

The 2nd Sichuan Health and Insurance Forum

Turning a Crisis into Opportunity: Integrating Telemedicine and Health Insurance to Establish a Value-Based 'New Normal'

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Slides available @ www.vbidcenter.org



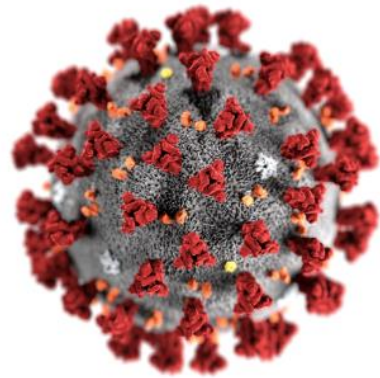
@um_vbid

Thank you to the many people are selflessly working to successfully defeat this pandemic.

Health Care Costs Are a Top Public Policy Issue: Solutions must protect consumers, reward providers and preserve innovation

- Everyone (almost) agrees there is enough money spent on health care; we just spend it on the wrong services and in the wrong places
- Value-based care requires new thinking in both how we pay for care (i.e. alternative payment models) and how we engage consumers to seek care (i.e. health insurance)

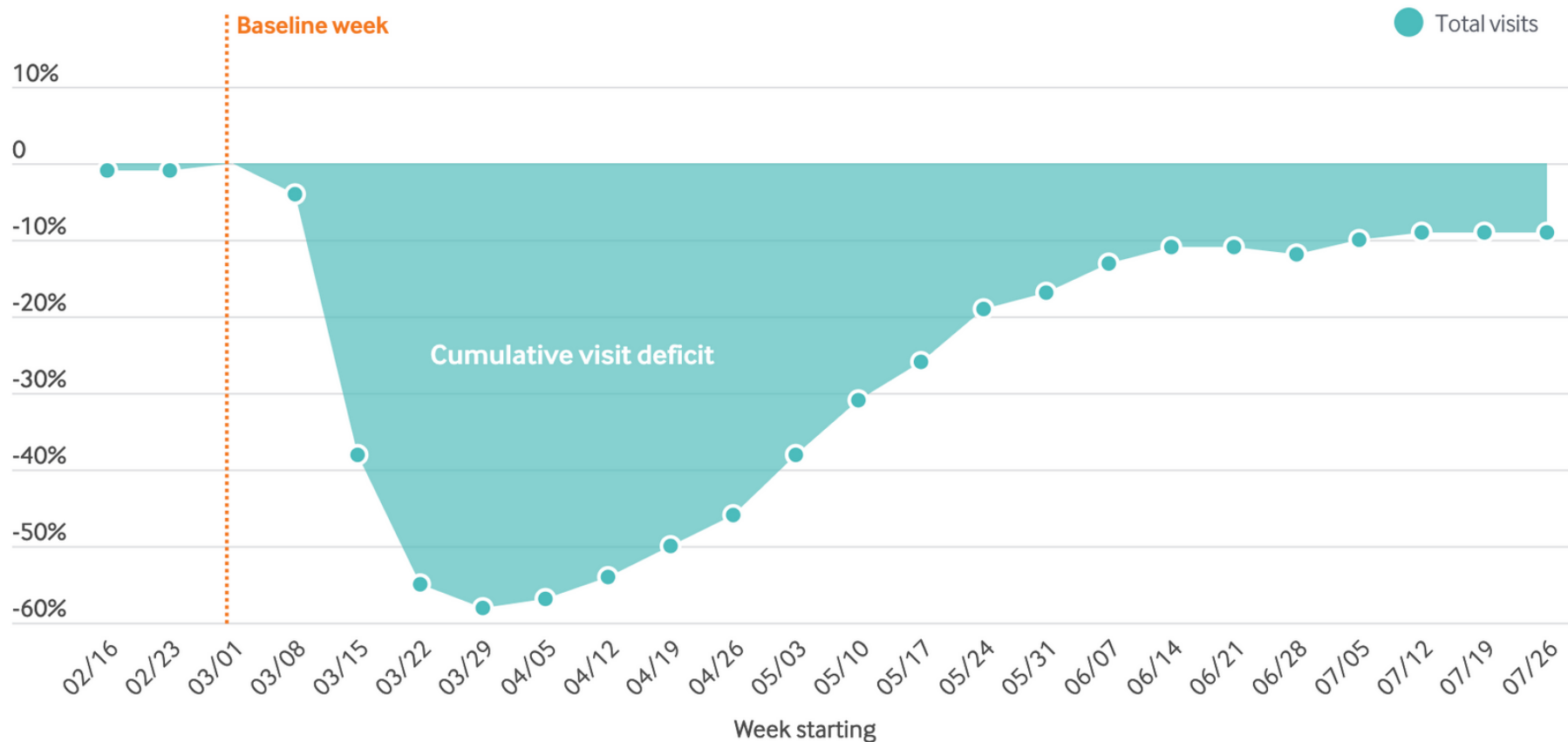
Then Came Coronavirus...



Large Drop in Physician Visits

The number of visits to ambulatory practices fell nearly 60 percent by early April before rebounding through mid-June. From then through the end of July, weekly visits plateaued at 10 percent below the pre-pandemic baseline. The cumulative number of lost visits since mid-March remains substantial and continues to grow.

