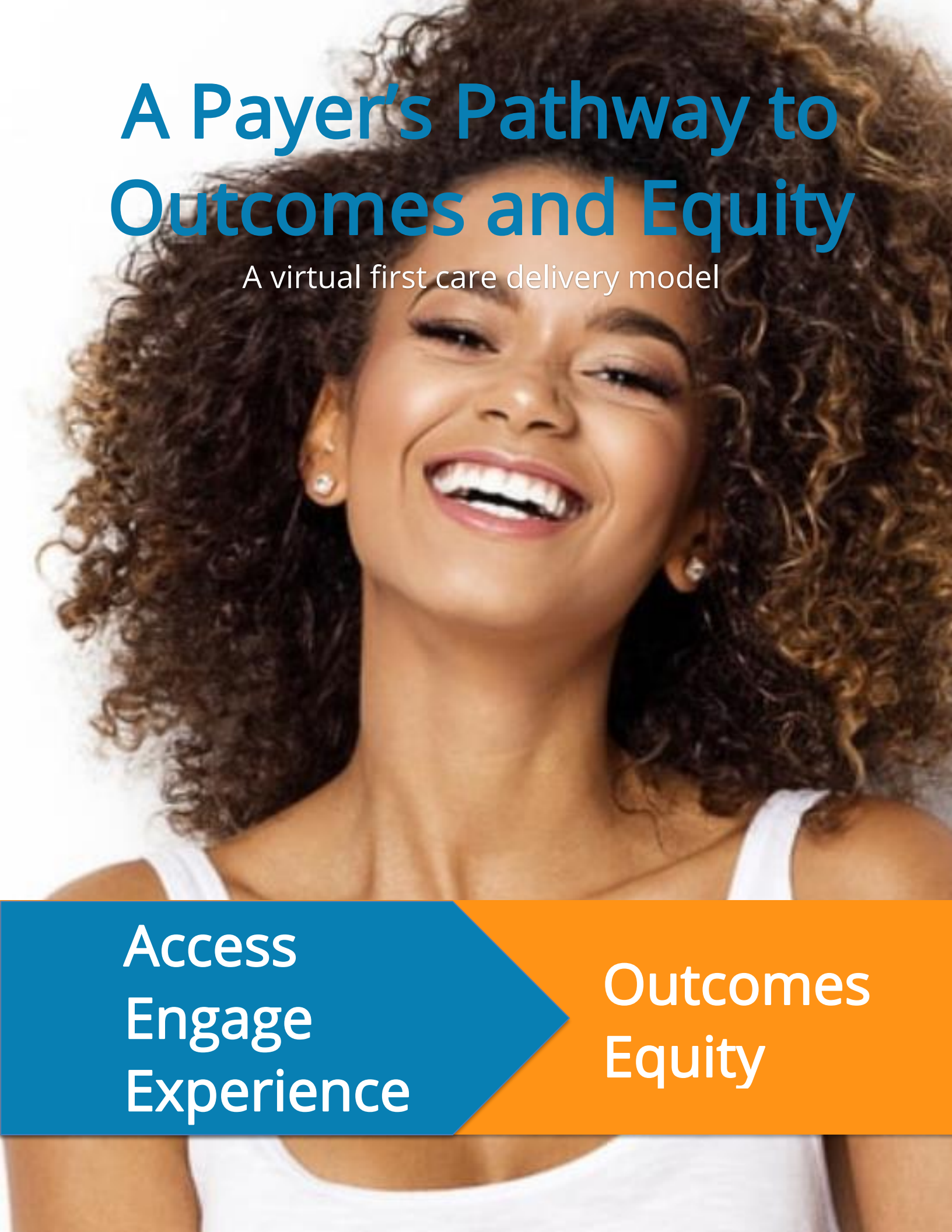
A Payer's Pathway to Outcomes and Equity

A virtual first care delivery model



Access
Engage
Experience

Outcomes
Equity

A Payer's Pathway to Outcomes and Equity

TABLE OF CONTENTS

Legal Notice

INTRODUCTION

Each health and wellness consumer has a different journey, hence a different set of needs. A virtual first delivery of care model aims to provide access to healthcare services through digital platforms and technologies, such as telemedicine, remote monitoring, and mobile health applications.

