Transforming with Telehealth

Prepared for Becker’s Hospital Association, American Well
1. Market Drivers of Telehealth

2. The Real ROI of Telehealth

3. Transforming with Telehealth
A Growing Need for On Demand Care

Influx of newly insured needing PCPs\(^1\)

| 40% | Newly insured lack formal source of care |

PCP shortage

| 45,000 | Estimated PCP shortage by 2020: Need to expand primary care capacity |


1) Primary care physicians.
High-Deductible Plan Enrollment Continues to Grow

Purchasers Encouraging Patient Price Sensitivity

High-Deductible Health Plan Enrollment
*Individuals with Deductible of $1,000 or More*

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
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<tbody>
<tr>
<td>2003</td>
<td>7%</td>
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<tr>
<td>2005</td>
<td>10%</td>
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<tr>
<td>2010</td>
<td>18%</td>
</tr>
<tr>
<td>2012</td>
<td>25%</td>
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</tbody>
</table>

Price Sensitivity in Action

- **23%**
  Consumers report they are postponing care after enrolling in a CDHP.

- **17%**
  Consumers report they are sacrificing care after enrolling in a CDHP.

Patients Directing More of Their Own Care….

Patient Involvement in Accessing Care

Least Consumer Involvement

- Trauma Care
- Non-elective Complex Care
- Specialty Care

Most Consumer Involvement

- Preventive Care
- Elective Surgery
- Imaging Diagnostics
- Low-Acute Illness Care

Physician input, guidance significantly influences care and access decisions

Patients comfortable directing own care based on personal judgment

$235B Estimated market size for consumer-directed services

“On-Demand” Increasingly Means Online

Survey Finds Email Visits Preferred to Clinic Near Errands or Work

Preference for Location of Services

- Clinic location near work
- Clinic located near errands
- Emailing provider with symptoms
- Clinic located near the home

Increasing Consumer Preference

Young, Wealthy, Busy—Strongest Potential Telehealth Targets\(^1\)

- 54% of 18-29 yrs olds
- 49% of those making >$71K per year
- 53% of those working >35 hours per week

\(^1\) Based on proportions of respondents interested in telehealth.


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Changing Regulatory Environment

Barriers to Telehealth Being Removed

**Federal**
Expanding telehealth services and geographic areas eligible for reimbursement

**State**
Enacting telehealth parity laws to ensure certain virtual services are being reimbursed on par with in-person consults

**Professional Bodies**
Setting guidelines for safe, evidence-based telemedicine

**Commercial Insurers**
Partnering directly with telehealth vendors to provide virtual care to beneficiaries

Source: Health Care IT Advisor research and analysis.
Following Trial, Overwhelming Preference for Virtual

Early Adopters Now Recruiting Early Majority

92%
Of a virtual visit provider’s patients said they would use the service again

91%
Of Zipnosis users would recommend the service to at least three friends

71%
Of midsized to large U.S. employers anticipate offering employees telehealth services within three years

Case in Brief: Medical Associates Clinic

• Four-physician practice in Kentucky
• Piloted the Me-Visit mobile app to offer online care for primary care and chronic condition follow up needs
• In 30-month pilot, 20% of patients used the app, and 97% of users preferred the service to in-person care

Competitors Stepping in to Meet New Demand

**Estimated Total Number of Retail Clinics in the US 2000-2015**

- Growth trajectory depends on preferred payer relations, PCP capacity, and health system partnerships.

**Consumers Already at the Core**

- 2.5 PB Petabytes ($10^{15}$) of consumer data that Walgreens has banked.
- 100 Pages of research that Walgreens prepares before constructing a new pharmacy site.

**Retailer**
- Retail clinics planned in 2013:
  - minuteclinic: 150
  - Walgreens healthcare clinic: 10+2
  - The Little Clinic: 30
  - Walmart: 0
  - Target: 15


1) 2013-2015 numbers projected; 1,437 clinics as of June 1, 2013.  
2) Walgreens announced double digit clinic growth but no specific goals.
Innovators Positioned to Siphon Off Business

Systems Lose Visits as the Ambulatory Network Fragments

Visits At Risk of Shifting to Other Sites of Care

- **Annual Visits to PCPs**: 573M
- **Visits Eligible for NP-Led Care**: 103M
  - 18% of PCP visits could be handled by NPs at convenient care sites
- **Annual ED Visits**: 132M
- **Non-urgent ED Visits Shifted to Other Care Sites**: 47M
  - Non-urgent ED visits could be treated at urgent care, retail or primary care