Percent change in visits from baseline



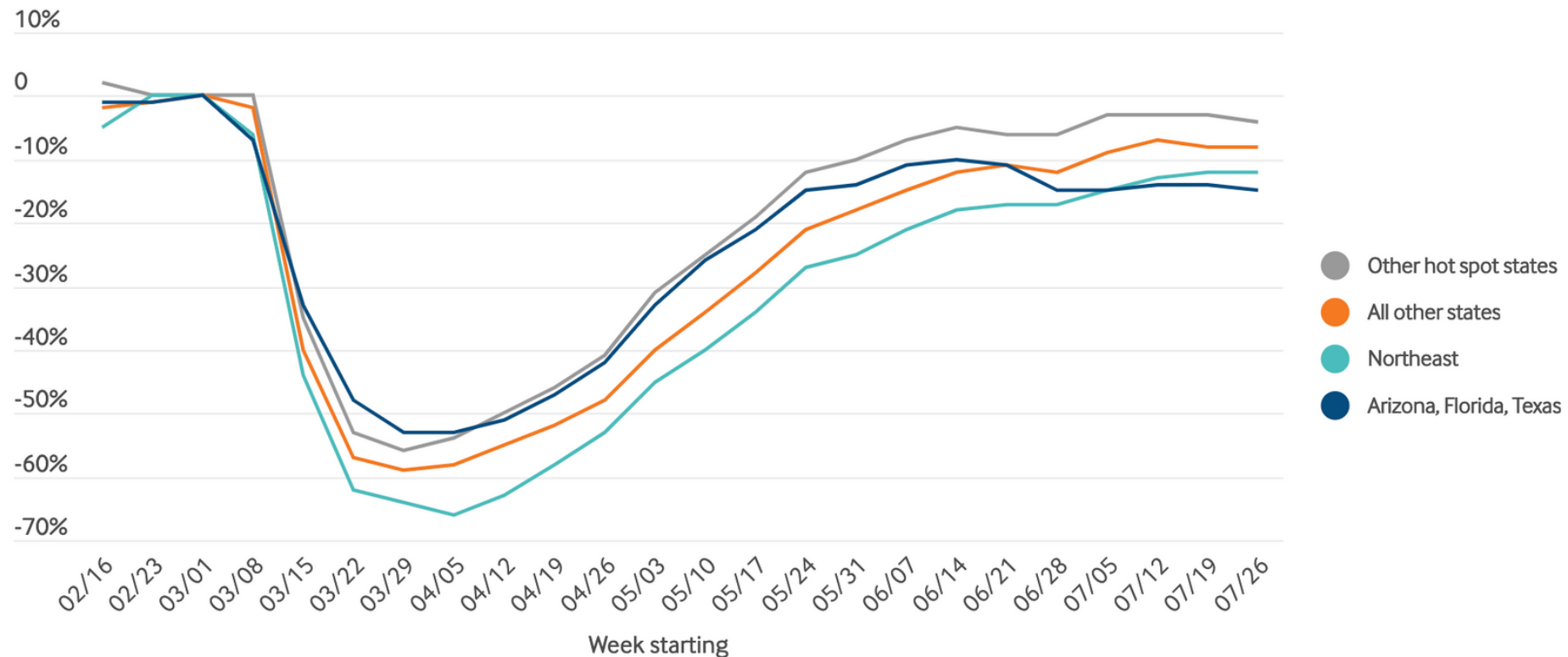
Note: Data are presented as a percentage change in the number of visits in a given week from the baseline week (March 1-7).

Source: Ateev Mehrotra et al., [The Impact of the COVID-19 Pandemic on Outpatient Visits: Changing Patterns of Care in the Newest COVID-19 Hot Spots](https://doi.org/10.26099/yaq-q550) (Commonwealth Fund, Aug. 2020). <https://doi.org/10.26099/yaq-q550>

All Regions are Affected

Several states with surging COVID-19 cases during June and July (Arizona, Florida, and Texas) have seen a decline in provider office visits, although it's been a small one compared to early in the pandemic. Visit volumes in other states with surging new cases have held steady. Visit rates in the Northeast continue to lag most of the nation, even with relatively low weekly new case counts.