- **Access:** Patients are given access to virtual healthcare services through digital platforms, which can be accessed from the comfort of their homes. This eliminates the need for in-person visits, reducing barriers such as transportation and long wait times.
- **Engage:** Patients are actively engaged in their care through the use of remote monitoring tools, care management, educational resources, and virtual visits with their healthcare providers. This allows for ongoing communication and collaboration between patients and providers, leading to better outcomes and improved patient satisfaction.
- **Experience:** Patients are provided with a seamless, convenient, and personalized experience using digital tools and technologies. This includes access to secure online portals for managing their health information, appointment scheduling, and access to virtual care services.
- **Outcomes:** By utilizing virtual technologies, patients can receive timely, efficient, and effective care, leading to improved health outcomes. The virtual model also allows for more frequent and consistent monitoring, leading to better disease management and prevention.
- **Equity:** The virtual first delivery of care model can help address health disparities and improve access to care for underserved and marginalized populations. By eliminating barriers such as transportation and long wait times, this model can help increase access to care for individuals who may otherwise face difficulties accessing in-person services.

Overall, a virtual first delivery of care model prioritizes the value of access, engagement, experience, outcomes, and equity, leading to improved patient satisfaction and health outcomes.

Transformation Influencers

The trends are the same regardless of geography - the global population continues to grow; there is an increased demand for healthcare services, putting pressure on healthcare systems to meet the needs of the growing population. As well, the population continues to age. Six out of ten adults have at least one chronic condition. Four out of ten adults have two or more chronic conditions. The top three conditions driving the greatest degree of expense are associated with diabetes, cardiovascular disease, and respiratory related disease. These conditions and others lead to a higher demand for specialized care and support.

Defining the True Gaps in Care

The average Medicare patient with five chronic conditions sees nine different doctors each year. CMS data claims a patient is in front of all nine providers for only fifteen hours each year. To maximize a patient's ability to move along the care continuum to wellness we need to understand what takes place the remaining 8,745 hours each year. Patient engagement in this time is critical to encourage a change in behavioral to facilitate movement along the care continuum toward wellness.

"To maximize a patient's ability to move along the care continuum to wellness we need to understand what takes place the remaining 8,745 hours each year."

Clinical Resource Shortage

The U.S. faces a projected shortage of between 37,800 and 124,000 physicians within 12 years, according to *The Complexities of Physician Supply and Demand: Projections From 2019 to 2034* (PDF), a report released by the Association of American Medical Colleges (AAMC).

Specific AAMC projections by 2034 include shortages of:

- Between 17,800 and 48,000 primary care physicians .
- Between 21,000 and 77,100 non-primary care physicians.

This includes shortages of:

- Between 15,800 and 30,200 for surgical specialties.
- Between 3,800 and 13,400 for medical specialties.
- Between 10,300 and 35,600 for other specialties.

