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Advancing care delivery innovation in 2021 and beyond





Survey overview and highlights

In December 2020, 67 health care providers weighed in on the impact of last year's COVID-19 pandemic. They shared their viewpoints on how its disruptions will influence the way care will be delivered, managed and paid for moving forward.

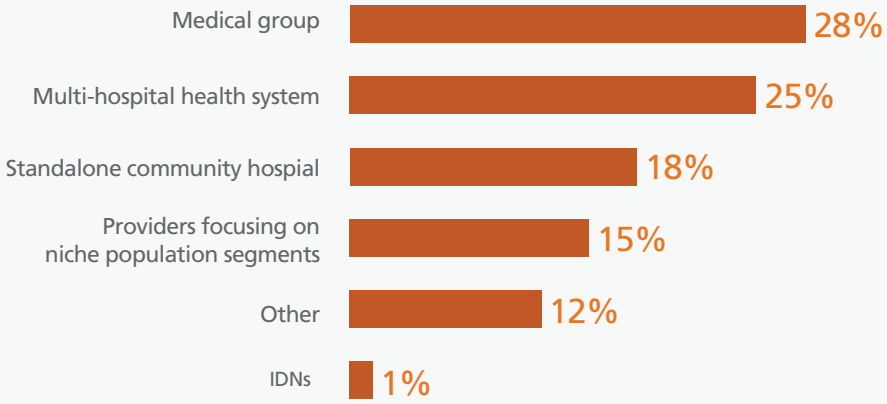
Key findings

- Where providers see progress
- The digital road forward
- Putting consumers at the center of care
- Challenges that remain
- Investment priorities

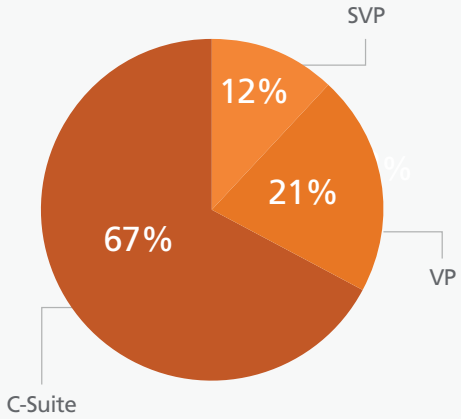
Survey Methodology

Format: Online blinded study Length: 10 minutes Number of respondents: 67

Respondents by organization:



Respondents by job level:



Where providers see the most progress

Telehealth: It's not just adoption — it's innovation

89.5% of providers agreed that the industry had made progress in care delivery — well ahead of other areas.

Telehealth, and more broadly, the dynamic expansion of digital health, is a broad category. It includes virtual visits, remote monitoring, wearables, digital diagnostics, online sharing — any solution that monitors consumers at a distance. COVID-19 accelerated the use of virtual visits. And both consumers and clinicians see the merits of exploring new ways telehealth tools can serve a broader array of conditions and health needs.

Virtual visits will not replace all in-person encounters but they can be more effective for post-op check-ins or for managing certain chronic conditions. And even for primary care, providers are trying to identify the right blend of digital diagnostics, virtual visits and in-person visits. Some are using telehealth to redefine care delivery altogether. This can be especially valuable when it extends access to rural patients. It also aids those who have transportation challenges or those too frail to travel. These scenarios vary by patient and by specialty, but here are a few highlights of what's evolving:

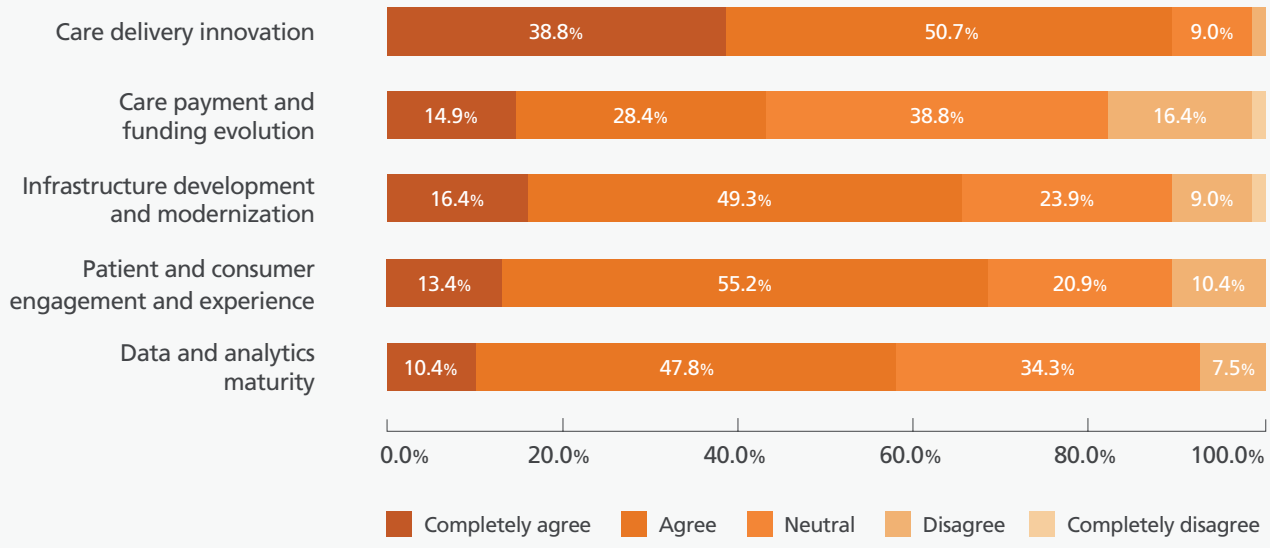
- Telehealth can monitor the symptoms of rheumatology patients and other conditions where effective care management is reliant on gaining data from diagnostic tests.
- Houston Methodist has developed an mHealth app that uses natural language processing and artificial intelligence (AI) to diagnose a stroke or enable an ER doctor using a CT scan to make the diagnosis.[1]
- Virtual Intensive Care Units (vICUs) are using high-resolution cameras and television monitors to capture real-time physiological data. Predictive analytics identify critical risk factors and initiate early bedside interventions by onsite ICU teams.[2]

"In the past year we conducted 200,000 virtual visits. 165,000 involved providers who previously engaged only in-person. **Consumer satisfaction spiked from 70% to 82%.** Consumers clearly see the value in virtual care."

— Tina Freese Decker, President and CEO, Spectrum Health

67 responses

"In 2020, the health care industry has made progress in..."



Patient engagement: Good progress being made

Of the respondents, 68.6% believe the industry had made progress moving from patient and consumer engagement to focus on a robust patient and consumer experience — the second highest after care innovation.

Providers recognize that innovation in telehealth opens a whole new world of remote care delivery. Not only does it allow clinicians to see more people, but it also allows them to put consumers at the center of care. If consumers can conveniently access health information and services, they are more likely to take greater control of their health.

- **Primary care doctors are using in-home digital diagnostic kits** for consumers to collect the sounds of their heart and lungs, conduct ear exams, investigate symptoms and share that data with providers.[3]
- **In-home and remote monitoring tools** enable more real-time diagnostics and earlier interventions for those managing chronic diseases. This helps providers identify and flag patients who need intervention. And it frees the remainder of patients to stay happy at home.
- **Surgical post-op visits.** These patients can avoid a trip to their doctor's office for a check-up by using an app instead. This can help doctors significantly cut their in-office volume while still following up with patients. This lowers cost, improves patient satisfaction and allows the doctor to care for more patients.

"Yet in the same way these new technologies are improving patient access to their providers, they are also allowing competitors to move into new geographical regions. Health system leaders should understand that we have to earn the right to keep our patients within the system by using technologies to continue the path toward patient engagement and quality care."

— John Simon, Senior Vice President Optum Advisory Services



"At the end of the day, people want to be seen by a clinician where they are and when they want to. It's all about the "last mile" in delivery to the consumer. We have a last-mile problem in health care."