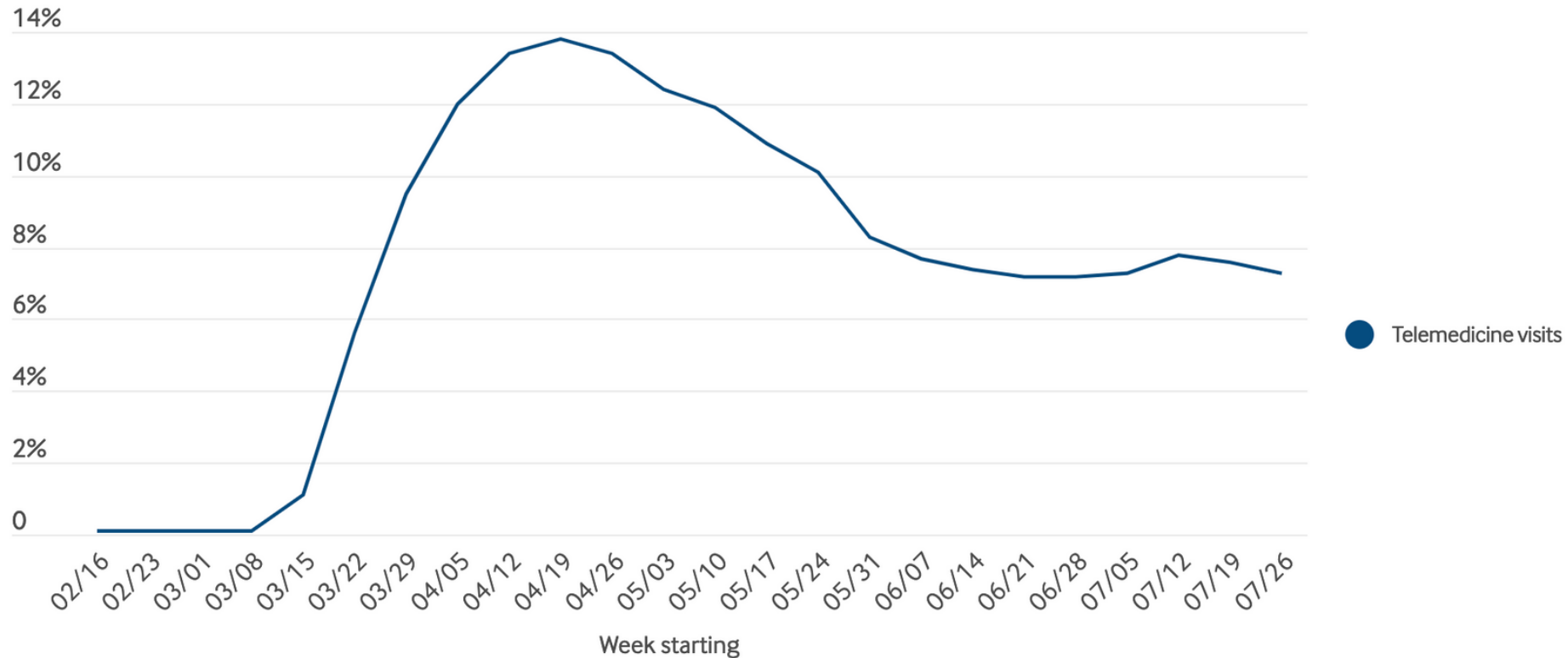
Percent change in visits from baseline



Data are presented as a percentage change in the number of visits in a given week from the baseline week (March 1–7). Hot spot states were the top 10 states in terms of new cases per capita in the weeks of June 28th and July 4th, according to data from the New York Times. These hot spots were divided into two groups: 1) Arizona, Florida, and Texas, which clearly had a different trajectory of visits, and 2) Alabama, Georgia, Idaho, Louisiana, Nevada, and South Carolina. The Northeast includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Telehealth Visits Grew Dramatically, but have Since Declined

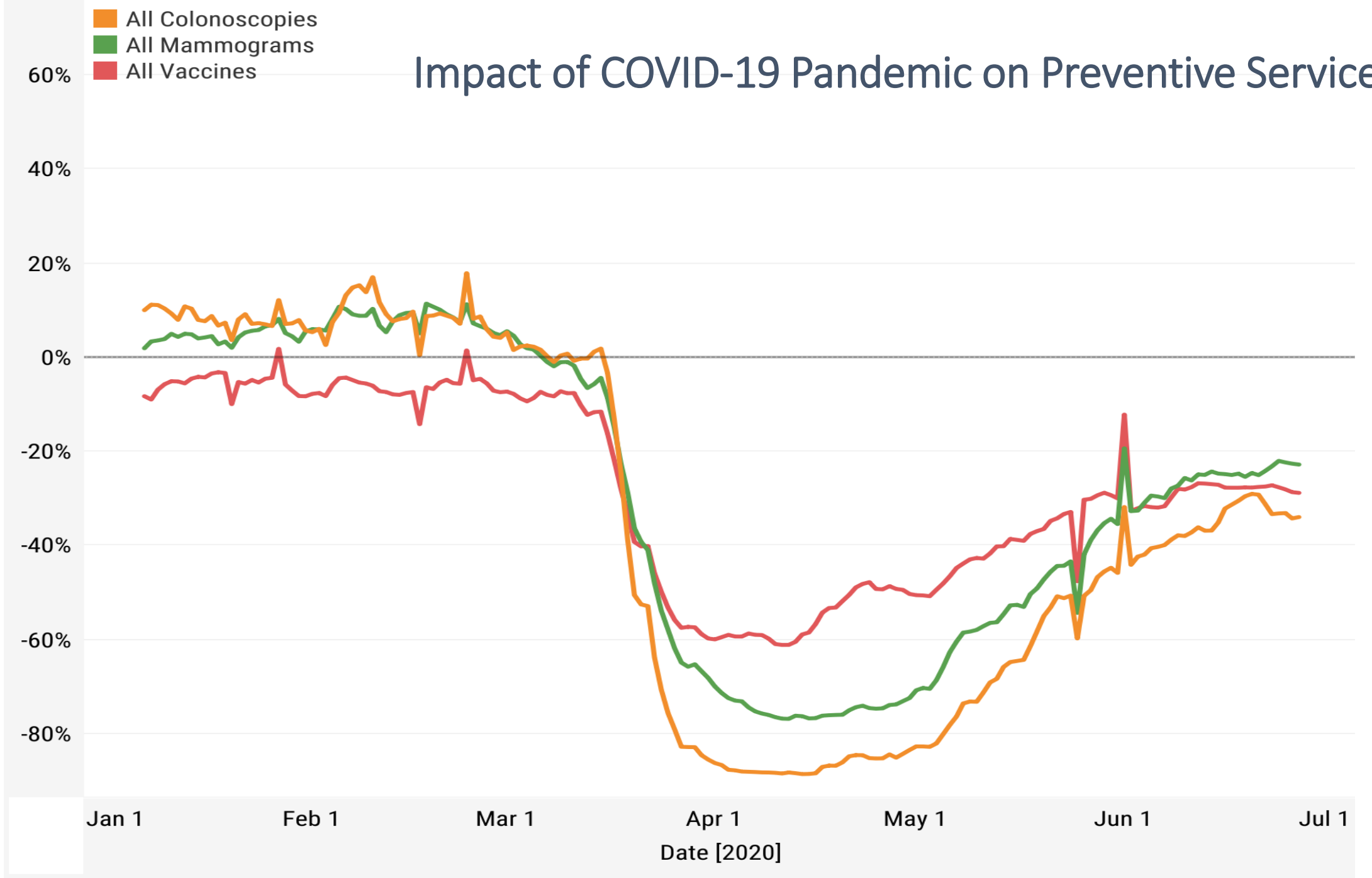
Number of telemedicine visits in a given week as a percent of baseline total visits



Data are presented as a percentage, with the numerator being the number of telemedicine visits in a given week and the denominator being the number of visits in the baseline week (March 1–7). Telemedicine includes both telephone and video visits.