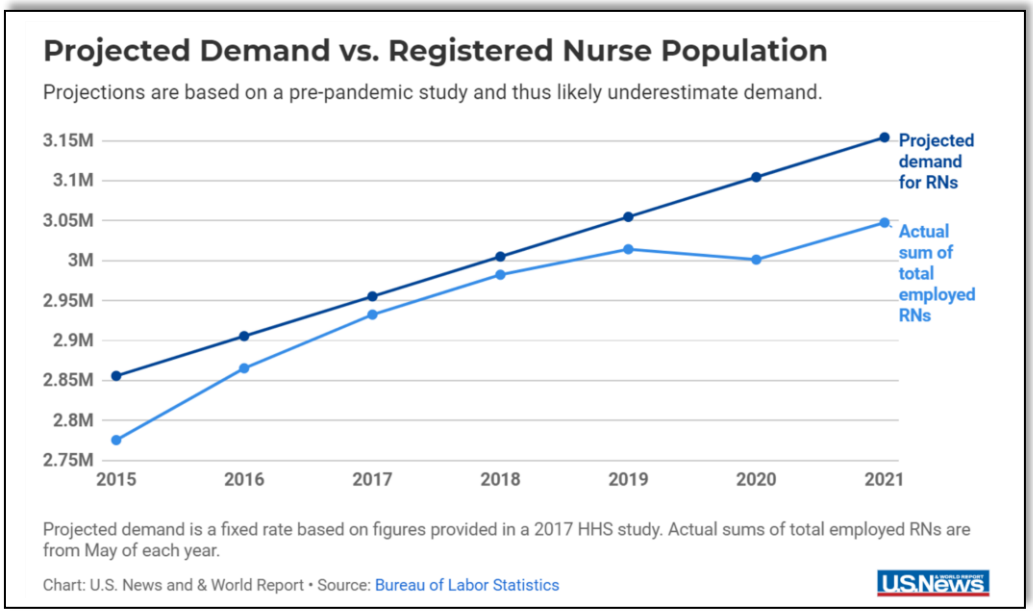
The AAMC reports that physician shortages hamper efforts to remove barriers to care. If populations that are underserved by the health system had health care-use

patterns similar to populations with fewer access barriers, the U.S. would be short between 102,400 and 180,400 physicians.

Nursing Shortage

Fueled by factors like employee burnout, an aging population and a dearth of training, states across the country are facing a familiar and common problem: a nursing shortage.

Even before the COVID-19 pandemic began to unfold at the start of 2020, a gap existed between the supply of registered nurses as reflected by federal data and demand through 2030 as projected by a pre-pandemic study from the U.S. Department of Health and Human Services. Once the COVID crisis hit, health care positions were not isolated from sudden job losses, which helped widen the gap between projected demand and the actual number of registered nurses in the U.S.



The HHS study projected that the demand for registered nurses would hit more than 3.6 million by the year 2030. On top of the existing workforce, the field would have needed to add nearly 50,000 new registered nurses each year since 2014 to meet that demand.

The shortage may worsen in part due to who exactly is leaving the profession. Since 2016, registered nurses 25 to 34 years old have accounted for the highest share of the profession by age group. But between May 2020 and May 2021, the number of nurses in that age group declined 5.2%. Those 35 to 44 years old – who make up

the second-highest share of nurses – saw their numbers decline at an even higher rate of 7.4%.

Average Wait Time for Scheduled Appointment

One obstacle needing to be addressed is that in 2022 the average patient appointment wait time was 26 days. This is eight percent longer than 2017 figures. Privately insured individuals have 18 million avoidable hospital ED visits a year, which are 12 times more costly than a physician office visit for the same condition. The cost of these avoidable hospital ED visits was estimated to be $32B annually.

"Privately insured individuals have 18 million avoidable hospital ED visits a year..."

The growing number of developing chronic conditions, delayed access to care and over utilized of the hospital ED are key considerations to shift focus toward Value-Based Care. A value-based care approach prioritizes patient outcomes and cost-effectiveness over the volume of services provided. This model incentivizes providers to focus on the quality of care and patient satisfaction, leading to improved health outcomes and reduced healthcare costs.

Closing the gap in care, engaging the patient during the 8,745 hours they aren't in front of their provider, is the key to achieving a greater state of wellness.

Overall, these trends highlight the need for payers to adapt and adopt innovative solutions to meet the growing demand for healthcare services and improve patient outcomes. Closing the gap in care, engaging the patient during the 8,745 hours they aren't in front of their provider, is the key to achieving a greater state of wellness.

Rural Reach

As of 2020, about 57 million Americans lived in a rural area, according to Statista. These individuals face a litany of challenges, ranging from where they live to having enough doctors to provide care.

"Rural residents often encounter barriers to healthcare that limit their ability to obtain the care they need," according to the Rural Health Information Hub. "In

order for rural residents to have sufficient access, necessary and appropriate healthcare services must be available and obtainable in a timely manner."

Although the care access challenges rural residents face are varied, they primarily fall into two buckets: geographic distance from a healthcare provider and provider shortages.