— Marc Boom, MD, President and CEO, Houston Methodist

The road forward: Make it digital first

Infrastructure, data and analytics, and care payment evolution were at the lower half of the progress spectrum according to survey results. Providers believe more digital advancements are needed in order to keep pace with care delivery innovation. Leaders in digital-first strategies also understand the implications.

Infrastructure development: Some progress but still gaps

When asked about infrastructure, 65.7% of providers believe the industry had made some progress in infrastructure development and modernization.

Even with all this adoption, optimism and innovation, there are still gaps to close. Many of the processes — those related to remote or in-home services — are still paper-based. Some patients still write down their blood pressure or other readings in a diary. Capabilities for transferring data and integrating digital diagnostics with EMRs is an ongoing need.

> "When I speak to venture capital audiences, I tell them there are plenty of investment opportunities in filling the gaps of digital health."
>
> **— Marc Boom, MD, President and CEO, Houston Methodist**

> "We have created a digital roadmap incorporating agile methodology to continually measure cost, quality and experience."
>
> **— Tina Freese Decker, President and CEO, Spectrum Health**



Data and analytics maturity: Need more progress

Only 58.2% of providers believe the industry had progressed in data and analytics maturity. But they agree the future depends on it.

COVID-19 drove data advances. It helped providers manage PPE supply and inventory management while the demand waxed and waned. Providers appreciate the ability to swiftly respond to unexpected crises and events — whether it's a pandemic or a natural disaster like a wildfire or hurricane.

They look to data analytics and AI to support more population health efforts. Data analytics help them identify consumers at the most immediate risk. They can trigger the interventions that will resolve these health concerns. Providers are also eager to employ data and analytics to manage utilization, anticipate bed and ICU capacity, and track the flow of patients as they move through their system.

Many workflows are still based on an in-person model that is filled with informal communications between the physician and the nurse. These conversations can't be replicated virtually. Data analytics could help resolve that through the sharing of real-time information directly within the clinician's workflow. The goal is to anticipate care needs, manage transitions and improve care coordination.

> "The industry hasn't fully embraced data and analytics, but we know we can use data to drive better performance, identify patients and risk, and come up with new solutions. When we use the power of data to it's greatest extent, providers can use it to anticipate and react across many of the dimensions of patient care which could improve engagement and outcomes."
>
> **— John Simon, Senior Vice President Optum Advisory Services**

Care and payment funding: Least progress made

Only 43.3% of providers believe that advancements have been made in care payment and funding. Many see the traditional payment model as not only lagging behind care delivery innovation, but also blocking innovation.

Prior authorization is still a pain point for providers yet health plans still seek to eliminate rising costs related to unnecessary care. The authorization process costs time and money for providers as well as for patients — if an insurer ultimately denies the claim. Health plans eased up on prior authorizations during the peak of the pandemic but it's uncertain if that will continue. And the long-term health effects of COVID-19 remain unknown. This may cause more authorization questions moving forward.

Providers participating in value-based care arrangement fared better financially than those who rely on fee-for-service revenue. Many continue to align their processes to help them take on more risk. However, most agree that more discussion and more action are needed to properly price telehealth services and successfully remove friction from the payment systems.

"The real-time health system will stand or fall on real-time analytics and predictive analytics. It will become critical for operating room utilization, need, ICU capacity and census management."

— Tom Priselac, President and CEO, Cedars-Sinai Health System.



"When the payment system moves to a model where a significant number of people are covered under population health as opposed to fee-for-service, then we'll see the care model change."

— Tom Priselac, President and CEO, Cedars-Sinai Health System

Putting consumers at the center of care

2020 caused extreme changes in consumer health behaviors. While the adoption of virtual visits was a silver lining, millions of Americans lost their jobs and their health coverage. Many more have delayed seeking care and have seen their health conditions deteriorate.

Consumers continue to take on more responsibility for their health care costs. And a growing population also faces food, housing and transportation issues that can impact their health.

