THE COMPASS

Half of Telehealth Visits Are Being Rendered by Providers Lacking Established Patient Relationships

June 16, 2024

Sanjula Jain, Ph.D.

Key Takeaways

- The share of telehealth rendered by established providers jumped from 41.6% in 2020 to 51.7% in 2021, but plateaued at 52.1% in 2022, raising questions about patient preferences vs. COVID-era forced telehealth adoption with established providers.
- Ultimately, the extent to which telehealth evolves is contingent on how policymakers, employers, payers and providers view its utility, which can be at odds with patient preference.
- ***Compass+ Exclusive for Digital Health Leaders: Telehealth Visits with New and Established Providers, By Provider Type and State***

Over the last four years, *The Compass* has explored numerous trends in the health economy through the lens of supply, demand and yield. During that time, we have written extensively about telehealth utilization prior to, during and after the COVID-19 pandemic, examining the demand for and clinical utility of telehealth in the context of

the lack of technological barriers to market entry, which underpinned our 2022 prediction that the total addressable market for telehealth would decline. Because our audience – you – continues to be interested in the subject, we have continued to research it.

Telehealth's appeal is alluring: the ability to connect patients and providers at the push of a button. However, the technology that has made telehealth ubiquitous also has less salutary effects, like care fragmentation that inevitably results when patients engage with multiple telehealth providers. In turn, care fragmentation can lead to duplication of services, gaps in care, excess costs (i.e., friction costs) and overall decreased quality of patient management.

Last week, we provided an update of select data-driven telehealth trends amid a resurgence of interest in telehealth because of recent policy, regulatory and industry developments.[1] This week, we decided to focus on two takeaways from those recent developments, one of which relates to demand and the other to supply.

Background

With respect to telehealth demand, much has been written about the absolute volume of telehealth utilization during the pandemic. However, there is little understanding of the ongoing utilization of telehealth by patients with pre-existing, established primary care provider relationships. Because of the widely held belief that consumers should have an ongoing relationship with a primary care provider, we wanted to understand the cohort of providers who use telehealth with their established patient panels.

In surveys, providers report lower satisfaction and less confidence in telehealth relative to in-person care than patients do, which is consistent with claims-based analysis of utilization trends.[2] While 36% of providers view telehealth as more convenient for providers than in-person care, 58% reported that examining patients via telehealth was "more difficult" or "much more difficult" than in-person visits.[3] Provider sentiments vary

by specialty, with surgical specialists reporting less confidence in providing quality care via telehealth and reporting higher dissatisfaction and appropriateness issues compared to medical specialists and primary care physicians.[4]

Logically, the more that telehealth is rendered by unintegrated providers (e.g., direct-to-consumer (DTC) platforms), the more likely that the patient care journey will be fragmented and established provider relationships will be disintermediated. More importantly, most large employers are concerned that the lack of integration between siloed virtual care platforms and the broader healthcare system will negatively impact care quality and outcomes for employees. In 2023, 69% of large employers reported concerns about siloed care experience due to lack of coordination, and 60% reported concerns regarding lack of integration between vendors.[5]

As policymakers continue to evaluate policies that would incentivize broader adoption of telehealth based on its ***potential impact***, the actual use of telehealth by predominantly primary care providers with their patient panels is an important data point.

