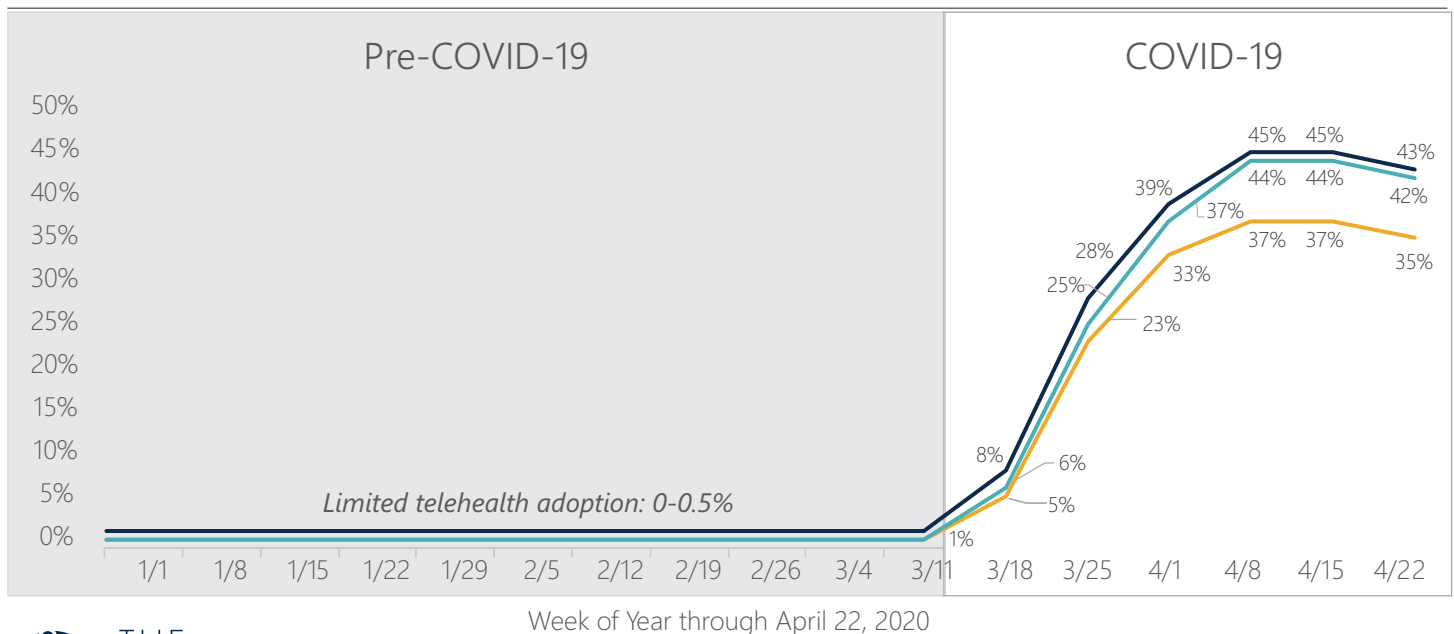
Thoughtful care model redesign will ultimately promote a better consumer experience and enable a higher-impact care team.



