



AFTER THE LEAP INTO TELEMEDICINE, NOW WHAT FOR VIRTUAL CARE?

Strategically implement comprehensive virtual care to evolve your care model, create resilient revenue streams, and reduce cost

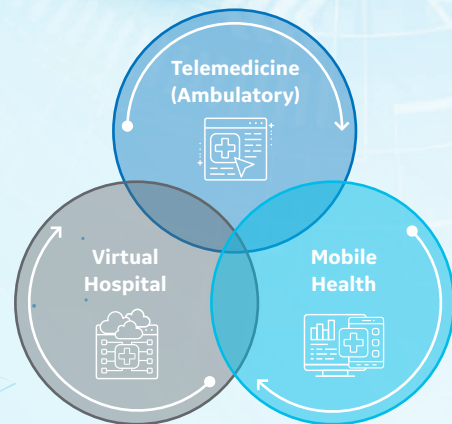


COVID-19 has lit a fuse under the deployment of digital practices across all business sectors, with adoption rates now approaching levels projected five years from now. All in a matter of months.¹

In healthcare, the progress of telemedicine had been steady if unspectacular until COVID-19. Overnight, there's been a massive jump in the adoption of telemedicine practices as hospitals and health systems seek to protect patients and staff—and extend the reach of clinicians—during the pandemic.

Right now, healthcare is at a pivotal moment in which leaders have the opportunity to shape a dramatically different future for care delivery using virtual care technology and practices.

The key lies in an intentional approach that first hardwires the advances made in response to the crisis and then leverages and scales new virtual care focus areas to support enterprise strategies—all supported by an operating model and governance structure to ensure new value is created and strategic priorities are met.



What is Virtual Care?

Virtual Care complements in-person care by enabling provider-patient interactions without physical contact. At GE Healthcare, we see three segments that converge to create value and evolve care delivery:

Telemedicine – E-visits and e-consults for ambulatory or clinical care delivered virtually.

Virtual Hospital – Acute hospital care delivered virtually between one or more centralized virtual care centers and one or more physical acute care settings.

Mobile Health – Digital and wearable technology that connects patients with one or more care providers to support remote patient monitoring.

The barriers are coming down

COVID-19 has elevated virtual care from “nice to have” to a “must have” strategic priority for providers. Virtual care was projected to grow to a \$55 billion global business by 2025, with 17% compound annual growth rates from 2020-2025.² COVID-19 will only intensify that growth as historical barriers to broad-scale virtual care adoption begin to crumble. These barriers include:

PHYSICIAN RELUCTANCE

Pre-COVID, many physicians resisted broad scale adoption of virtual care for fear their services would be devalued or replaced.³ There was also a belief that telemedicine may be appropriate for one-time care of minor conditions but not for the regular patient panel.⁴ Physicians have also expressed concerns about medical errors, security and privacy of patient information, and lack of integration with practice workflows.⁵ *Post-COVID*, necessity has become the mother of telemedicine adoption. As more physicians and patients are forced to experiment with telemedicine, resistance is lessening. Coronavirus-related telemedicine visits are expected to pass 900 million by the end of 2020, while telemedicine visits for general medical care will exceed 200 million, which means total telemedicine visits are on pace to exceed one billion this year in the US.⁶

REIMBURSEMENT AND REGULATORY RESTRICTIONS

Pre-COVID, uncertainty around insurance coverage and reimbursement for telemedicine and other forms of virtual care slowed adoption. Likewise, the red tape and other regulatory barriers have been formidable, including requirements for provider licensing and credentialing. *During COVID*, the Centers for Medicare & Medicaid Services (CMS) in the U.S. moved quickly to give healthcare organizations greater flexibility in implementing telemedicine. More than 80 additional services were approved for delivery, with CMS paying the same rates for telemedicine visits as for in-office appointments.^{5,7} The administrative burden of cross-state licensure and credentialing requirements has been reduced as well. *Post-COVID*, the question remains whether these loosened restrictions will be sustained in the months and years ahead. Recent comments from CMS leadership are suggesting “the genie is out of the bottle” and virtual care is here to stay.⁸

TECHNOLOGY MATURITY







Pre-COVID, more and more health leaders were identifying virtual care technologies as a means to maximize workforce potential, expand access to care, and improve the customer experience. At the same time, niche and fragmented virtual technology offerings were becoming more platform-centric and relevant to providers. *Post-COVID*, the pandemic has pushed hospitals and health systems to hardwire virtual care as the new future. The industry has quickly adapted to meet the needs of patients and providers in a moment of need. Significantly higher consumer expectations of convenience, access, and affordability will set the stage for a new future in healthcare. Provider organizations that choose to revert to past care models risk new virtual care competitive threats encroaching on their market share.