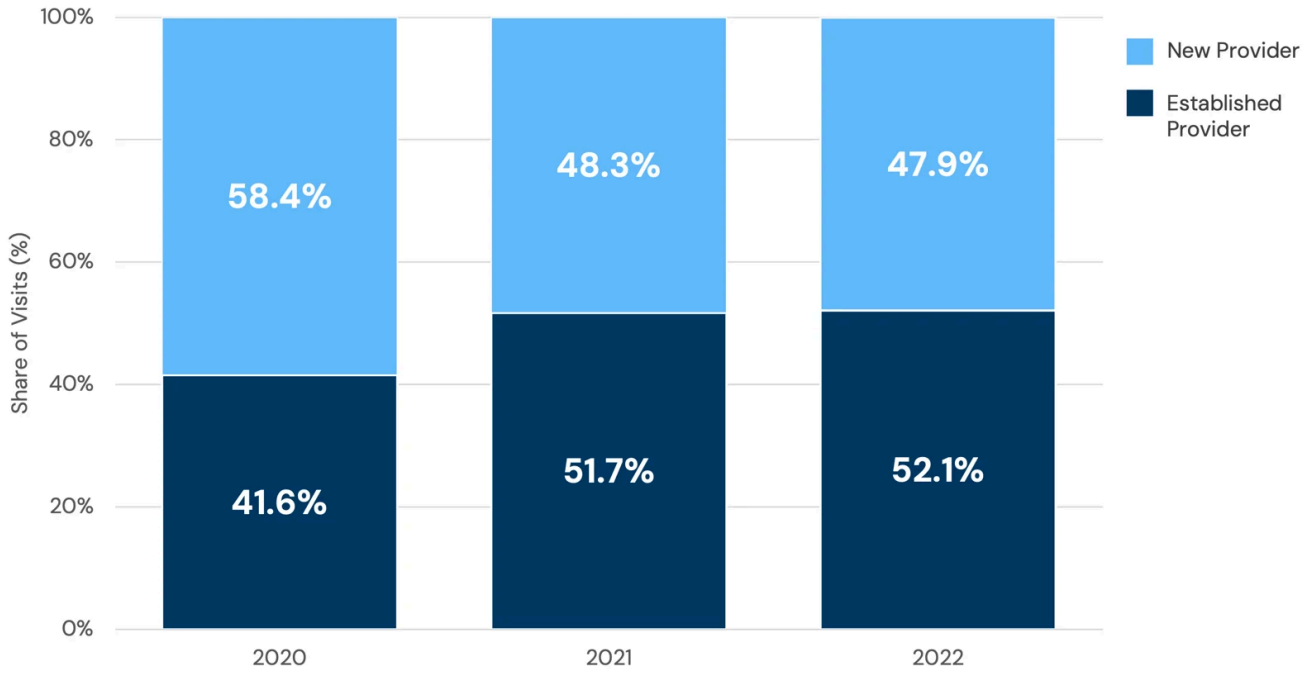
Analytic Approach

Utilizing our national all-payer claims database and Provider Directory, we analyzed telehealth visits to assess the proportion of visits occurring between providers and patients with and without established relationships from 2020 to 2022. An established telehealth patient-provider relationship was defined as any telehealth visit preceded by at least one in-person visit within the two years prior to the telehealth encounter. We excluded behavioral health encounters to focus our analysis on traditional medical care. Providers were categorized into three groups: physicians (MDs/DOs), allied health providers (nurse practitioners and physician assistants) and all other provider types, which were collectively classified as "Other."

Findings

In 2020, most telehealth visits (58.4%) were with providers who lacked a preexisting relationship with the patient (i.e., a “new provider”), while 41.6% of visits were with established providers (Figure 1). By 2022, the proportion of visits with established providers increased to 52.1%.

Figure 1. Proportion of Telehealth Visits with New and Established Patient-Provider Relationships, 2020-2022



Note: An established telehealth patient-provider relationship was defined as any telehealth visit preceded by at least one in-person visit within the two years prior to the telehealth encounter, excluding behavioral health encounters. Providers were categorized into three groups: physicians (MDs/DOs), allied health providers (nurse practitioners and physician assistants), and all other provider types, which were collectively classified as "Other." Visits for behavioral health reasons are excluded.
Source: Trilliant Health national all-payer claims database. • PNG

trilliant health

Compass+ Exclusive for Digital Health Leaders: Telehealth Visits with New and Established Providers, By Provider Type and State

Figure 2. Proportion of Telehealth Visits with New and Established Patient-Provider Relationships, By Provider Type, 2020-2022

