Teladoc HEALTH | BECKER'S HOSPITAL REVIEW

Survey Results

2022 Annual Telehealth Benchmark

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Executive summary

Virtual care is expanding as care providers are reassessing offerings, goals and technologies

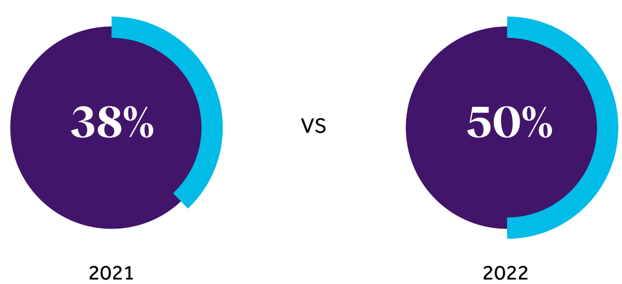
As the short-term COVID-19 stresses on the U.S. healthcare system continue to recede, telehealth utilization remains elevated and care providers continue to expand their offerings. Virtual healthcare is now clearly established as an ongoing care option – the 2022 Telehealth Benchmark Survey found 94% of care providers had virtual care programs in place in 2022 or were planning to implement them, the same as during the pandemic peak. Those levels are the highest ever recorded in the six-year history of the study and show that virtual care programs that were quickly rolled out during the pandemic (when the percentage of organizations offering telehealth spiked 26% year-over-year) are now being made permanent and expanded. The question as to whether telehealth will find an ongoing, mainstream role in healthcare delivery has been answered. The question now is: What's next? That is what healthcare providers are asking themselves, and the survey provides some insights from leaders who are planning and executing their future delivery models.

Hospitals, health systems and other care provider organizations are preparing for a new era of telehealth, one where patients expect and often prefer virtual care options. **The percentage of care providers who reported they are reevaluating their telehealth programs tripled in 2022 compared to the year before. That reevaluation is not stopping progress – 61% of organizations are expanding their virtual care programs, which is on par with the previous year, when pandemic response was a more significant driver.**

The reevaluated, expanded virtual care programs will be characterized by new practice areas and service offerings, more patient monitoring and data collection outside of virtual visits, expanded use of remote devices, and interest in new partners for delivering comprehensive care, the study found.

Care providers are also seeing the value in delivering more care virtually. Currently, 85% of care providers believe more than 10% of their patient care can be delivered virtually, but only 56% are at that level. That gap and other respondent data on their 2023 plans suggests organizations will be encouraging more utilization and changing their telehealth infrastructure to support it. That reflects confidence for continued momentum in the shift that has already taken place.

Figure 1: Organizations that conducted more than 100.000 virtual visits



The 2022 study found a 12% year-over-year increase organizations that completed more than 10,000 virtual consults, more evidence that telehealth can be viewed as a fundamental, rather than reactionary, channel of care delivery.

Other key findings and developments include:

Inpatient virtual nursing is set to have the highest year-over-year increase in new rollouts in 2023. It is one of 11 different services that at least 20% of care providers plan to introduce in the coming year.

There will also be significant increases in deployments of connected devices for remote patient monitoring and chronic condition management.

Care providers are focusing on enabling telehealth visits from locations outside the patient's home or workplace; 24% of care providers plan to introduce virtual services from convenient locations, such as retail stores.

The majority of care providers (53%) who offer virtual care services say they have comprehensive telehealth software that covers all their locations and patient acuity levels; this represents a 9% gain over last year.

Improving physician satisfaction with telehealth has become a more important consideration for leaders that plan virtual care programs.

These and other findings are documented throughout the full report.

About the report

Teladoc Health and Becker's Hospital Review asked U.S. hospital and health system leaders about their current telehealth programs and future plans in a survey that closed November 2022. It produced 101 valid responses. Respondents were primarily health system and hospital executives, as shown in Figure 2. Notably, all but one respondent from hospitals and health systems (the exception represented a psychiatric hospital) reported that their organization had a telehealth program in place.