### Telehealth’s Impact on Health Disparities Must Be Understood and Addressed

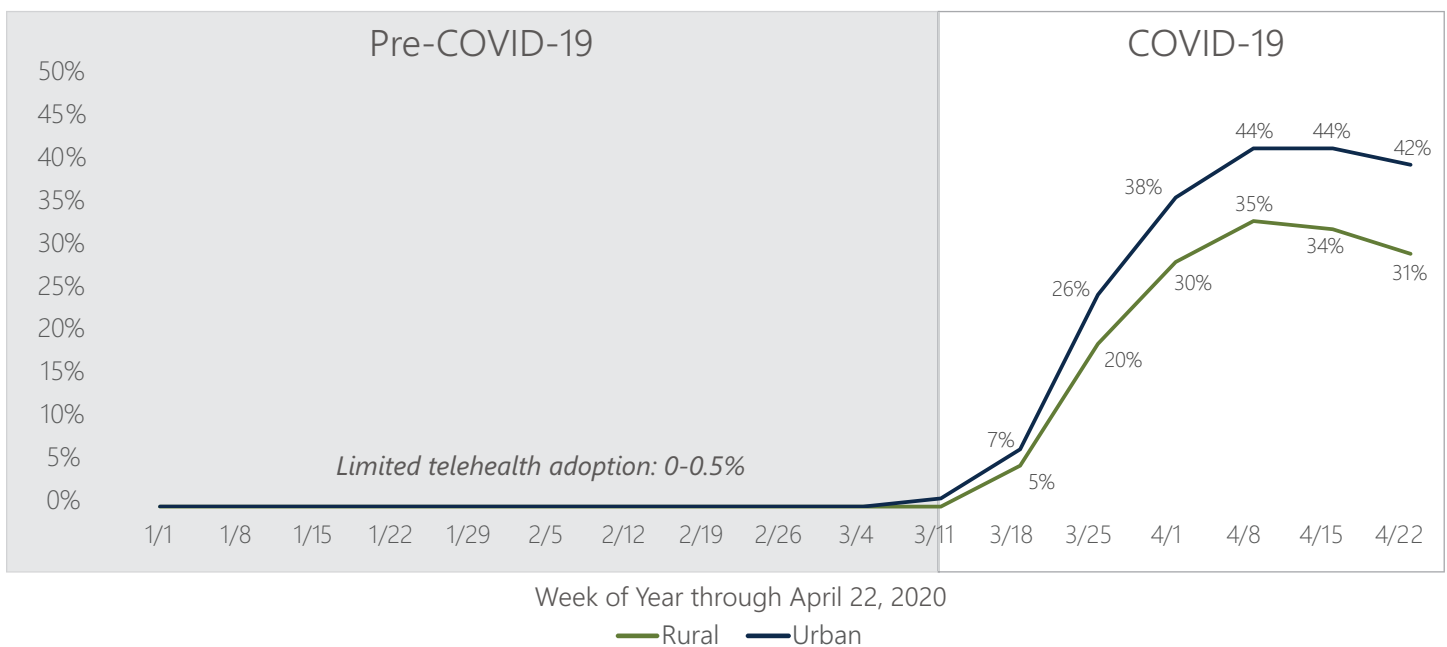
Telehealth holds promise as a tool to democratize access to healthcare. However, our analysis of claims during the COVID-19 crisis shows that realizing these benefits will not occur automatically and that without planning and coordination between policy makers, providers, and technology companies, telehealth adoption could instead exacerbate health disparities. In our analysis, we uncovered differences in telehealth adoption rates emerging between patients based upon insurance type. As shown below, 35 percent of physician visits by patients with Managed Medicaid coverage have occurred via telehealth, as compared to 42 percent for Medicare Advantage-insured patients and 43 percent for commercially-insured patients. This modest but material gap is likely to take on even more significance as a larger number of patients become unemployed and lose their commercial insurance. Lower adoption of telehealth in the Medicaid population may result from limited access to technology and lack of digital literacy, among other factors. Looking toward the future, providers will need to design integrated care models, perhaps in partnership with community services, to support expanded access.

Figure 4. Telehealth Adoption as a Percent of all Physician Visits by Payor



Disparities in telehealth adoption between patients living in urban vs. rural areas are even more pronounced. As shown in the figure below, rural populations are nearly 30 percent less likely to utilize telehealth than urban populations.

Figure 5: Telehealth Adoption as a Percent of all Physician Visits – Urban vs. Rural



Going forward, providers and policymakers serving rural communities or those with high Medicaid or uninsured populations will need to take these factors into consideration when reimagining technology-enabled care models of the future. It is incumbent on providers to deploy telehealth in ways that alleviate rather than exacerbate disparities in population health.

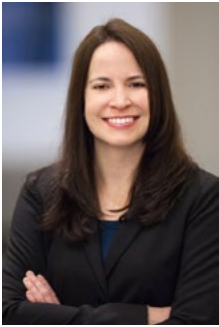
## Conclusion

The rapid increase in COVID-19 activity across many areas of the country, combined with policy changes impacting the reimbursement of telehealth, has spurred the adoption at a pace far more rapid than previously considered possible. At the same time, changing consumer preferences provide additional tailwinds for telehealth adoption, with increased willingness to leverage virtual care modalities. While the rapid uptick in telehealth will likely not continue at the same exponential rate once healthcare services reopen broadly, the utilization of telehealth will certainly continue in both the immediate and longer term. In the near term, digital modalities, in concert with other operating model and process changes, will help enable care delivery enterprises to more safely reactivate. Longer term, thoughtfully integrating telehealth into care models—designed around discrete patient populations and supported by sound business cases—will drive differentiation while expanding access.