High healthcare costs

The high cost of healthcare, particularly high out-of-pocket patient costs, is a well-documented care access barrier. When patients cannot afford medical care or find themselves choosing between medical care and paying for other utilities like rent, mortgage, or food, they often go without healthcare access.

"In December 2021, a West Health and Gallup poll found that three in 10 Americans cite high out-of-pocket costs as a patient care access barrier."

In December 2021, a West Health and Gallup poll found that three in 10 Americans cite high out-of-pocket costs as a patient care access barrier. Those patients told the poll that they skipped medical care due to high costs at least once in the previous three months.

The survey of over 6,500 respondents also showed out-of-pocket healthcare costs are a problem even for the richest people. Among those households making more than $120,000 annually, 20 percent said they did not access healthcare in the past three months due to high costs.

These figures represent a peak for the nation. The overall rate of cost-related delayed care is the highest it's been since the start of the COVID-19 pandemic. For the richest households, the rate of cost-related delayed care is 3 percent higher than it was between March and October of 2021.

The US is fairly unique in this problem, separate data has shown. Per 2020 reporting from The Commonwealth Fund, the United States has the starkest income-based health disparities compared to other similarly developed nations. In total, 38 percent of US adults have skipped a medical visit, test, treatment, follow-up, or prescription fill within the last year because of cost. Fifty percent of low-income adults skipped care because of cost and 27 percent of high-income earners said the same, as reported by The Commonwealth Fund.

Notably, that 27 percent of high-income earners skipping care is a higher rate of skipped care than any other similarly developed nation in the study, regardless of

income. For most nations, under 27 percent of their poorest patients are forced to skip care due to costs. In other words, healthcare is about as cost-prohibitive for the wealthiest Americans as it is for the poorest patients in other countries.

Social Determinates of Health

Per the World Health Organization (WHO) and the U.S. Center of Disease Control social determinants of health (SDoH) are the non-medical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life. These forces and systems include economic policies and systems, development agendas, social norms, social policies and political systems.

Research shows that social determinants can be more important than health care or lifestyle choices in influencing health.

The SDoH has an important influence on health inequities - the unfair and avoidable differences in health status seen within and between countries. In countries at all levels of income, health and illness follow a social gradient: the lower the socioeconomic position, the worse the health.

The following list provides examples of the social determinants of health, which can influence health equity in positive and negative ways:

- Income and social protection
- Education
- Unemployment and job insecurity
- Working life conditions
- Food insecurity
- Housing, basic amenities and the environment
- Early childhood development
- Social inclusion and non-discrimination
- Structural conflict
- Access to affordable health services of decent quality.

Research shows that social determinants can be more important than health care or lifestyle choices in influencing health. For example, numerous studies suggest that SDH accounts for between 30-55% of health outcomes. In addition, estimates show that the contribution of sectors outside health to population health outcomes exceeds the contribution from the health sector.

Addressing SDoH appropriately is fundamental for improving health and reducing longstanding inequities in health, which requires action by all sectors and civil society.

THE PAYER OPPORTUNITY

There are many experiences discussed throughout this document that significantly impact all members in different ways. Even if two different members have the same health insurer, they may have an extremely different experience as not all providers have embraced the ideals of a modernized delivery of care model. This creates a significant opportunity for health insurers to lead the transformation via the embrace of a virtual first delivery of care model. As discussed above, the fundamentals are clear – we have an older, aging sicker population that is living longer coupled with a shortage of licensed providers and nurses to deliver care. Yet, remains the challenge of providing an equitable delivery of care model not to mention the continued desire to shift the market to a wellness (preventative care) model vs today's diagnostic care, reaching the ideals of a value-oriented model.

The path to transforming our delivery of care model is not about what happens when a patient/member is in the provider's exam room – it's about what happens in the 8,745 hours spoken about earlier – the home is the setting of care and where wellness will be achieved. Engaging members about what was advised while speaking with the provider is strategic to changing the patient's behavior. Overall, the new model of care should embrace the following formula: ACCESS + ENGAGEMENT + EXPERIENCE = OUTCOMES and EQUITY.

