



SAGE GROWTH
PARTNERS

Telehealth In 2023

Predictions and insights
for the year ahead



Survey of practice-based physicians and hospital executives reveals how the telehealth landscape is changing

EXECUTIVE SUMMARY:

In the early years of the pandemic, telehealth (the provision of healthcare remotely by means of telecommunications technology) emerged as a critical lever to ensure access to care and services. Now, almost three years later, telehealth has shifted from novel to normal—becoming, within most practices and hospitals, a standard aspect of care delivery. The big question now is, can the traction and promise of telehealth to increase access to care, particularly primary care, extend beyond the crisis of the pandemic?

In September 2022, Sage Growth Partners conducted a survey of practice-based physicians, as well as hospital-based C-suite executives, to learn what's ahead for telehealth in 2023 and beyond.

Key questions the healthcare consulting firm sought to answer include:

- Has telehealth usage reached its peak, or will practices and hospitals expand services in 2023?
- What key objectives will practices and hospitals hope to achieve by offering telehealth services in 2023?
- How do practices and hospitals believe telehealth is impacting clinical outcomes—and how might that change in 2023?
- What aspects of telehealth will practices and hospitals focus most on improving in 2023?

The following report answers these questions and more, and includes commentary from Sage Growth Partners' leadership, research, and strategy team members.

KEY FINDINGS



Growth: Only 11% of hospitals and 8% of practices are looking to expand their telehealth offerings.



Objectives: Both sets of respondents (practice-based physicians and hospital executives) said the top benefits of telehealth are enhanced patient access and satisfaction.



Clinical impact: 64% of practice-based physicians and 66% of hospital executives said telehealth enables comprehensive quality care.



Workflow: 52% of practice-based physicians and 35% of hospital executives said telehealth increases support staff's workload.

GROWTH:

Will telehealth's rapid acceleration continue?



Sage Prediction: In 2023, most practices and hospitals will focus on optimizing and sustaining their current telehealth programs, rather than growing them.

Most practices and hospitals are focusing on enhancing their current programs, rather than expanding them, according to the survey findings. In fact, only about 10% of respondents (across both sets of survey takers—physicians within practices and C-suite executives within hospitals) said their organizations are focused on growing their telehealth offerings. Most respondents (about 70% of practice physicians and 56% of hospital executives) said they are focused on sustaining or optimizing their programs.

At what stage is your organization's telehealth visits program?

	Hospitals	Practices
Expansion - looking to expand telehealth offering	11%	8%
Sustainability - continuing to offer services that seamlessly integrate with in-person care	15%	35%
Optimization - looking to improve existing program	41%	35%
Implementation - just getting started	20%	7%
Treading water - still figuring it out	13%	15%

SAGE INSIGHT

It's interesting to see that many C-suite executives said their hospitals are still figuring out or getting started with telehealth. We do know that many organizations quickly stood up a telehealth program using smart phones and Zoom. It's likely that they are looking to create more sustainable and scaleable solutions for their patients.

Further underscoring the likely slowing of telehealth's growth, most survey respondents stated that, over the next 24 months, the ratio of in-person visits to telehealth visits within their organizations would remain the same. This was reflected across all types of care—including specialty, behavioral health, and primary.

What percentage of your patient visits are delivered by telehealth now, and what are your expectations for what that percentage will be over the next two years?



Hospitals:

	September 2022	September 2024
Specialty Care	18%	15%
Behavioral Health	36%	33%
Primary Care	21%	20%
Inpatient Pre/Post Op Care	8%	7%
Urgent Care	3%	7%
Post-Acute	6%	6%
Emergency	3%	2%
Telepathology	2%	4%



Practices:

	September 2022	September 2024
Specialty Care	23%	20%
Behavioral Health	13%	15%
Primary Care	10%	10%
Pre/Post Op Care	3%	5%
Inpatient	2%	2%
Urgent Care	2%	3%
Post-Acute	1%	3%
Emergency	1%	1%
Telepathology	1%	2%

SAGE INSIGHT

Healthcare organizations that want to attract and retain patients must continue to offer, and in some cases expand, their telehealth services. In a different study, two-thirds of consumer/patient respondents indicated that they accessed video telehealth services in the past year, up from 37% in 2019. Nearly all respondents who received medical services via telehealth said they would do so again in the future.