Nearly 70% of survey respondents are at the director level or above in their organizations, including 43% who are C-level executives (Figure 3). Of the non-director/executive respondents, 19% are telehealth/virtual care leaders at their organizations.

Most respondents represent organizations that are experienced with telehealth. Eighty-four percent of organizations have operational telehealth programs in place and another 10% plan to have them implemented within 12 months. The 94% level of respondents who have or are implementing virtual care programs (94%) equals the previous high level set in 2021, when the pandemic led many organizations that previously did not have programs to begin offering telehealth services.

Figure 2: Total respondent organizations

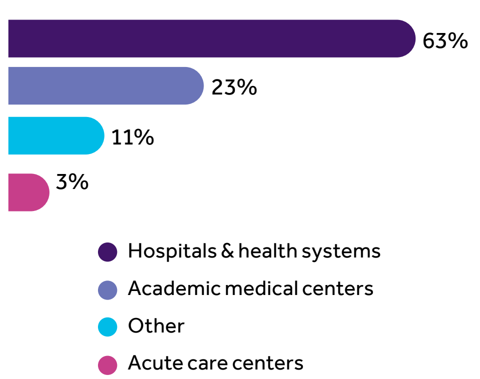


Figure 3: Total respondents by title / role

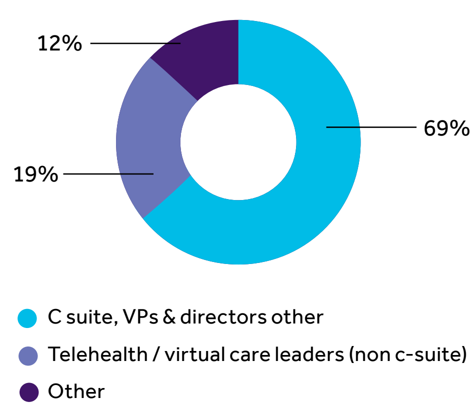


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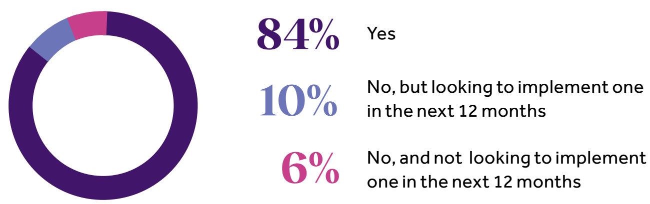
Figure 4: Current state of telehealth adoption



Unless otherwise noted, all graphics from this point forward refer to respondents who have telehealth programs in place.

Among organizations that offer virtual care, 45% have had programs in place for at least three years, which reflects a 9% increase from the previous-year survey. There was a 6% increase in respondents with programs in place more than five years.

Figure 5: Organizational experience with telehealth

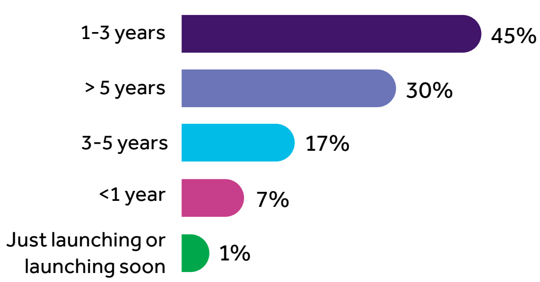
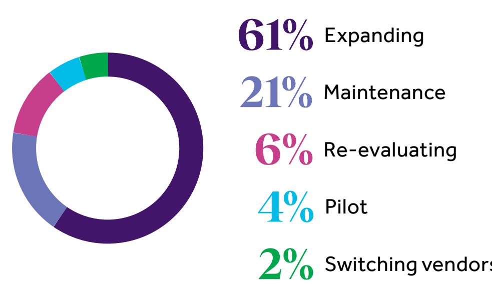