Providers agree: Addressing social determinants of health (SDOH) is an imperative

Last year revealed dramatic inequality in health outcomes. This disparity is a result of the social, economic and cultural factors that can limit a person's access to the resources they need to stay healthy. These include housing, nutrition, transportation and other environmental factors.

COVID-19 created even more challenging economic situations and limited engagement with the health system. The downstream effects will be felt for some time, which is why insight into, and understanding of, SDOH is becoming so essential. This is where providers can benefit from partnerships that bring in that understanding of SDOH and how to include them in models of care.

4 in 10

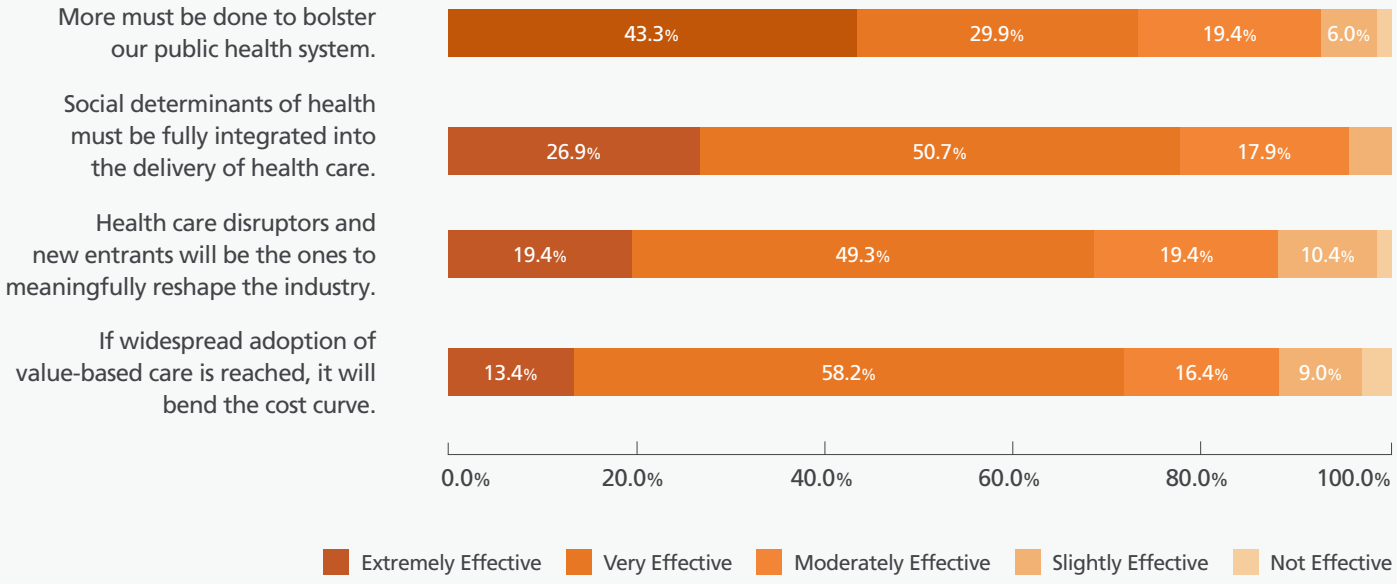
U.S. adults reported avoiding medical care because of concerns related to COVID-19[4]

"The downstream effects of delayed care while patients are also dealing with these home-related issues is significant. Provider organizations should look for alternative partnerships with organizations who specialize in SDOH."

— John Simon, Senior Vice President Optum Advisory Services

67 responses

77.6% of respondents agree that social determinants of health must be fully integrated into the delivery of health care. And 73.2% believe more must be done to bolster the public health system.



Providers see firsthand the effect of limited access to care. It diminishes vaccinations, health screenings and the early interventions that improve outcomes and save lives. They also understand the positive effect stakeholder collaborations can have on a community.

With 83.9 million Medicaid enrollees, five state governments and the federal government are shifting their budget priorities. Many providers will need to adjust in order to effectively serve these people — 43% of whom are children. To be successful, they must understand the full range of circumstances that can impact clinical outcomes.