Source: Ateev Mehrotra et al., [The Impact of the COVID-19 Pandemic on Outpatient Visits: Changing Patterns of Care in the Newest COVID-19 Hot Spots](https://doi.org/10.26099/yaqe-q550) (Commonwealth Fund, Aug. 2020). <https://doi.org/10.26099/yaqe-q550>

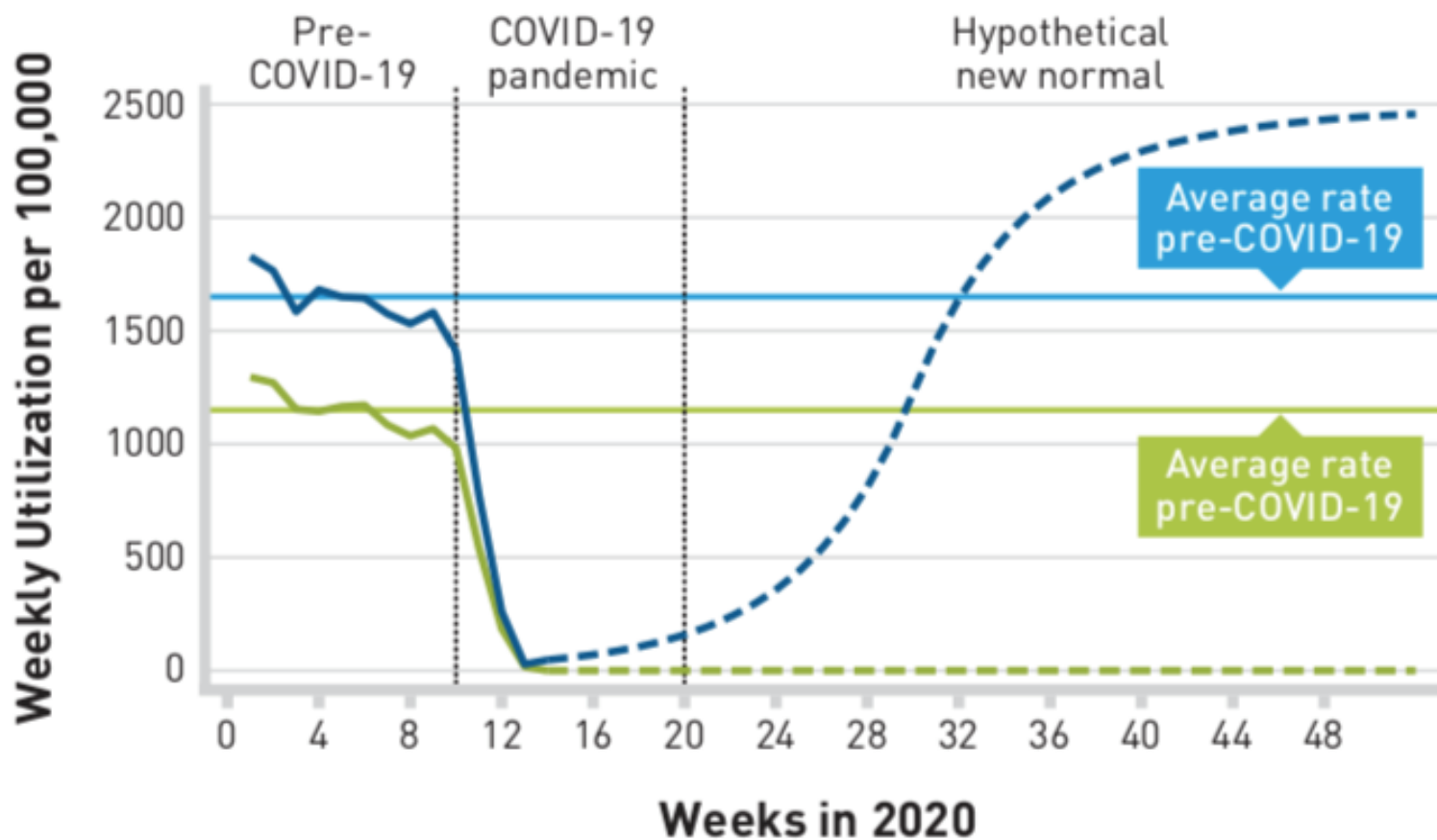
Impact of COVID-19 Pandemic on Preventive Services



LOW-VALUE CARE

A silver lining to COVID-19: Fewer low-value elective procedures

Crisis Into Opportunity: Can COVID-19 Help Set a Path to Improved Health Care Efficiency?



— Low-value cancer screenings (actual data)

— Indicated cancer screenings (actual data)

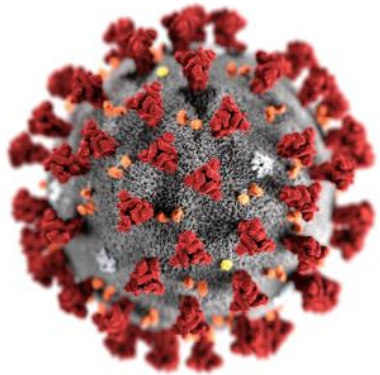
- - - Low-value cancer screenings (hypothetical data)

- - - Indicated cancer screenings (hypothetical data)

Crisis Into Opportunity: Can COVID-19 Help Set a Path to Improved Health Care Efficiency?

- Build on existing alternative payment models that increase reimbursement for high-value services and reduce or cease payment for known low-value care
- Align patient cost-sharing with the value of the underlying services; reduce out of pocket cost on high value services and increase patient cost on low value care
- Leverage the widespread adoption of telemedicine to make it easier to use high-value care with simplified processes and deter the use of low-value care

Turning Crisis into Opportunity:
Align Patient Cost-sharing with the Value of Clinical Services



**NEARLY THREE IN FOUR AMERICANS
SAY THEIR INCOMES HAVE ALREADY
TAKEN A HIT FROM THE PANDEMIC**

Americans Do Not Care About Health Care Costs;
They Care About **What It Costs Them**

Patient Worry About Out-of-Pocket Healthcare Costs at All-Time High

A report from the Commonwealth Fund noted that patients are not confident they can afford high out-of-pocket healthcare costs.