OBJECTIVES:

What are practices and hospitals hoping to achieve from telehealth?



Sage Prediction: Practices and hospitals view telehealth as a way to expand patient access and patient satisfaction—not market share. That will begin to change in 2023, as disruptors ramp up competition.

When asked to identify the key value telehealth provides their organization, most physician respondents cited patient access (73%) and patient satisfaction (60%). Similarly, when asked why their practice would continue providing telehealth, 79% cited reducing patient barriers to access and 76% cited increasing patient satisfaction.

Like practice leaders, hospital executives cited patient access and patient satisfaction as key benefits provided by telehealth services, as well as key reasons their hospital would continue to provide telehealth.

SAGE INSIGHT

Telehealth can help hospitals protect market share and compete with industry disruptors—but the survey findings indicate that many don't recognize that. Only about 19% said telehealth has a major or significant impact on protecting market share. In 2023, we anticipate that more hospitals and practices will begin to see telehealth as a lever to compete and grow.

How much value has your organization received in each of the following areas from providing telehealth visits?



Hospitals:

	Major or significant impact	Moderate impact	Minor or no impact
Patient Access	62%	25%	12%
Patient Satisfaction	57%	29%	13%
Business Strategy	34%	47%	18%
Value-based Care	27%	36%	36%
Consumerism	25%	44%	31%
Referral Capture	24%	42%	34%
Market Share Protection	19%	48%	32%
Market Share Growth	19%	34%	48%
Cost Reduction	16%	37%	46%
Revenue Capture	15%	49%	34%



Practices:

	Major or significant impact	Moderate impact	Minor or no impact
Patient Access	73%	19%	8%
Patient Satisfaction	60%	28%	12%
Value-based Care	28%	32%	40%
Business Strategy	24%	39%	36%
Referral Capture	21%	26%	54%
Consumerism	21%	47%	32%
Revenue Capture	17%	37%	45%
Cost Reduction	16%	33%	50%
Market Share Protection	15%	35%	51%
Market Share Growth	16%	24%	60%

Which of the following are reasons why your practice is interested in continuing to provide care via telehealth? Select all that apply.

	Hospitals	Practices
Reducing patient barriers to access care	86%	79%
Increase patient satisfaction	79%	76%
Proven to be operationally effective	56%	53%
Proven to be clinically effective	38%	45%
Reduce unnecessary patient costs	36%	31%
Increase professional satisfaction	29%	28%
Provide more comprehensive care	35%	17%

While practices and hospitals say enhancing patient access is a key benefit of telehealth, persistent barriers will continue to limit telehealth's impact. Both groups cited limited digital literacy in patient mix and limited patient access to technology as the top two barriers to patients' telehealth use.

OUTCOMES:

Are practices and hospitals pleased with telehealth's clinical impact?



Sage Prediction: In 2023, more practices and hospitals will not only view telehealth as a lever to provide care—but as a way to enhance it.

The survey findings indicate that not only are many physicians and hospital executives satisfied with the care their organizations can provide by telehealth, but they also see positive clinical outcomes as a result of using it (such as avoided emergency department visits). Overall, the majority of respondents in both groups (practices and hospitals) agreed that telehealth not only ensures continuity of care, but can also enhance it by enabling more comprehensive care.



Telehealth enables more comprehensive quality care.



Hospitals:

66%
agreed



Practices:

64%
agreed



Physicians like using telehealth visits to treat patients/telehealth increases physician satisfaction.



Hospitals:

46%
agreed



Practices:

47%
agreed



Telehealth helps avoid ED visits.



Hospitals:

51%
agreed



Practices:

52%
agreed

SAGE INSIGHT

During the pandemic, many practices and hospitals viewed telehealth as a way to ensure access and maintain visit volumes. Though the country has opened back up significantly, use of telehealth has remained steady. This indicates that more organizations are recognizing that telehealth can be applied not only to ensure continuity of care, but to enhance and optimize it. Continuing to leverage this new way of delivering necessary care is important, particularly when we are in a state of crisis for primary care services.