Successfully serving a vulnerable population requires competency in risk. Those with experience managing risk-based arrangements might expand their capacity to serve this growing segment.

> "Everyone imagines an upper-middle class hospital-at-home. But that's only a small fraction of people admitted to the hospital."
>
> **— Tom Priselac, President and CEO, Cedars-Sinai Health System**

The shift toward home as a site of service

The rise of telehealth, the desire of consumers to stay at home and the need to reduce costs is shifting the site of service to lower-cost channels. Many providers have set significant goals for shifting their primary, specialty and urgent care visits into the home — via virtual visits or house call programs.

For disease management, some providers are testing lifestyle classes, offering everything from virtual weight loss to cooking to meditation classes. And as the Medicare population continues to rise — 62.8 million new enrollees in 2021 — some are meeting care needs through on-demand skilled nursing care. Providers worry that not every home will lend itself to this approach and many feel it may be difficult to scale.

Partnerships as a mandate to consumer-centric services

Providers also recognize they can't do it alone. The goals are just too diverse. They seek to put the consumer at the center of care and create holistic views. They strive to ensure patient safety and account for social determinants of health. They need to stay responsive regardless of external disruptions. This will continue to drive the need for community-wide partnerships. Provider organizations will need to invest more than just lip service in the drive toward consumer centrality.

51% of those surveyed believe providers and employers have a stronger partnership as a result of COVID-19. Providers have partnered with businesses in their communities to assist with safe practices around social distancing, testing and vaccinations, which has built trust and a strong sense of shared goals. Plus, hospitals themselves are larger employers and many of the practices used to manage workforce health and well-being can apply to the businesses in their communities.



51%

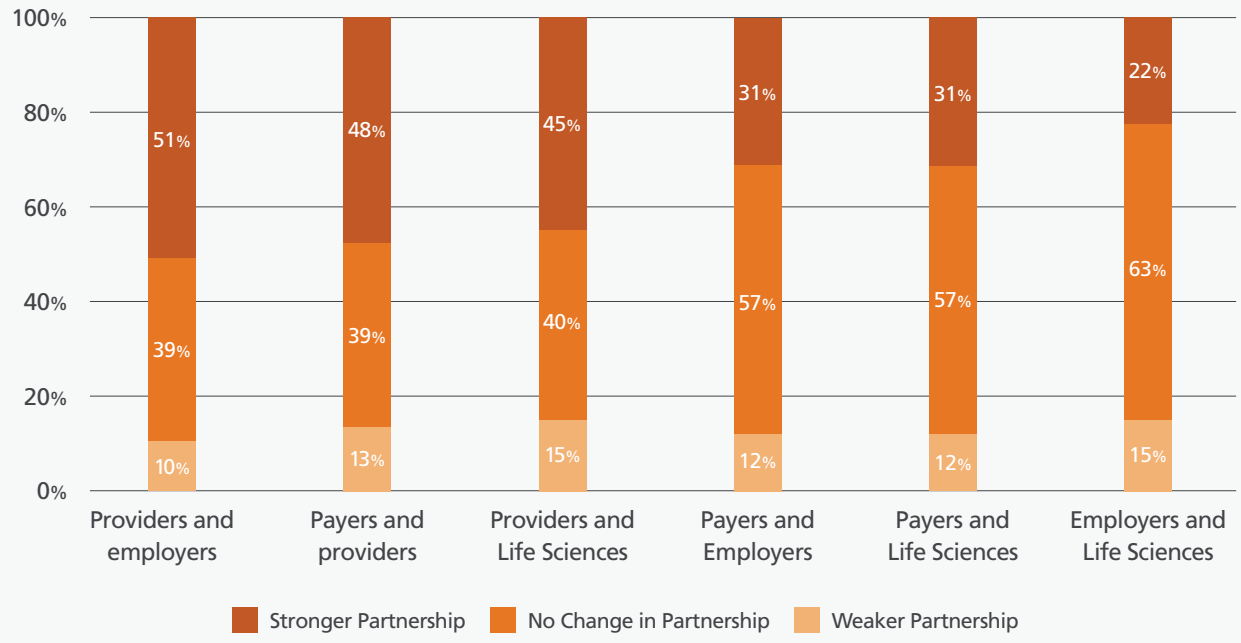
of those surveyed believe providers and employers have a stronger partnership as a result of COVID-19.