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Role #1: Capacity Expansion

Limited New Capacity in Existing Clinical Model

Traditional Levers Not Sufficient to Improve Service Standard

- Increase Patients per Hour
  - Scheduled visits already truncated to 10-15 minutes
  - Patient dissatisfied with degree of medical attention

- Extend Hours
  - Costly to keep clinics open beyond normal business hours
  - Physicians are already overworked with daytime schedule

- Expand Physician Supply
  - Physician supply becoming increasingly restricted
  - High labor cost to employ additional physicians

53% Percentage of PCPs at full capacity

21.7 hours Time it would take an MD to meet all daily clinical needs for representative panel

68,500 Expected PCP shortage by 2025

Virtual Visits Create Space in the Day

E-Visits Offer Potential for Capacity Gains, Especially with High Utilizers

Typical PCP Workload

- 35% of panel, 0-1 visits/year
- 15% of panel, 5 visits/year
- 6% of visits
- 21% of visits
- 42% of visits
- 25% of panel, 2 visits/year
- 25% of panel, 4 visits/year

Workload with Remote Check-Ins

- 35% of panel, 0-1 visits/year
- 2 e-visits/year
- 15% of panel, 3 visits/year
- 25% of panel, 2 visits/year
- 25% of panel, 2 visits/year, 2 e-visits/year
- 15% of panel, 3 visits/year, 2 e-visits/year

~15
Average PCP visit length, in minutes

~5
Minutes needed to respond to typical email query

571
Example increase in panel size from converting periodic check-ins to e-visits

Source: Health Care Advisory Board interviews and analysis.
Increasing Patient Panel Size with E-Chronic Care

Treating Chronic Conditions Online at MGH Beacon Hill

20% of patients consumed 5-10 OP visits per person per year

Shifted 85% of targeted patients to virtual visits

- 15% of in-person visits shifted online in six months
- Patients receive more visits

Increased capacity for panel growth

40%
Of the average panel has one or more chronic conditions

4+
Number of annual visits consumed by the average patient in this group

29%
Increase in available time and panel size by shifting 2 of these 4 visits online

Source: Marketing and Planning Leadership Council interviews and analysis.
Rapidly Pulling Patients in with Virtual Offering

Tech-Savvy Patients Attracted to Virtual Care

1. See virtual care advertisements
2. Login to virtual access portal
3. Conduct synchronous virtual visit

Virtual Market Capture Strategy
- Tailoring web banner campaign to targeted consumer demographic (tech-savvy, healthy, busy)
- Marketing smartphone accessibility to mobile users
- Virtual co-pays lower than on-site co-pays for ED, urgent care centers; $45 for consumer paying OOP

Case in Brief: Underwood Health
- Multi-hospital system located in the East
- Entering new markets with virtual strategy to capture consumer segments preferring site-less care delivery
- Patients can engage providers via webcam, send secure photos, and submit biometric tests for clinicians to review in real-time

1) Urgent care centers within 30 miles if physical care center needed.
Avoiding Unnecessary Utilization

Telehealth Investment Supports Primary Care Expansion

Amwell’s Virtual Visit Model

1. $  
   Patients access doctors 24/7 for co-pay (or $49 without insurance)

2.  
   Available on mobile (iOS, Android), web, on-site kiosk and phone

3.  
   Roughly 85% of visits result in a patient’s concerns being fully resolved without urgent care or ED visit

Case in Brief: American Well

- American Well is a telehealth company that provides telehealth technology and clinical services for Enterprise and SaaS telehealth deployments
- Clients include health systems, health plans and employers
- American Well’s DTC service, Amwell, is available for consumers, employees, members and patients 24/7 live video-based access to doctors

Source: Marketing and Planning Leadership Council interviews and analysis.
Hardwiring Virtual Patient-Provider Follow-Up

Focus on Established Patients with Discrete Care Needs

Providers Considering Remote Management Investments

ACOs deploying and evaluating remote patient management technology

55%

Mass General Criteria for Patient Inclusion in Virtual Follow-Up

- Established relationship with PCP
- Chronic symptoms, care needs
- Protocol-driven care plan
- Comfortable, amenable to virtual care

Case in Brief: Massachusetts General Virtual Practice Project

- Division of Massachusetts General Hospital in Boston, Massachusetts founded in 2005 to research and evaluate virtual care options
- In 2011, developed evidence-based platform for performing asynchronous follow-up visits for chronically ill patients; piloted with 10 conditions and have since expanded to 30

Source: Health Care Advisory Board interviews and analysis.
Why Telehealth Now?