AWARENESS AND ACCESSIBILITY

Pre-COVID, a survey in mid-2019 found that only one in ten consumers had used telemedicine services and that nearly 75% of respondents lacked access to or were unaware of virtual care options.⁹ *Post-COVID*, consumers are expressing greater openness to virtual care. In a March 2020 survey, 73% of respondents said they would consider using a telemedicine service to be screened for COVID-19, while 60% said the pandemic has increased their willingness to try virtual care.¹⁰

VIRTUAL CARE MACRO FORCES

Market Drivers and Emerging Trends Within the US Create a Ripe Environment for Maturing and Expanding Virtual Care.

 <p>Economic</p>	 <p>Regulatory Requirements</p>	 <p>Workforce Trends</p>	 <p>Demographics</p>	 <p>Consumerism</p>	 <p>Technology Advances</p>
At 17% of GDP, health spending continues to strain federal budgets with growing financial responsibility shifting to the consumer. ¹¹	Regulatory and reimbursement barriers are declining.	Physician density (2.55/1000 overall) continues to stretch health systems with a shortage forecast of 10,000 intensivists, most acutely impacting rural markets. ¹²	Growth of aging population projected at a 45% increase - growth of 23 million seniors projected from 2017 to 2030. ¹³	86% of consumers express openness to consulting a doctor via video. ¹⁴	Technology advances continue to accelerate with a shift from hardware-centric to platform-centric models intensifying competition.

Charting your virtual care path forward

The COVID-19 pandemic has stressed the healthcare sector and created financial and cultural shockwaves within provider organizations. Virtual care can be an essential building block in helping your organization adapt and emerge even stronger from this crisis.

The first step—one that can deliver swift returns—is to hardwire the successful, rapid virtual care initiatives your organization implemented during the pandemic. The immediate changes made by provider organizations in response to COVID-19 put convenience, access, and affordability as essential consumer priorities to avoid becoming commoditized parts of the healthcare continuum. Leading providers are making these practices the new norm.

The next step is to broaden and scale virtual care to support your enterprise strategies.

ENTERPRISE STRATEGY & REBUILD PLAN

Leaders must simultaneously solve for rebuilding revenue and business operations while at the same time radically reducing costs and reimagining the patient care portfolio at speed. Key steps in the planning process will include important integrations of virtual care into the broader enterprise strategy:

Resist the urge to start product out. Plan with a strategy-back view, aligning your virtual care continuum priorities—telemedicine, virtual hospital, and mobile health—to your broader COVID-19 strategic and financial recovery plan and long-term strategic plan.

Know your virtual care market. Evaluate emerging competitive threats and opportunities and identify unique consumer, community, and provider needs. Take advantage of first mover opportunities in your market.

Define your virtual care vision. Virtual care strategies give leaders powerful tools to create new care models that will help make their organizations even more resilient, nimble, and competitive in the future. What is your vision to create a connected strategy between telemedicine, virtual hospital, and mobile health?

Consider your macro strategy. Most health systems take a closed approach, leveraging virtual care within their owned facilities. A new approach includes creating a care ecosystem across owned and participating hospitals and health systems. The exceptional circumstances of COVID-19 have created common ground where collaboration could become a differentiating factor for leading players to amplify care ecosystems.

Evaluate use case priorities. Consider telemedicine, virtual hospital, and mobile health needs relative to financial and operational trade-offs. Carefully weigh true needs for in-person versus virtual care and prioritize seamless end-to-end patient care experiences.

Play offense using virtual care. Service areas for most hospitals and health systems are tightly connected to physical care locations. Virtual care creates a new opportunity to leverage brand and service line care strengths to extend reach and market share.