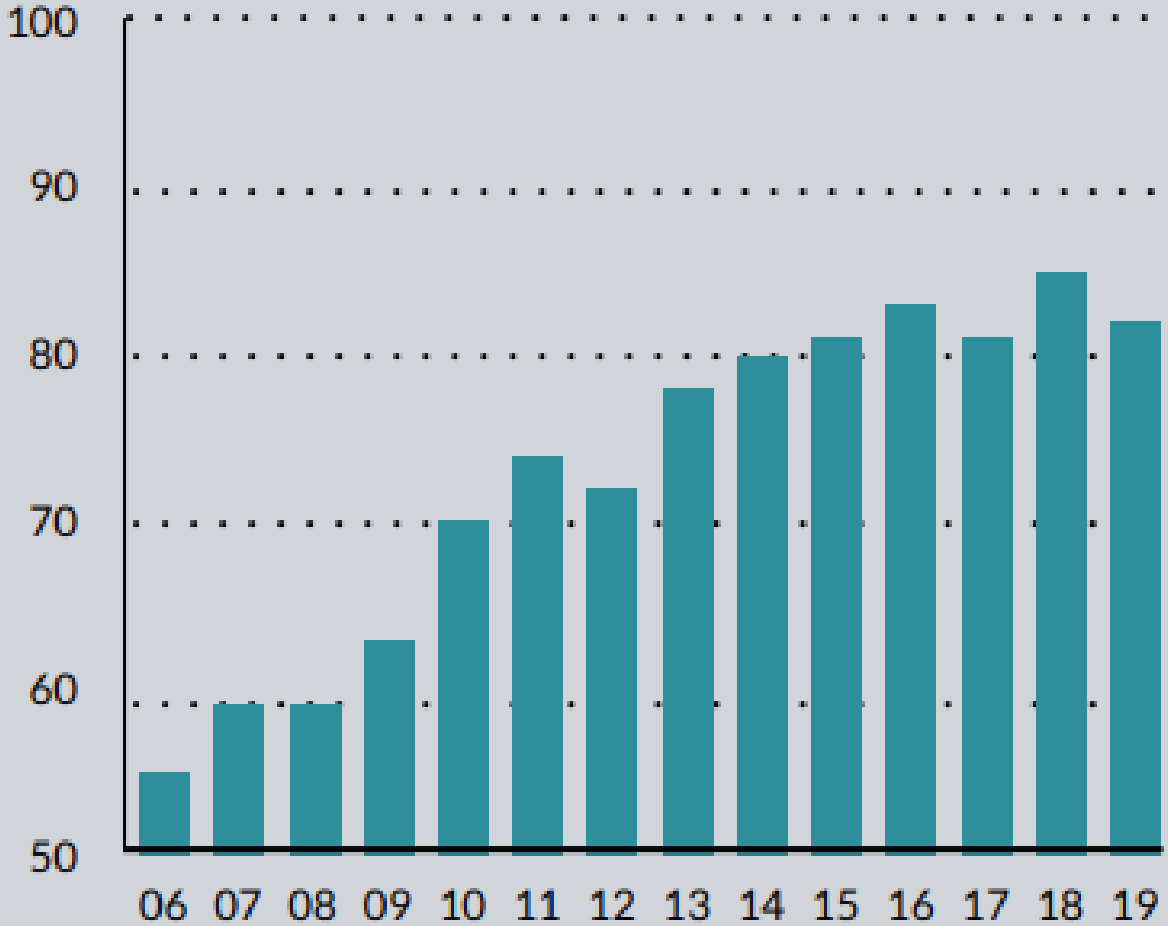


Concerns Regarding Out of Pocket Costs Related to Coronavirus Care:

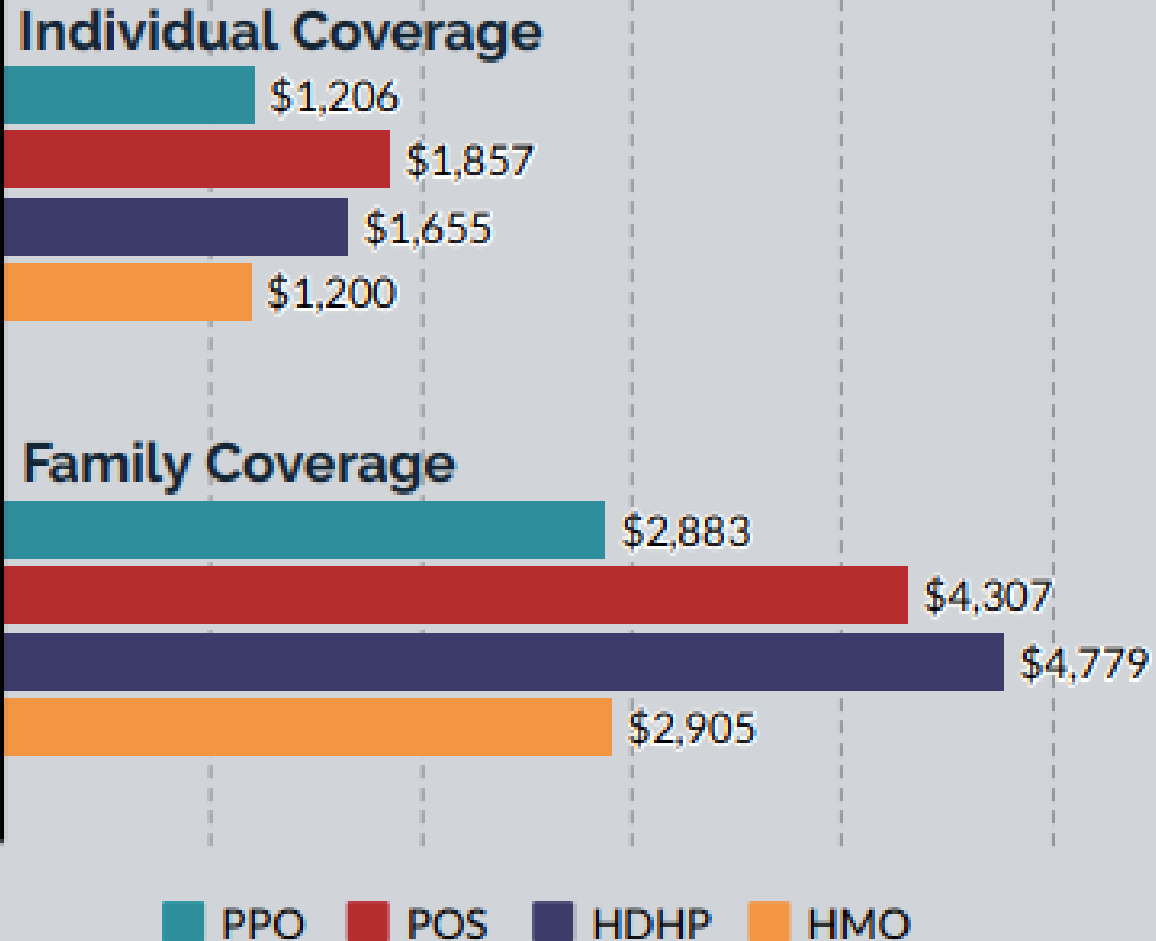
- About half of the public in the US has skipped or postponed medical care because of the Coronavirus outbreak
- 68% of adults report out-of-pocket costs would be very or somewhat important in their decision to get care if they had coronavirus symptoms
- Insured patients are responsible for over \$1,000 for a COVID-19 hospitalization
- 40% of Americans do not have \$400 for an expected expense

Health Plan Deductibles have grown more than ten times faster than inflation over the last decade

Percent of Americans With a Deductible



Average Deductible by Plan Type in 2019



Inspiration (Still)



“

I can't believe you had to spend a million dollars to show that if you make people pay more for something, they will buy less of it.

”

- Barbara Fendrick (my mother)

Alternative to “Blunt” Consumer Cost-Sharing: A Clinically Driven Approach

A “**smarter**” cost-sharing approach that encourages consumers to use more high value services and providers, but discourages the use of low value ones

Alternative to “Blunt” Consumer Cost Sharing: Value-Based Insurance Design (V-BID)

- Sets consumer cost-sharing on clinical benefit – not price
- Little or no out-of-pocket cost for high value care; high cost share for low value care
- Successfully implemented by hundreds of public and private payers

TheUpshot

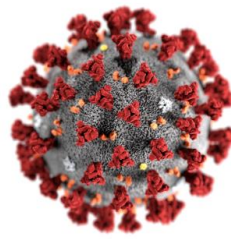
Health Plans That Nudge Patients to Do the Right Thing

 **Austin Frakt**
THE NEW HEALTH CARE JULY 10, 2017



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- Families First Coronavirus Response Act
 - Eliminated cost-sharing for COVID-19 testing and any in-person or telehealth provider visit that results in a COVID-19 test
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - Mandates coverage of COVID-19 testing without cost sharing by all plans
 - Requires all plans to cover Coronavirus vaccine without cost-sharing
 - Allows coverage of telehealth visits (not just COVID-19 related) on a pre-deductible basis

Turning Crisis into Opportunity: Leverage the Widespread Adoption of Telemedicine

HealthAffairs

TOPICS

JOURNAL

BLOG

Establishing A Value-Based 'New Normal' For Telehealth

Christina Cutter, Nicholas L. Berlin, A. Mark Fendrick

OCTOBER 8, 2020

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<https://www.healthaffairs.org/doi/10.1377/hblog20201006.638022/full/>