Up to 49% of providers believe partnerships between payers and providers have improved. Both payers and providers responded to the sudden demand for remote delivery. And this delivery, opened dialogue around the broader set of cost and payment considerations. Providers and payers are exploring the cost-savings and efficacy of expanded virtual health opportunities. And both see the value in working together to improve outcomes related to health inequity.

But there is a broader shift happening. COVID-19 caused sudden and extreme demand for cross-sector collaboration. It also created huge demand for digitally enabled start-ups that could meet consumers where they are. Of the providers surveyed, 68.7% view new market entrants and health care disruptors as leading the way to meaningfully reshaping the industry. Currently, these start-ups are garnering most consumer engagement in ambulatory and retail settings. But as new ways are found to integrate their services and data with traditional health organizations, they are likely to expand their relevance. New and traditional entities vie for market share and consumer engagement in an altered landscape. Partnership is emerging as a mandate for providers trying to survive market consolidation, expanding competition and rising economic pressures.

67 responses

How have the various entities fared in partnering as a result of COVID-19?



Greatest challenges facing your organization

Growth, financial stability and lowering the total cost of care rank at the top of challenges facing provider organizations.

According to survey results, 20.9% of providers view growth as their greatest challenge with financial sustainability a very close second at 19.4%, both separated by a thin margin of 1.5%.

67 responses

What are the great challenges facing your organization today? (Rank)

	1	2	3	4	5	6	7	8	9	10	11
Growth	20.9%	6.0%	7.5%	11.9%	7.5%	4.5%	11.9%	7.5%	9.0%	13.4%	0.0%
Financial sustainability	19.4%	10.4%	17.9%	11.9%	9.0%	3.0%	6.0%	10.4%	4.5%	7.5%	0.0%
Lowering the total cost of care	16.4%	14.9%	11.9%	10.4%	10.4%	6.0%	9.0%	6.0%	10.4%	3.0%	1.5%
Improving health equity	9.0%	9.0%	9.0%	7.5%	4.5%	10.4%	16.4%	14.9%	7.5%	11.9%	0.0%
Evolving payment models	9.0%	7.5%	6.0%	17.9%	13.4%	10.4%	9.0%	13.4%	9.0%	4.5%	0.0%
Using data and analytics to drive strategy and outcomes	7.5%	7.5%	10.4%	6.0%	14.9%	19.4%	9.0%	9.0%	9.0%	7.5%	0.0%
Evolving care delivery models	7.5%	10.4%	11.9%	10.4%	14.9%	7.5%	9.0%	7.5%	13.4%	7.5%	0.0%
Reducing administrative spending and increasing efficiencies	6.0%	20.9%	11.9%	6.0%	16.4%	14.9%	6.0%	7.5%	6.0%	4.5%	0.0%
Access to care	3.0%	7.5%	6.0%	10.4%	7.5%	0.4%	17.9%	9.0%	17.9%	10.4%	0.0%
Friction and lack of alignment with other health care ecosystem stakeholders	1.5%	6.0%	7.5%	7.5%	1.5%	13.4%	4.5%	14.9%	13.4%	29.9%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	98.5%

Providers have been coping for a year with significant revenue swings, fluctuating labor and supply costs, and payment uncertainty. Many have spent their financial reserves, leveraged existing payer relationships for support and renegotiated their place in their market.

New mergers and new market entrants continue to peel away consumers from the retail, home and ambulatory environments. Providers will have to continue fighting for their share of wallet.

