The Rise of Hybrid Healthcare Delivery

INTEGRATION OF VIRTUAL MEDICINE WITH BRICK-AND-MORTAR SERVICES EMERGES TO ELEVATE OPERATIONAL EFFICIENCY, CONVENIENCE AND COST-CONTAINMENT

Written By Bruce Shutan

Onsite medical clinics can prove to be a huge capital expense for self-insured employers, which is why many smaller and midsize businesses have banded together to share near-site facilities. But with virtual care now being integrated into this brick-and-mortar model, onsite clinics are becoming a more affordable option – reflecting a larger trend afoot in primary care, urgent care, inpatient care, specialty care and behavioral health.

Provider on Demand offers a window into the convergence of onsite medical clinics and telehealth. The startup's novel approach features a lower-cost alternative to the traditional

Robb Dies
Chief Research Officer

corporate clinic in the form of a soundproof brushed aluminum frosted glass pod to ensure privacy. It can be installed within 100 square feet of floor space at any business and is staffed by an onsite medical technician who can draw blood, take vitals and assist a board-certified physician who virtually instructs patients through physical examinations from a large TV screen.

Describing it as "the iPhone of healthcare," chief research officer Robb Dies says the aim is to provide a concierge level of care onsite for employees and their families. "We find that people don't want to call in sick, miss work, and take themselves or a family member to their physician," he explains.

EMERGENCE OF 'MEDICAL CABINS'

This hybrid model is part of a new movement whose rethinking of healthcare delivery fuses operational efficiency with appropriate care delivery. "We've seen over the past five to seven years what we call "medical cabins" or medical kiosks," reports Larry Boress, executive director of the National Association of Worksite Health Centers.

Sometimes, these arrangements involve a completely self-serve unit in an employer's office or shopping center where someone can sit down in front of a screen to talk with a provider and use their equipment to take their own vital signs. In other cases, a nurse or sports trainer helps guide the patient through the visit.

"Clearly, it's an opportunity to connect with people, particularly mental health providers, because there's so few of them around," he says. "But what we're finding is that it's not just Teladoc; it's tele-chiropractic, tele-acupuncture, tele-dermatology – almost all the fields now enable you to supplement or offer these kinds of services."

About one-third of employers of all sizes and every type of industry have some form of onsite and near-site, mobile, virtual or shared center medical clinic, according to Boress. In addition, he says roughly 60% to 70% of employers with more than 5,000 lives have or want some form of health providers coming onsite.

Anywhere from 16% to 20% of these facilities are run, managed and staffed by employers, while about 60% contract with third-party providers, he reports. Others offer a total turnkey operation wherein they hire providers, build and renovate and handle services, he adds, while 18% to 20% use hospitals, health systems or private medical groups to deliver this kind of care.

All major vendors and providers that deliver care now have as part of their scope of services a virtual component that offers employers the ability to extend services beyond headquarters, particularly to those who are in hybrid workplaces, Boress notes.

Kim Darling
Chief of Growth Officer
of Recuro Health

FOLLOWING THE MATH

Melding virtual and in-person care is a powerful combination from a mathematical standpoint alone, says Kim Darling, chief growth officer of Recuro Health, which has created a virtual-first care delivery platform and is

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rolling out a hybrid product that has a clinic network structured similar to an employee assistance program benefit model.

She references UnitedHealth's CEO Andrew Witty's plan to launch virtual-first primary care in 2022, noting that it makes sense cost-wise for an entity that large to have telehealth reimbursement under the hood. With telehealth visits costing $25 to $45 vs. $70 to $150 for brick-and-mortar medicine, she says the savings quickly add up.

"I recently looked at a client that has 53,000 doctor visits a quarter," she recalls. "If you can just peel off 10% to 20% of those and put them in a bucket where the reimbursement is $25 to $45, you're saving millions of dollars in claims cost."

UNPACKING TELEHEALTH BAGGAGE

The potential for improved outcomes is another consideration for the rise of hybrid health. A study published in Health Affairs tethering telehealth to more doctor-office visits, care continuity and medication adherence, alongside fewer ER visits for Medicare patients, could help reshape strategies in the commercial insurance market. These findings are being used to argue in favor of a congressional extension of pandemic-era telehealth flexibilities that are scheduled to expire at the end of 2024.

However, stand-alone virtual and brick-and-mortar models are facing their share of headwinds. Consider, for instance, how major U.S. retailers such as Walmart, Walgreens and CVS recently shuttered in-store clinics, while Optum abandoned virtual care, and Teladoc and Amwell have each faced setbacks.

The hybrid model that Provider on Demand has rolled out to employers was envisioned with the understanding that telemedicine has extreme limitations – that chatting with a doctor on the phone for several minutes does not constitute a proper patient examination. "Physicians, nurse practitioners and physician assistants are not excited about being on the other end of a phone call trying to diagnose somebody with a sore throat and not being able to do any tests or appropriately evaluate the patient," Dies says.