Monitor federal and state regulatory requirements. Seek to influence regulatory changes and extend the easing of restrictions around billing, licensing and credentialing that accompanied the crisis.

SCENARIO PLANNING

Stress testing of strategies is required, using a wide range of scenarios to prepare the organization for extreme situations and a very different post-crisis reality.

Build in flex. Define scenario-planning assumptions and leverage virtual care capabilities to create elastic capacity for service lines.

Focus on volume recapture. Develop scenario plans with base, lockdown, best-case, and worst-case volume recapture expectations. Model by service line and evaluate specific strategies to leverage virtual care to reduce cost of care and optimize a “just-in-time” capacity strategy.



A Pre-Pandemic Virtual Care Investment That Proved Itself in the Crisis

At the end of 2019, Oregon Health & Science University Health expanded their Virtual Care Solution, which brings real-time data streams and AI together so physicians and nurses can partner with bedside care teams to guide treatment plans for multiple intensive care unit (ICU) patients from a centralized virtual care center. They never anticipated what a crucial role it would play in helping them manage COVID-19 patients a few weeks later.

“It became very clear early on that the Virtual ICU we already had in place to enable critical care expertise to rapidly reach a patient in a remote location would be a good tool to utilize in this crisis.”

Matthias Merkel, M.D., Ph.D.,
Senior Associate Chief Medical
Officer, Capacity Management
and Patient Flow, OHSU Health.



FINANCIAL AND NON-FINANCIAL VALUE TESTING

Build a comprehensive financial and non-financial value model defining the current and future effect that virtual care initiatives will have on operational and clinical outcomes.

Install value tollgates. Define inputs/assumptions and measure ROI, break-even point, and cumulative value over 3-5 years as a tollgate to ensure virtual care priorities will drive sustained value.

Align virtual care to clinical and cost goals. Define virtual hospital value levers such as patient acuity, ICU utilization, labor cost scaling, and provider attrition to clearly define both financial and non-financial value for key stakeholders involved.

TECHNOLOGY PARTNER SELECTION

In recent years, medical technology companies have made a significant investment in developing comprehensive, platform-centric virtual care solutions—and this effort has only intensified with the pandemic. Providers will discover a growing array of technologies to help position their organizations for long-term growth leveraging virtual care.

- » Carefully consider install timeframes – expect speed to install and evaluate partner ability to connect across your enterprise strategy care continuum priorities.
- » Balance initial investment with potential to scale and grow with the enterprise virtual care strategy. Scrutinize ROI in your selection connected to broader strategic and financial priorities.

GOVERNANCE AND AN INTEGRATED OPERATING MODEL

To be sustainable, it's critical for virtual care initiatives to align with enterprise strategies, be visibly supported and sponsored by leadership, and have governance structures that guide decision-making, use of data, transparency and accountability.

Think horizontally and vertically. Establish a structure to link the organization's senior executive team and project managers with decision making, directing, and representational accountabilities. Actively develop stakeholder alignment across the organization to ensure key staff from the clinical and operational sides of the house are aligned.

Position for flexible growth. Consider the needs of core and supporting resources as you scale your virtual care organization. Core team needs should include directly involved caregivers and the leadership model should allow ease of expansion to future service areas from original priorities and tightly connect physical and virtual care models. Supporting resource requirements will evolve, but key to initial success will be matrixed accountability and SLAs to deliver on shared commitments (ex: ancillary services, IT, revenue cycle, marketing, credentialing, et al).

Create a seamless experience. Closely align brick-and-mortar and virtual care operating models to ensure a connected experience for patients in which they feel known and valued at every touchpoint—virtual or physical.