Who uses telehealth most: practices or hospitals?

C-suite executives within hospitals were more likely than practice respondents to say telehealth visits should make up a higher percentage of the ideal in-person-to-telehealth visit mix (30% telehealth and 70% office). Practice respondents pegged the ideal ratio closer to 20% and 80%.

That perspective is underscored by the survey findings related to currently reported percentage of telehealth visits across specialties and organization types. In some instances, the percentage of telehealth visits cited by C-suite executives was nearly twice that reported by practice respondents.

TELEHEALTH INITIATIVES:

What will practices and hospitals focus on improving in 2023?



Sage Prediction: In 2023, practices and hospitals will be forced to focus on improving telehealth workflows—and many will consider partnering with third-party administrators to provide telehealth services to patients. In the absence of this focus, the value of telehealth may be lost.

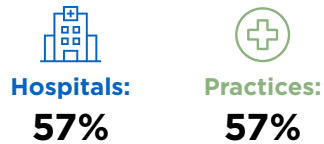
The survey reveals that 57% of organizations (across both practices and hospitals) have not yet created new workflows for telehealth visits. Instead, they rely on workflows that mirror in-person visits.

SAGE INSIGHT

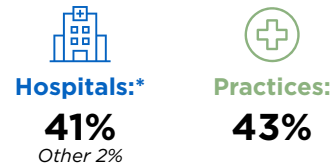
While telehealth surely improves access to care, there is a current perception that it makes work harder for nurses. Hospitals and practices, as well as telehealth technology and service providers, need to take the workflow challenges seriously. They need to redesign this new care delivery model to benefit patients and staff to ensure lasting change.

How is your organization approaching telehealth workflows?

We mirror the workflow of the in-person visit:



We create a different type of visit—implementing new provider workflows and practice patterns:



That lack of new workflows, specifically built to integrate telehealth, may be taking a toll on clinical teams at both practices and hospitals. More than half (52%) of respondents from practices said telehealth has increased support staff's workload, and about one-quarter (28%) said it creates more work for nurses. Fewer hospital executives said telehealth increases the workload for support staff (35%), but a similar percentage (30%) said it requires nurses to do more work.

Telehealth has increased support staff's workload:

	Hospitals	Practices
Agree	35%	52%
Neither agree nor disagree	38%	27%
Disagree	27%	20%

Telehealth requires nurses to do more work:

	Hospitals	Practices
Agree	30%	28%
Neither agree nor disagree	35%	37%
Disagree	35%	34%

Perhaps due in part to these workflow challenges, many physician practice respondents said their organizations are considering partnering with a third party to deliver telehealth services. While 88% of respondents said their practice currently administers telehealth visits independently, 25% said their practice is likely to change the administering party over the next two years.

The survey reveals that hospitals are more than twice as likely to use third parties to administer telehealth services (20% of hospitals use a third party vs. 9% of practices). Hospitals were also nearly twice as likely to say they would change their administering party over the next two years (44%).