While the current pandemic has materially disrupted the care delivery ecosystem, it does present providers with an opportunity to rethink how they deliver care through more effective use of technology. This will serve them well not only as systems seek to address the significant backlog of patients who have deferred care or otherwise could not access it, but also as a catalyst to realize the promise of broader digital transformation.

These trends have evolved quickly and we expect they will continue to change rapidly. As a result, **Chartis and Kythera Labs have created an interactive [dashboard](#) to enable week-by-week analysis of telehealth adoption trends**, which will be updated regularly with timely data-driven insights analyzing the COVID-19 crisis and recovery for providers.

## About the Authors



**Sue Anderson**  
Principal  
[sanderson@chartis.com](mailto:sanderson@chartis.com)

Sue Anderson is a Principal at The Chartis Group and has nearly 20 years of healthcare management consulting experience advising hospitals, health systems, academic medical centers and physician practices. Her work is concentrated in enterprise strategy development, service line strategic planning, organization design, hospital/physician alignment and programmatic development. Her expertise includes provider workforce planning, ambulatory strategy development and partnership planning.



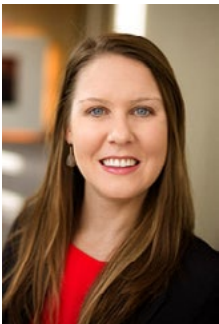
**Ryan Bertram**  
Principal, Strategy and  
Chartis Digital  
[rbertram@chartis.com](mailto:rbertram@chartis.com)

Ryan Bertram is a Principal at The Chartis Group and a member of Chartis Digital. In his 10+ years as a management consultant, Mr. Bertram has served leading organizations across the country as they navigate the changing healthcare environment. He has significant experience in strategic planning, organizational alignment, M&A, digital transformation, and commercialization and go-to-market planning and execution.



**Eric Mayeda**  
Director PE Advisory  
Practice & Analytics Leader  
[emayeda@chartis.com](mailto:emayeda@chartis.com)

Eric Mayeda is a Director with The Chartis Group where he leads the firm's Private Equity Advisory Practice and oversees Chartis' Analytic Services. He has nearly 20 years of healthcare management consulting experience—serving as a senior advisor to leading health systems, physician organizations, payors, private equity investors and healthcare technology firms. The principal areas of Mr. Mayeda's consulting practice include transaction diligence, enterprise strategy and growth planning, partnership development, delivery network formation and optimization, healthcare product and service commercialization, and clinical service line planning.



**Hillary Stetson**  
Analytics and Practice  
Operations Specialist,  
PE Advisory Practice  
[hstetson@chartis.com](mailto:hstetson@chartis.com)

Hillary Stetson is an Analytics Specialist within the Private Equity Advisory practice, with over ten years of experience in the healthcare industry. Her experience includes transaction diligence, value proposition development and growth prioritization, with additional focus towards population health and value-based care analytic initiatives. She brings extensive experience in claims based analytic solutions and outcomes reporting, driving innovation across practice offering development and frameworks.



## About Kythera Labs

Kythera Labs provides a health data and analytics platform that applies machine learning to remaster and improve the quality of information by looking for signals which can predict disease and behavioral patterns among patients, practitioners, provider systems, and payers. We supplement our fast, cost efficient platform with data representing over 300 million US patients plus directories of practitioners, provider systems, and payers. Our team has been solving problems for decades using proven data science concepts and unique technologies to enable decision making and growth for healthcare organizations. We focus on being humble and curious in all our work and understand that trust is at the heart of innovation. Get your gears turning with Kythera Labs.

## Analytics Methodology

Underlying data provided by Kythera Labs are sourced from clearinghouse claims vendors which comprise a national representation of submitted professional medical claims. These claims include self-insured and fully insured health plans across most major commercial payors, Medicare Advantage and Managed Medicaid. The level of claims coverage varies by geography. Geographic and specialty utilization patterns may change over time based upon timing and mix of claims reporting by clearinghouse. Data depicted includes claims incurred through the week of April 22nd, billed and reported as of May 12, 2020.

Geography is defined based upon rendering provider location. Data excludes providers billing from US territories: Puerto Rico, Guam and the Virgin Islands. Physician specialties are determined based upon the specialty assigned to the rendering provider NPI. Certain physician specialties are combined or excluded to form the 20 specialties reported in the analysis. APP-defined practitioners have been excluded from this analysis. Percentage telehealth rate is calculated as the ratio of unique telehealth visits as a proportion of total physician visits.





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