Figure 6: Telehealth program status

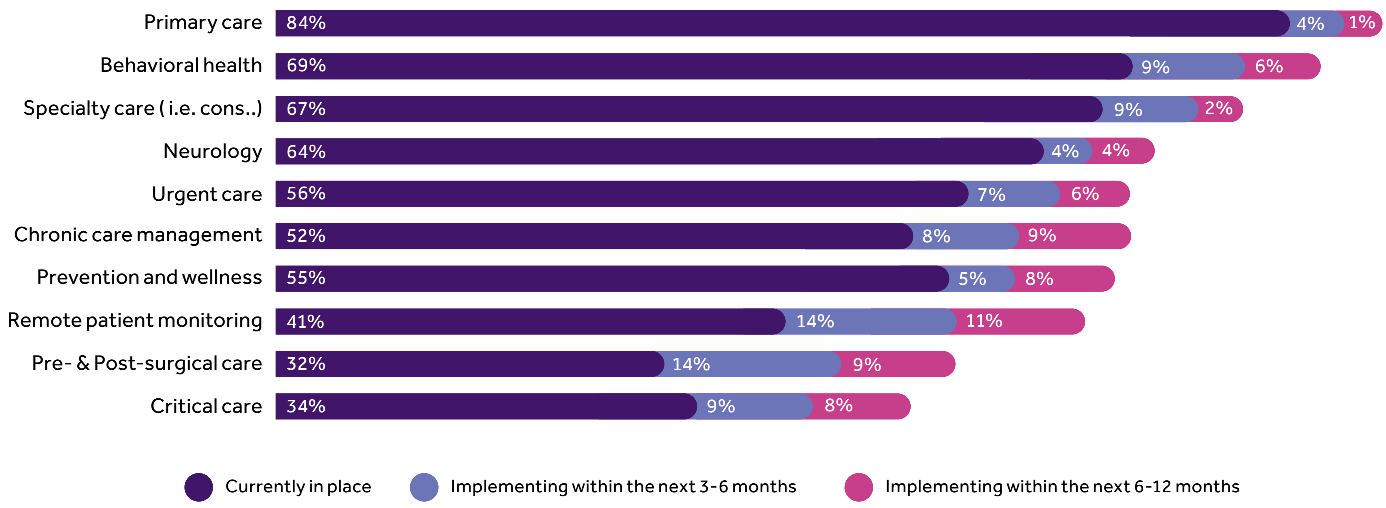


Despite the prevalence of well-established telehealth programs among the respondents, most (61%) will continue to expand their programs in 2023 (Figure 6). **Expansion in services offered and populations served has been consistent throughout the annual benchmark studies, but what stands out this year is the rise in organizations that are actively reevaluating their programs – 12% this year, which is a 50% increase from the 8% measured last year**. Data from other survey questions suggests some of this reevaluation is focused on the audio-video component used to conduct telehealth consults, but further reaching and more strategic changes will also be coming.

Expectations for 2023 and beyond

Figure 7 below provides a clear and comprehensive picture of the current state of telehealth offerings, as it shows which services are offered by care providers with telehealth programs, and the percentage of organizations that plan to roll out these types of services before the end of 2023 Today, a large majority (8 in 10) of organizations that provide virtual care also offer some form of primary care as part of their telehealth offerings, but no other service or practice area has reached 70% adoption. Behavioral health and specialty care come closest, with 69% and 67% adoption, respectively. Today, the majority of organizations with ongoing virtual care programs offer seven service areas: primary care, behavioral health, specialty care (in aggregate), neurology, urgent care, prevention and wellness and chronic care management.