Growth is likely to come from a few areas:

1. Expanding the capacity of each clinical team through the use of lower cost telehealth capabilities.
2. Embracing the growing Medicare and Medicaid populations and having the associated access, data analytics and value-based competencies required.
3. Growing market relevance via digital partners. These start-ups need to connect to a broader health ecosystem and want to leverage consumer trust in providers.

19

health care merger and acquisition transactions were announced in Q3 2020, up from 14 transactions in Q2.[6]

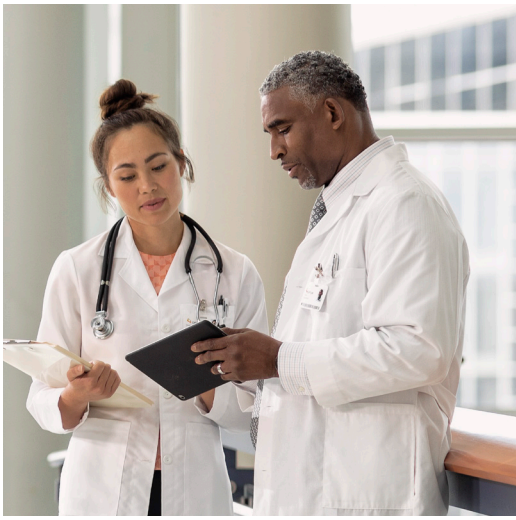
What this means for investment priorities

Digital tools led the way with 60% of providers categorizing it as a high investment priority. Financial sustainability, growth and lowering the cost of care depend on consumer engagement. And consumers want easy-to-use digital tools. Investments might include:

1. **Personalized patient/member profiles** — Combine claims, clinical and consumer data into real-time, holistic patient views that can be shared across care teams.
2. **Patient portals** — Allow patient scheduling, facilitate virtual visits, refill prescriptions, share test results data, authorize patient billing and payments.

   The digital experience bar has been set by other industries. Most people are accustomed to being able to ask questions, purchase services, experience products and make payments from their mobile device or laptop. Now that consumers recognize that health care can be reached through these channels, they are going to expect it.
3. **Provider workflows** — Artificial intelligence and natural language processing can help identify potential risk, prioritize patients based on need, offer evidence-based treatment recommendations, and reduce administrative burden

   Providers see intelligent workflows as mandatory. They are needed to keep pace with new models of care delivery and growth in Medicaid and Medicare populations.
4. **AI-enabled revenue cycle** — Employ transparent information exchange, improve compliance, increase accuracy which may reduce underpayments, auto correct claims and improve first-pass payment rates



With more holistic views, consumer access and payer connectivity, providers expect these digital investments to bring more financial stability. Digital enablement promises administrative efficiencies, improved cash flow and support for the growing demand for risk-based arrangements.

Investment priorities will vary by organization, but one thing is clear: health system leaders will need to be open to ideas, partnerships and technologies outside of old paradigms to see success. Focus on investing in sustainable data driven digital competencies coupled with real time meaningful connections with patients is a clear winning solution.

Conclusion

The momentum for digitally enabled health care is clear to providers. The events of 2020 have shown it is possible to reach more consumers where they are and nimbly respond to any future crises or disruptions. It has also brought the promise of personalized medicine and a more equitable health system into view.

National economics make lowering the cost of care a mandate but not a competitive advantage. Combining competitive and financial pressures with an explosion of digital innovation has created a dynamic environment. One where market advantages are sustained by resolving inadequacies in infrastructure, data analytics and payment mechanisms — and where providers are able to place the consumer in the center of care.

Contributing experts



Marc Boom, MD
President and CEO
Houston Methodist



Tina Freese Decker
President and CEO
Spectrum Health



Tom Priselac
President and CEO
Cedars-Sinai



John Simon
Senior Vice President
Optum Advisory Services



Janet Guptill, FACHE, CPHIMS
Executive Director
Scottsdale Institute



Chuck Appleby
Director of Publications and Communications
Scottsdale Institute



Keith Shah
Senior Vice President
Optum Advisory Services



Tushar Mehrotra
Senior Vice President
Optum Advisory Services

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