CATALYSTS FOR WIDESPREAD TELEHEALTH ADOPTION

NECESSITY



REGULATORY



PAYMENT

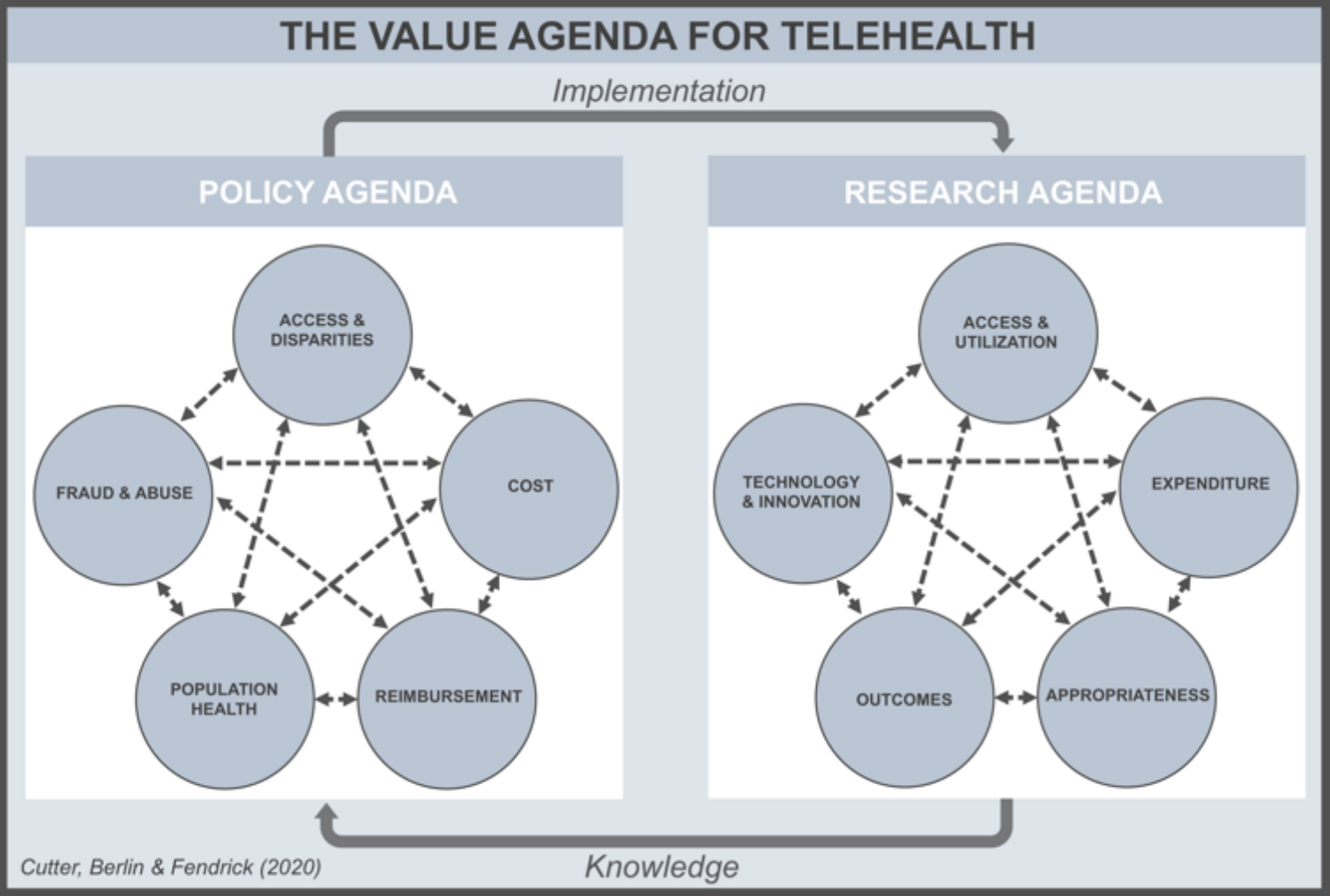


BENEFIT DESIGN



Capitalize on this natural experiment to advance value-based care

THE VALUE AGENDA FOR TELEHEALTH



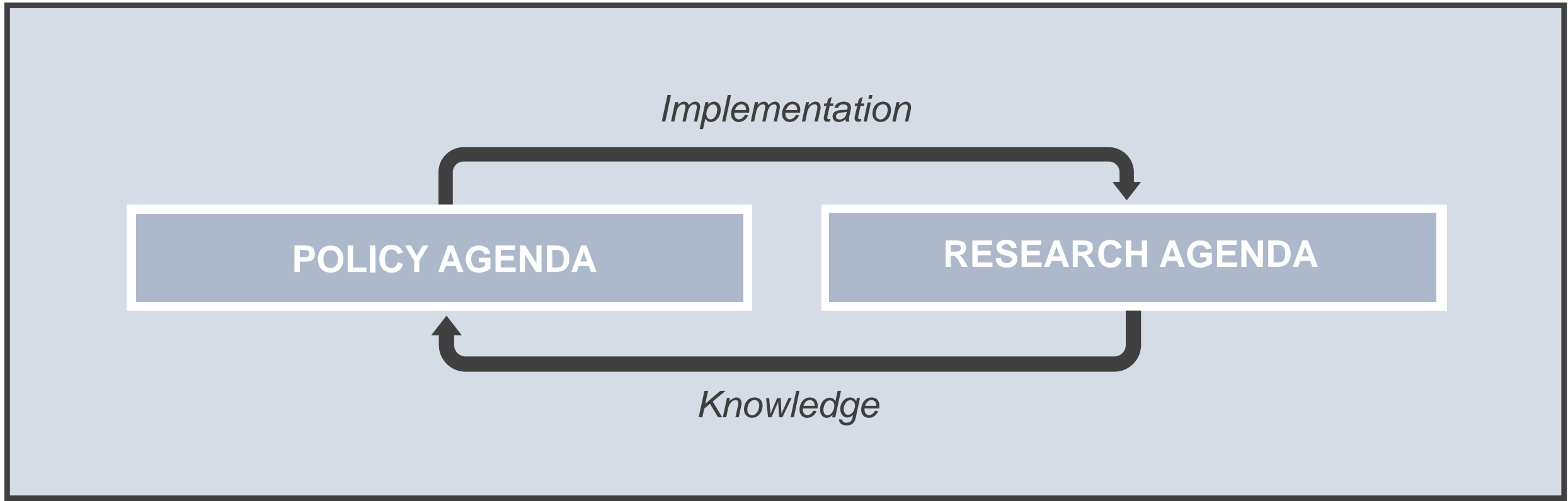
I. LEARNING SYSTEM

II. POLICY AGENDA

III. RESEARCH AGENDA

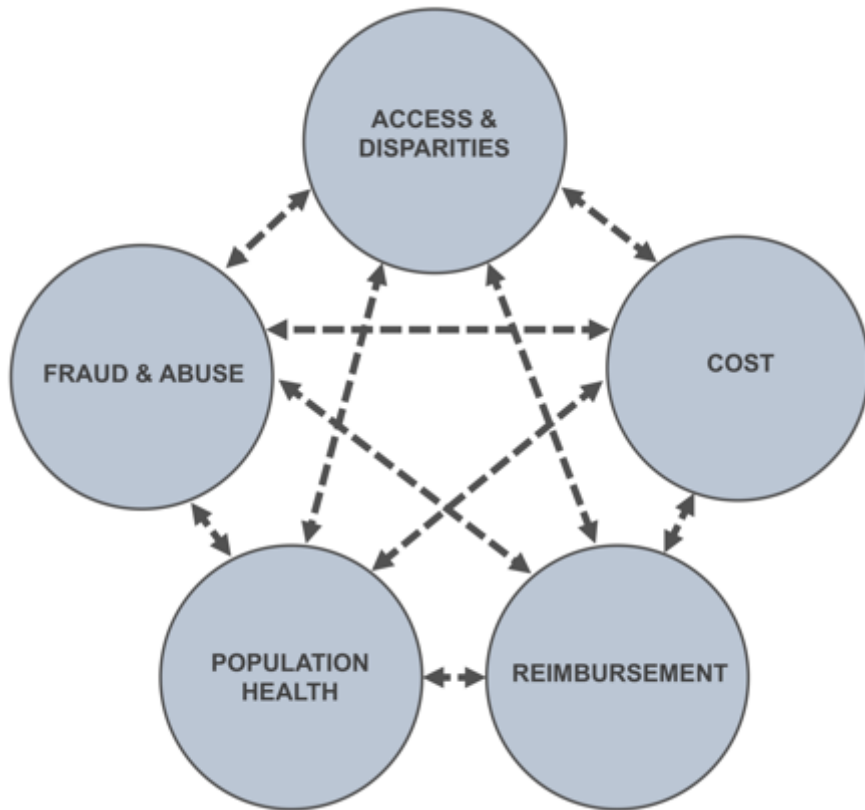
THE VALUE AGENDA FOR TELEHEALTH

I. CONTINUOUS LEARNING SYSTEM



THE VALUE AGENDA FOR TELEHEALTH

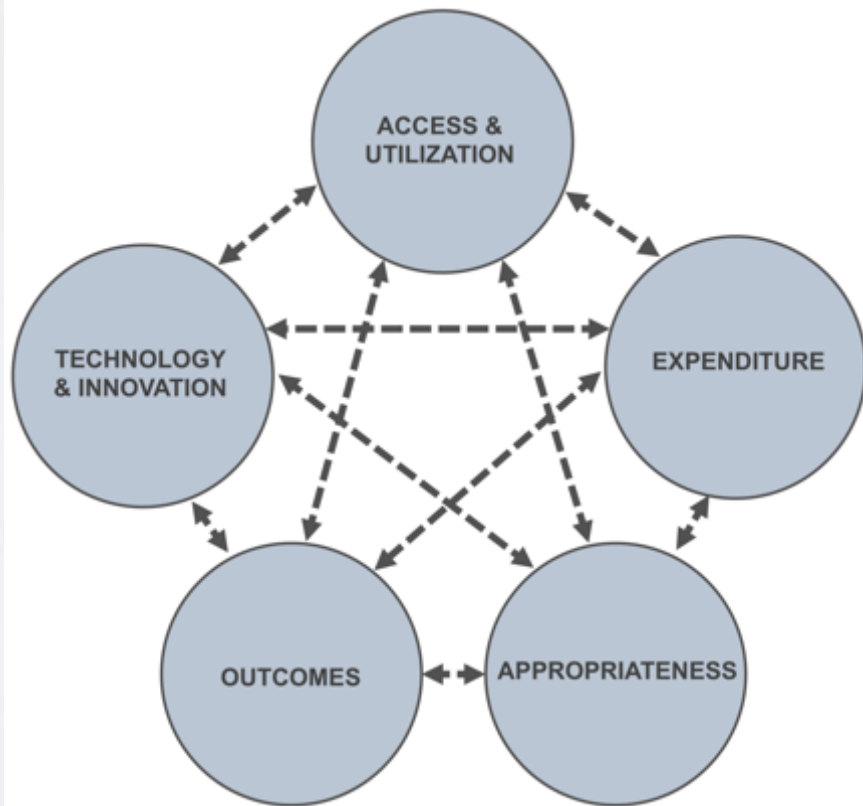
II. POLICY AGENDA



1. Recognize and bridge the **digital divide**
2. Align expanded use policies with **payment reform initiatives**
3. Leverage principles of **value-based insurance design (V-BID)**
4. Support **population health**
5. Strengthen protections against **fraud and abuse**

THE VALUE AGENDA FOR TELEHEALTH

III. RESEARCH AGENDA



1. Understand telehealth impact on **access** and **utilization**
2. Assess cost for case presentation and aggregate **expenditure**
3. Evaluate telehealth influence on **appropriateness** of care
4. Measure **outcomes** across settings
5. Explore telehealth **technologies** that improve **value**

THE NEW NORMAL OF TELEHEALTH: NEXT STEPS

SUPPORT

MEASURE

DISRUPT

ALIGN

Infrastructure required to support and sustain **equitable care delivery**?

Operationalize platforms that enable measurement of important outcomes?

Value agenda as a **pivotal strategy** for growth and disruptive innovation?

Dominant approach to **align stakeholders** around value-based care delivery?

Galvanize stakeholders to optimize healthcare value

Integrating Telemedicine and Health Insurance

Important Factors Influencing the Post-COVID 'New Normal'

- How much volume returns?
 - Shift to evidence based services
 - Increased scrutiny on low value care
- Costs of COVID-19 care and coronavirus vaccine
- Changes in care delivery patterns
 - Utilization, quality and cost impact of telemedicine remains uncertain

Integrating Telemedicine and Health Insurance to Establish a Value-Based 'New Normal'

- Enhance access and affordability to high-value clinical COVID-19 related care and other essential clinical services
- Identify, measure and reduce low-value care to decrease harm and pay for more generous coverage of high-value care
- Expand use of clinically-indicated virtual care that increase use of high-value services and deter low value care

Questions?

Slides and other resources available @ www.vbidcenter.org



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