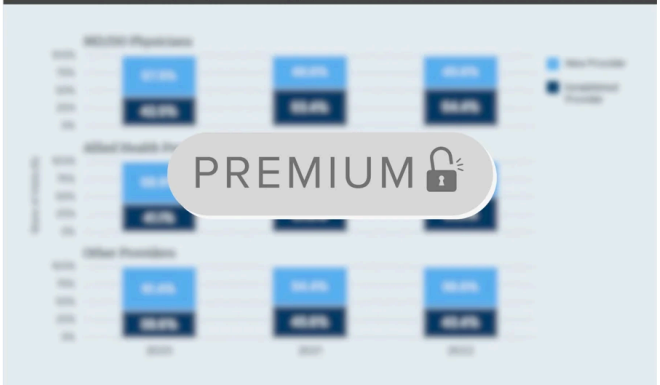
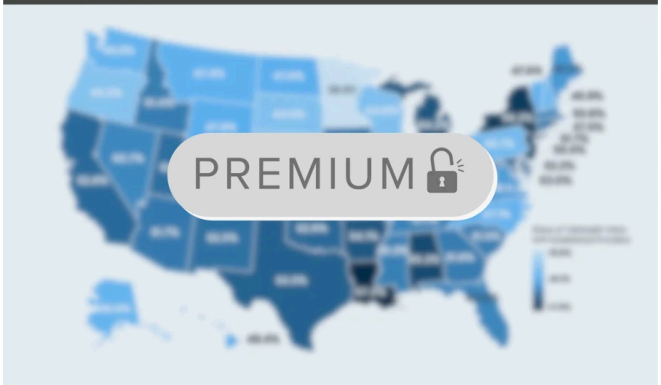


Figure 3. Proportion of Telehealth Visits with Established Patient-Provider Relationships, By State, 2022



Unlock the complete analysis with Compass+

Conclusion

Telehealth presents a paradox: the ***potential*** to enhance access and convenience for discrete clinical scenarios coupled with the risk of fragmentation when patients frequently interact with providers lacking established patient relationships or access to their medical history. Telehealth also offers a distinctly different value proposition for primary care medicine than it does for behavioral health.

How telehealth policy evolves depends on how policymakers, employers, payers and providers view its clinical utility, which can be at odds with patient, or consumer, preference. At a minimum, policymakers should evaluate the extent to which lack of healthcare access due to COVID-era restrictions shaped patient engagement (i.e., forced telehealth adoption) with their established primary care providers and specialists. Policymakers might also consider the views of primary care providers on the utility of telehealth and the concerns of employers about its impact on quality. Finally, policymakers might consider the implications of the decision of Walmart and UnitedHealthcare – two of the four largest companies in America – to shutter their telehealth operations.

With the skepticism around its broad applicability and effectiveness from providers and employers, together with hesitancy from Federal policymakers to permanently codify pandemic-era Medicare telehealth flexibilities, the virtual care industry is not likely to expand at the pace or magnitude that digital health companies want. If physicians don’t want to use it, and employers don’t want to pay for it and two of the largest companies in the United States do not believe it is a viable business, whether or not consumers "like" telehealth may be irrelevant.

In future research, we will characterize the differences in types of care rendered via telehealth (chronic condition management, medication management, low-acuity urgent care, etc.) and their respective utility, or value.

Thanks to Colin Macon and Katie Patton for their research support.

What insights do you need to survive?

We see where the digital health market is going.
Get the strategic insights your organization needs.

FREE SUBSCRIPTION

The Compass

With your current subscription, you have access to:

- **Public Studies**
  Individual studies about all areas of the health economy, delivered to your inbox

PREMIUM SUBSCRIPTION

Compass+ for Digital Health Leaders

Everything you get today, plus:

- **80+ Digital Health Resources**
  Unlock in-depth resources about digital health to enhance your competitive edge - all in our Compass+ portal
- **2024 Digital Health Report**
  Connect the dots on how each trend in the digital health economy should shape your future strategies
- **Telehealth Utilization Trackers**
  Interact with digital health utilization data in our intuitive dashboards to answer your own unique questions

Contact Us