Leaving Fee For Service Behind in the Era of PHM¹

Although there has always been value in being able to reach patients remotely, fee for service models and payers have not directly supported it. The ACO² movement, an increased interest in patient engagement, and a focus on population health management, are all drivers of telehealth.

Demographics and Health of the US Population as a Driver of Chronic Disease Management using Telehealth

- 3M: Baby-boomers hitting retirement age every year over the next 20 years
- 1/3: Percentage of adults that are obese (CDC³) – the largest percentage are middle-age adults
- 30M: US diabetics (American Diabetes Assoc.) – 86 million are pre-diabetic (CDC)
- 1,665,540: New cancer cases expected to be diagnosed in 2014 (American Cancer Society)
- 720,000: People who have a heart attack each year – for 500,000, it’s their first (CDC)

Gaps to Fill

- 20%: Percent that live in areas with insufficient primary care doctors (HRSA⁴).
- 45,000: Projected shortage of primary care doctors by 2020 (AAMC⁵)
- 70%: Increased number of home aides needed by 2020 (Bureau of Labor Statistics)

The time is already right for providers to improve care management via telehealth for chronic disease patients, and the need for it will only increase over the next years and decades.

¹ Population health management; ² accountable care organization; ³ Centers for Disease Control; ⁴ Health Resources and Services Administration; ⁵ Association of American Medical Colleges.

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Source: Health Care IT Advisor research and analysis.
# Gauging the Urgency of Telehealth Investment

## Guiding Indicators

<table>
<thead>
<tr>
<th>Patients</th>
<th>Are you losing patients to more convenient forms of care (e.g. retail clinics)?</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Do you have a long wait for a primary care physician?</td>
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<tr>
<td></td>
<td>Do many of your patients live far from a primary care office?</td>
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<tr>
<td>Payers</td>
<td>Are you in a state that has Medicaid coverage for telehealth?</td>
</tr>
<tr>
<td></td>
<td>Are you in a state that has private insurance coverage for telehealth?</td>
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<tr>
<td></td>
<td>Is a significant part of your patient population covered by large and/or self-insured employers?</td>
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<tr>
<td>Market Conditions</td>
<td>Have your competitors launched telehealth programs?</td>
</tr>
<tr>
<td></td>
<td>Does your market have a high proportion of the aging population?</td>
</tr>
<tr>
<td></td>
<td>Does your market have a high proportion of tech-sawy young invincibles?</td>
</tr>
</tbody>
</table>

Source: Marketing and Planning Leadership Council interviews and analysis.
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How Mobile- and Web-based Healthcare is Changing the Business of Health and Patient Engagement

Peter Antall, MD | Medical Director, American Well
Joseph Briggs, PMP | VP, Professional Services, American Well

December 11, 2014
Focus on Clinical Applicability
How You Can Use Telehealth Across Your System
Telehealth Addresses Key Strategic Challenges

- Improving/Simplifying Access to Care
- Reaching New Geographic Areas
- Managing Medical Expenditure
Telehealth Leapfrogs Retail Clinics

Delivering greater value AND higher satisfaction at lower cost

Acquisition | Satisfaction & Loyalty | Retention | Lifetime Value

- Convenience
- Patient
- Retail Clinic
- Online Urgent Care
- Referral
- Primary Care
- Specialty Care

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Who Uses Telehealth Urgent Care? And When?

Age Distribution of Visits:
- 0-17: 9%
- 18-24: 12%
- 25-34: 28%
- 35-44: 25%
- 45-54: 20%
- 55-64: 5%
- 65+: 1%

Gender Distribution of Visits:
- Male: 48%
- Female: 52%

Time Distribution of Visits:
- 12a: 2%
- 2a: 1%
- 4a: 0%
- 6a: 0%
- 8a: 0%
- 10a: 28%
- 12p: 25%
- 2p: 20%
- 4p: 5%
- 6p: 1%
- 8p: 0%
- 10p: 0%

Day of Week Distribution of Visits:
- Sunday: 15%
- Monday: 15%
- Tuesday: 15%
- Wednesday: 15%
- Thursday: 15%
- Friday: 15%
- Saturday: 15%

Our Experience Meeting Consumer Demand

Tailored Service
- Choice of provider
- Patient information/to-do list for visit follow up
- High satisfaction: 4.7 of 5 stars

On-Demand Access
- 3-minute wait time
- 24/7 coverage
- Easy, intuitive
- Mobile, web, and phone

Affordability
- Reasonable price
- Clear pricing and payment
- Claims submission for insurance