Telehealth usage soared to about 90% of clinical care during the pandemic, then fell steeply to about 25% or 30%, observes Jonathan Wiesen, M.D., founder and chief medical officer of MediOrbis, a global specialty telehealth company. Still, he notes that it's up nearly 15% or so from pre-pandemic levels, which "speaks to the overall importance of taking care of patients in the best way possible."

Given the inherent challenges associated with telehealth, one industry observer believes that semantics matter when explaining what is happening in the onsite and near-site clinic space. "It's important to distinguish between telehealth and virtual care because virtual care in our clinic world where it intersects is seeing that same provider that you would see in person," observes Carol Cox, VP of business development for CareATC, a national leader in onsite healthcare services. "It gave our doctors other options to be able to treat that person and be convenient."

Carol Cox
VP of Business Development for CareATC

Prior to the pandemic, she says telehealth was a niche commodity with low utilization before everyone stood up and took notice that it was an additional option that was worthy of investing in. Nowadays, she notes that behavioral health providers are in great demand, "and so how do we make it convenient for them to be able to work with our providers and actually set up a virtual visit right then when that person has that immediate need?"

The fact that people are increasingly comfortable with virtual visits is helping move the needle on untreated behavioral health conditions. "Before the pandemic, the no-show rate for behavioral health was 11%," Cox reports. "It dropped to 6% after the pandemic, which, while not great, is still a 5% positive difference."

ROI VS. VOI

When evaluating the impact of onsite or near-site clinics, Boress says the focus is moving away from return on investment (ROI), wherein employers wonder just how quickly they can recoup their capital investment from building and opening their own facility. They're now more concerned about the value of that investment, which shows up in a lower number of emergency room visits, keeping people on the job, more preventive screenings, reduced health risks, higher employee engagement and satisfaction, and improved productivity.

While ROI generally ranges from 1:1 or 1:1.5 to as high as 1:4, he says much of it depends on how willing the employer is to become engaged, promote these services and incentivize employees to take advantage of them. Savings from clinic utilization show up in a variety of ways, including reducing A1C scores or increasing the number of flu shots.

By drastically lowering the overhead of running a full-blown onsite medical clinic staffed by a handful of providers and nurses, which also can require a huge upfront expense, Dies's company is focused on helping employers leverage their investment in a hybrid health clinic.

"We offer a low PMPM that will cover not just the employee that the company is paying for but all of their family members," he reports, noting that savings are found in the avoidance of large claims associated with major ER claims and hospital admissions.

There's little doubt that onsite or near-site clinics also serve as a talent-management tool and avenue through which to

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become an employer of choice, particularly in communities or markets with labor shortages.

"It really helps with recruitment and retention and enables employers to save in many ways," Boress believes. "This often becomes the most treasured benefit for employees because over 60% don't charge anything at all for any of the care, lab services or drugs that are provided, and 40% charge a minor amount just to make sure people show up for appointments. Usually, you can see somebody the same day or the next day."

REIMAGINING PROVIDER PARTNERSHIPS

The next phase of development will be for telehealth providers to take on risk, embrace more value-based care, and partner with provider groups that need or desire capacity, according to Darling. Another huge issue is pure access. In the target-rich environment of Orange County California where she lives, Darling says it can take as many as four to six weeks just to get a doctor's appointment, regardless of what's wrong with the patient.

"How do you how do you maximize that capacity the right way? It's very difficult to do in a brick-and-mortar setting," she explains. "There are a lot of bodies that are involved."

The virtual component allows health plans to arrange provider calls much quicker than a brick-and-mortar model, she says, dramatically shrinking the access problem, which significantly reduces the cost of care.

Ultimately, Darling believes the holy grail of hybrid health will be virtual providers partnering with brick-and-mortar providers and agreeing upon a risk point that brings value to the risk bearer, whether that's an insurance company, or the actual provider group is taking risk and bring value to the member. However, she believes the arrangement is probably two or three years away from coming to fruition.

She says the best way to provide solid expertise is partnering with a regional provider group that has local expertise, understands their population and has the data to increase engagement. Building in a

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virtual-first approach to partnerships with John Hopkins, Baylor Scott & White, UCLA, or any other trusted brand-name entities across the U.S. will speed access to cost-effective care that's more convenient, comprehensive and higher quality than operating in a virtual or brick-and-mortar silo, she opines.

"We're at the precipice of a new model in virtual healthcare," Darling notes. "You start out by adding virtual healthcare specialties. There's a lot of fragmentation in digital health right now. And I think if they come together, whether it's through acquisition or a roll-up strategy, they can create a virtual PPO where the rates are low enough."

As technology evolves, the possibilities for operational efficiency will mount. Darling says AI symptom checking is going to be on a different level. She has heard countless stories of patients who have seen anywhere from two to as many as 16 doctors unable to pin down a definitive diagnosis. The fact is that doctors do not have enough time to read all the pertinent publications to stay on top of the latest industry developments to sharpen their diagnostic skills.

"We're going to see an amalgam of front-end technology that will triage the patient more efficiently and get into diagnosing in a much more efficient and accurate manner than what happens today," she adds. ■

Bruce Shutan is a Portland, Oregon-based freelance writer who has closely covered the employee benefits industry for more than 35 years.