PROVIDER AND CONSUMER ENGAGEMENT

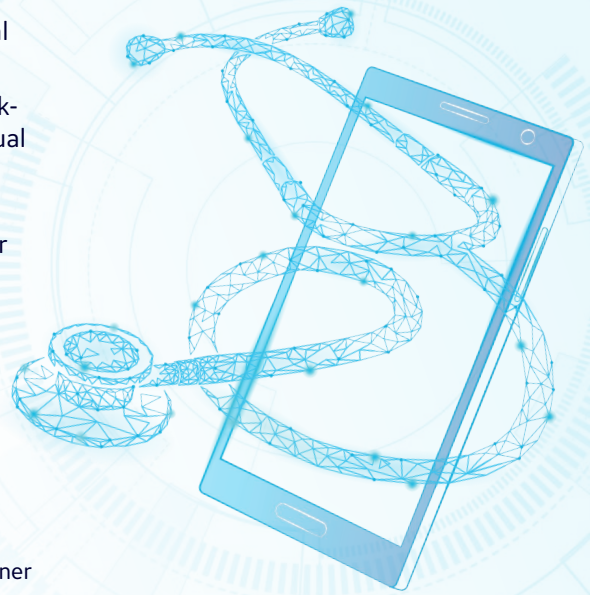
Based on insights from the market analysis and provider needs assessment, develop a robust consumer engagement strategy and provider change management plan.

For consumers:

- » Prioritize integrated, consumer-focused virtual care platforms and capabilities to deliver exceptional convenience, access, and affordability.
- » Focus on the patient journey across the care continuum to ensure patients are relentlessly prioritized to reduce friction in care delivery. Consider a straightforward frame of reference: if you and your elderly family member can't easily navigate the patient journey, you've created too much friction.
- » Utilize meaningful strategic alliances (such as retail and technology companies) to optimize affordability and access points.

For providers and staff:

- » Develop a robust change management program to ensure long-term success. Evidence confirms the human side of change is a critical success factor to ensure virtual care becomes an extension of bedside care teams instead of an unwanted big brother.
- » Recalibrate the skills mix and staffing models to support new virtual care services between bedside and virtual care teams.
- » Emphasize and invest in talent development and training as a critical success factor for virtual care between bedside and virtual care teams.



RELENTLESS PERFORMANCE MEASUREMENT

The COVID-19 crisis has levied a significant financial toll on hospitals and health systems. There is literally no margin for error with investment decisions going forward and each one must be vetted stringently and monitored relentlessly so that the desired return is realized. For your virtual care investments:

- » Define and measure key value measures to ensure critical financial and non-financial value priorities are being met—and to make timely course corrections as needed.
- » Develop mechanisms to monitor adoption and streamline workflows.
- » Implement rapid enhancement cycles to achieve desired financial and operational goals.

OPTIMIZE AND SCALE TO HIGH VALUE SERVICE LINES

- » Optimize and standardize the solution across your portfolio of facilities. In ecosystem strategies, ensure value priorities are met, drive standardization, and focus on efficiency for external services provided. For closed system strategies, ensure value priorities are exceeded alongside a comprehensive stakeholder communication plan.
- » Refresh your virtual care roadmap to high value service lines and create an adaptable plan to align with evolving strategic priorities.
- » Virtual care platform technologies have the potential to scale like a smartphone, where the upfront investment scales based on app extensions. Once the upfront technology investment is made in virtual care, the ability to add new service lines to enhance value requires incremental costs with exponential benefits as the footprint scales (ex: virtual ICU scaled to ED, L&D, Radiology, et al).

Virtual care is an essential building block in helping healthcare enterprises emerge from the COVID-19 pandemic stronger and more resilient. While it's critical to develop and move quickly on your virtual care plans, it's equally important to 'learn as you go' and treat them as agile strategies—recalibrating your approach as you scale up and gain more experience. A key benefit of virtual care is its adaptive speed—that you can modify services faster and at less cost than traditional physical solutions in response to changing consumer needs, market dynamics, and technology innovation.

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“We learned quickly that there are tools that can help us to connect, and in health care that is a revolution.”

Matthias Merkel, M.D., Ph.D.,
Senior Associate Chief Medical
Officer, Capacity Management
and Patient Flow, OHSU Health.



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About GE Healthcare Partners Consulting

True change occurs at the intersection of strategy, analytics, technology, and activation. We're committed to helping you realize a thriving future by:

- » Reducing the cost of care and improving financial performance
- » Evolving your business model to optimize value creation
- » Enhancing care delivery through digital transformation
- » Migrating to a care ecosystem strategy

As the advisory arm of GE Healthcare, we're different. Healthcare is in our DNA and we live it every day, offering you the extensive platform and resources of a \$17 billion global technology leader backed by 100+ years as a trusted industry partner.

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