Source: Advisory Board, “Telemedicine and Conierge Care: Trends in Consumerism and Non-Traditional Primary Care Delivery”, 2014.
Health Systems Bear More Financial Risk

Accountable care is growing fast

Number of ACOs¹

- Jan 2013: 124
- June 2013: 135
- Jan 2014: 368

Readmissions are costly under accountable care and most are avoidable

Percent of Post-discharge Readmissions that are Preventable²

- 5-day: 84%
- 15-day: 78%
- 30-day: 76%

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Telehealth-centric Care Reduces Readmissions

Better communication is central to avoiding readmissions¹

- Better patient/caregiver education
- Addressing medication confusion
- Hospital staff/PCP communication
- PCP and specialist follow-up visits
- Sharing test results with patient/PCP

Telehealth can help reduce avoidable readmissions up to 70%²

. . . by engaging patients wherever they are and through better care team co-ordination

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1. “Care About Your Care: Tips for Patients When They Leave the Hospital”, The Darmouth Atlas Project, 2011.
Online Urgent Care
Offer a convenient and more cost-conscious alternative to ED, urgent care and retail clinics

**Tactics:**
- Work with a dedicated telehealth medical group to provide full-time or augmented coverage
- Offer telehealth triage at point-of-service

Chronic Disease Management and Care Coordination
Improve access and enhance interactions with high-risk patients

**Tactics:**
- Augment capabilities of existing disease management personnel with patient- and/or provider-initiated telehealth visits
- Ongoing consultation without the burden of in-office or in-home visits
- Enable care providers to collaborate virtually

Post-procedure and Post-discharge Follow-up
Improved oversight for patients at risk for readmission

**Tactics:**
- Substitute telehealth for pre- and post-op consultations that would typically occur in-office
- Enable patients to request on-demand consultation for concerns or complications
- Enable bedside specialty consultations for patients at home or in rehab/LTC facility
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Telehealth Integration Best Practices

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Telehealth Implementation
What to Expect from a Shared Implementation
<table>
<thead>
<tr>
<th>Telehealth Technology</th>
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<tbody>
<tr>
<td>Clinical Workflow</td>
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<tr>
<td>Clinical Services</td>
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<tr>
<td>Patient Engagement</td>
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## Telehealth Technology: Platform Requirements & Best Practices

### Platform Requirements

- HIPAA and DoD-grade security
- Flexible use cases and workflow
- Patient entry: mobile, web, kiosk
- Documentation integration options
- Off-the-shelf integration:
  - Real-time eligibility
  - Payment processing
  - ePrescriptions and med. history
  - Automated claims processing

### Best Practices

- Identify a Technical Lead
- Perform Hosting and Security due diligence
- Determine clinical documentation strategy
- Identify key health plans to integrate for eligibility and reimbursement
### Clinical Workflow: Partner Experience & Best Practices

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<th><strong>Partner Experience</strong></th>
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<tr>
<td>- Regulatory and reimbursement landscape expertise</td>
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<tr>
<td>- Understanding of clinical workflows and documentation</td>
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<tr>
<td>- Experience collaborating with clinical departments</td>
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<tr>
<td>- Development of telehealth-specific guidelines &amp; protocols</td>
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<table>
<thead>
<tr>
<th><strong>Best Practices</strong></th>
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<tr>
<td>- Consider existing brick-and-mortar clinical &amp; administrative workflows</td>
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<tr>
<td>- Engage all participants involved in visits &amp; patient communication</td>
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<tr>
<td>- Develop early wins by focusing initial efforts on select use cases</td>
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Expertise

- Expertise running a telehealth medical practice
- Explicit process for knowledge transfer
- Operations support (scheduling, demand forecasting, performance)
- Onboarding resources (training, licensing, credentialing)

Best Practices

- Determine staffing approach to online urgent care offering
- Start coverage with telehealth medical practice staff clinicians
- Augment coverage with existing clinical resources
Communications Tools

- Demonstrated success messaging telehealth services to patients
- Expertise across service types (patient-initiated, provider-directed)
- Dedicated marketing support to liaise with your comms. team
- Customizable communication materials

Best Practices

- Understand patient value proposition for each use case
- Use existing resources (website, patient portal) to drive awareness
- Utilize web marketing best practices to engage existing and new patients
Beyond the Basics: What To Look for in A Telehealth Partner

Patient and Provider Usability

Available Across Key Access Points

Provider Coverage and Expertise

Understanding of Clinical Workflows

Thoughtful Product Roadmap

Marketing Expertise and Resources
AMERICAN WELL

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