2023 OUTLOOK:

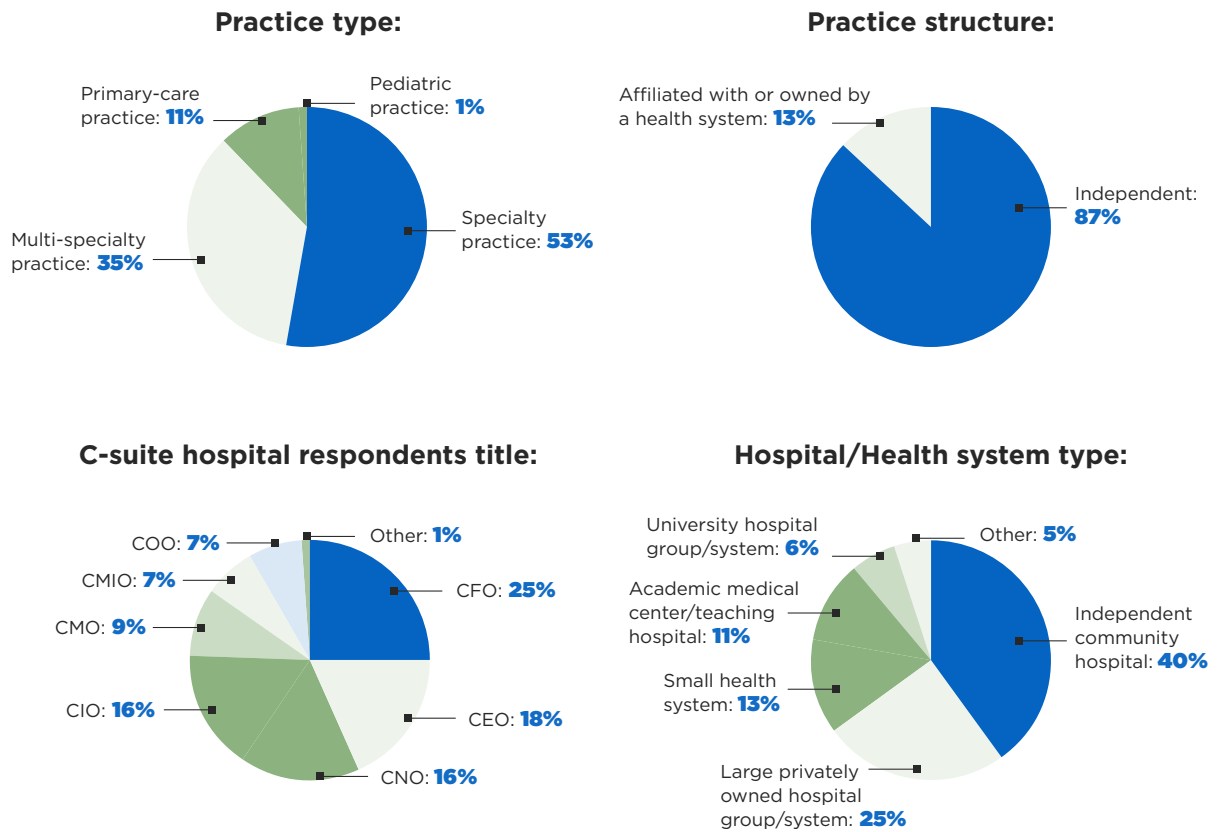
While it's hard to find a silver lining, the pandemic forced our healthcare system to start to really rethink how care is delivered to patients. Opening up telehealth is one step in the right direction. In 2023, the rapid expansion of telehealth offerings that we've seen among hospitals and practices is likely to slow, with organizations shifting to focus more on optimizing their current telehealth offerings.

A key improvement focus for many practices and hospitals will be determining how to create more efficient and seamless telehealth workflows for support staff and clinical teams and to expand their capacity to see more patients. Many hospitals and practices will also begin evaluating third-party telehealth administrators, if they are not partnering with them already.

In the year ahead, hospitals and practices will also focus on more fully extending the value of telehealth services. Those who innovate most will move beyond leveraging telehealth to ensure continuity of care by fully applying it to enhance in-person visits and improve clinical outcomes, and by integrating it with remote patient monitoring tools to provide more comprehensive care.

METHODOLOGY: Sage Growth Partners conducted the survey in September 2022. Seventy-five practice leaders participated, with most representing independent specialty groups with under 50 physicians (groups with fewer than five physicians were excluded). Ninety-five health system executives participated, with most representing independent community hospitals, large privately owned hospital groups or systems, or small health systems.

Practice-Based Physician Respondents



ABOUT SAGE GROWTH PARTNERS

Sage Growth Partners is a healthcare advisory firm with deep expertise in market research, strategy, and communications. Founded in 2005, the company’s extensive domain experience ensures that healthcare organizations thrive amid the complexities of a rapidly changing marketplace. Sage Growth Partners serves clients across the full healthcare spectrum, including GE Healthcare, ProgenyHealth, the National Minority Health Association, Philips Healthcare, Livongo, and Syft. For more information, visit www.sage-growth.com.