Virtual First Engagement Model

There is no secret that health insurers have been moving to enhance their membership intervention and/or triage members conditions earlier in the care cycle. The pandemic did teach us that both the consumer of health services and provider both like the adoption of telehealth. Recently, HealthcareITNews reported that "RPM will be the new standard of care…remote patient monitoring's abilities to

find gaps in care, improve patient engagement, enhance the provider experience and boost revenue."

Modular Virtual Care Platform

Post pandemic, it is clear the home is fast becoming a viable setting of care and virtual care services have now extended far beyond the use of Telehealth – a pure video encounter. Health insurers need to look at a modular, scalable and customizable virtual care platform which embraces the following capabilities:

- Telehealth
- Remote Patient Monitoring
  Note: w/ integrated medical devices
- Remote Therapeutical Monitoring
- Chronic Care Management/Principal Care Management
- Integrated clinical content and/or digital therapeutics to assist the member to move their condition to a greater state of wellness.
- Shopping cart capturing over the counter products, prescribed medication therapy and lab test kits delivered to the home.

"Overall, the new model of care should embrace the following formula: ACCESS + ENGAGEMENT + EXPERIENCE = OUTCOMES and EQUITY."

Virtual Care Clinical Services

Leveraging a modular yet scalable virtual care platform is a great start. The differentiation is ultimately defined in how the platform is engaged by member and associated care team participants, such as:

- National network of providers focused on virtual primary care delivery.
- Fulfilment/logistical support to distribute.
  - Medical Devices
  - Home Health Stations (computing devices)
- Clinical Staff that engages and is accountable for patient engagement and patient program compliance.
- Clinical data shared with Health Insurer and other connected providers.

The value of having one modular platform permits the ability to start small but know you can quickly add services. The ability to scale is critical both in terms of adding services as well as adding clinical categories (i.e. cardio, diabetes, obesity, respiratory condition and more). Lastly, the ability to white-label the solution and to

customize features and functions coupled with definition of services is critical to ensure this solution best fits the needs of your members and not be limited by your virtual care platform and services partner.

Benefits Driving a Virtual First Adoption

There are many elements, some discussed above, within the delivery of care model that need to be reviewed. The adoption of a virtual care model has demonstrated its ability to provide significant financial and clinical outcomes. Other benefits may include:

- **Convenience:** These coupled technologies and services allow members to receive care and treatment from the comfort of their own homes, reducing the need for in-person visits to healthcare facilities and reducing the risk of exposure to infectious diseases.
- **Accessibility:** Telehealth and remote monitoring technologies can improve access to care, especially for those living in rural or underserved areas where access to healthcare facilities may be limited.
- **Better Patient Engagement:** Telehealth and remote monitoring technologies can also increase patient engagement in their own care by allowing patients to communicate more easily with their healthcare providers.
- **Improved Outcomes:** Remote monitoring can help healthcare providers to manage patients more effectively with chronic conditions, such as diabetes or heart disease, by providing real-time data on patients' health status. This can lead to earlier detection of health issues and prompt intervention, improving patient outcomes and reducing the need for hospitalization. As well, the delivery of recommended OTC products, prescribed pharmaceutical and lab kit in the home can maximize compliance of a defined care plan.
- **Value:** Telehealth, Remote care and Chronic care management can be more cost-effective than in-person care, and there is a mutual benefit to both the member and health insurer. Savings can be extended to reduction of ED visits, readmission and stabilizing state of wellness.

Overall, the value of embracing these technologies and services maximizes the opportunity of members moving along the awareness to wellness continuum while reducing the long-term cost of care.

9000 Crow Canyon Drive
Danville, CA 94506

Virtual Care Delivery Platform and Services Provider

Democratizing the Delivery of Care Model

Schedule Demo
Contact: Tom Foley, Chief Growth Officer
tom@genieMD.com
(201) 321-9751 (c)
www.linkedin.com/in/tomfoley
www.TheVirtualShift.co