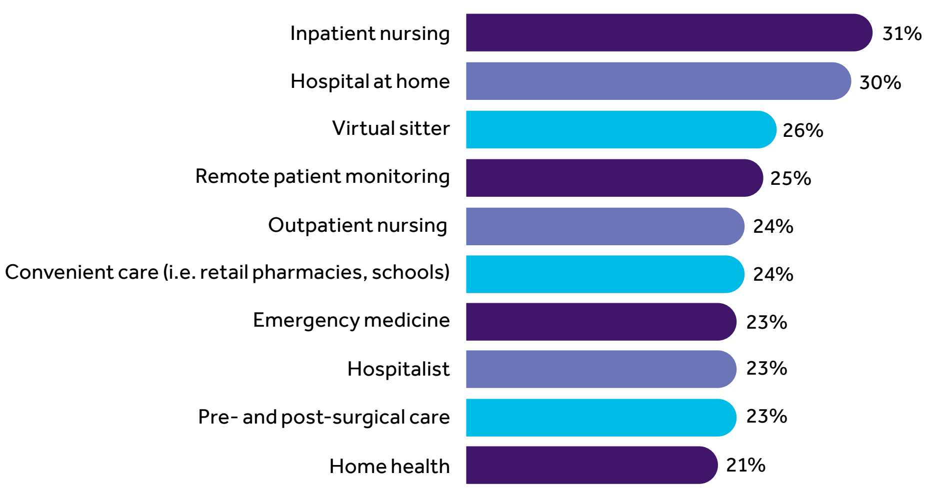
Figure 7: Programs in place now & planned for implementation



In 2022 there were five services that had at least 10% year-over-year adoption growth, led by neurology care, which was offered virtually by 15% more care providers than the year before. The other leading growth services were chronic care management (+13%), prevention & wellness (+12%), primary care (+10%) and hospital at home (+10%). Many healthcare leaders are looking at virtual care to do more than meet niche needs for certain practice areas or to help satisfy short-term spikes in demand for care. The broad-based service expansion indicates telehealth programs are being strengthened to address more aspects of total patient care.

New service adoption will accelerate in 2023. While there were the aforementioned five services with 10% adoption growth in 2022, there are 11 services that at least 20% of respondents say they are introducing in 2023. The 2023 rollout plans are highlighted in Figure 8 below, which uses the implementation status data from Figure 7 to show the top 10 services areas in rank order.

Figure 8: Programs to be implemented within 12 months (Top 10)



Based on respondents' plans, virtual inpatient nursing will be the highest-growth area for new telehealth services rollouts in 2023.

Based on respondents' plans, virtual inpatient nursing will be the highest-growth area for new telehealth services rollouts in 2023. The 31% planned implementation rate for virtual inpatient nursing is notable because only 13% of organizations currently have virtual nursing units, which means the adoption rate will more than double by 2023's end. Adoption is also set to at least double for outpatient nursing, hospital-at-home services, virtual sitters and convenient care services.

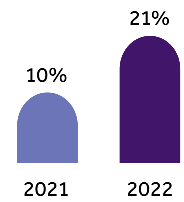
The telehealth expansion plans provide some insights on how healthcare leaders envision telehealth's role in future care delivery models, with differentiated, home-based care offerings and convenient care services emerging as primary focus areas for 2023. As noted, virtual sitter, hospital-at-home, home health and preventive care are in line to become mainstream virtual care services – and the data on implementation plans also suggest high growth in remote services for surgical patients and continued expansion in remote patient monitoring.

New paths to achieve longstanding goals

Care providers have long used telehealth services to expand access to care. Many care providers are planning to accelerate that goal by introducing virtual care programs to meet patients where they are – at their workplaces, schools or convenient retail locations. This can also be attributed to more healthcare leaders appreciating virtual care's potential to enhance patient engagement, which is a growing consideration as they establish telehealth plans and priorities. In the coming year, 24% of care providers who currently offer telehealth are planning to go live with convenient care programs, which is equal to the percentage who currently have such programs. Therefore if plans are executed to expectations, approximately half of hospitals and health systems will have convenient care programs in place by the end of next year.

Convenient care programs also help care providers meet goals their goals of improving care continuity, increasing engagement and reducing network leakage while opening more opportunities for engagement. Improving consumer/patient engagement tied as the third-highest rated goal for telehealth programs (see Figure 10), after ranking eighth the year before. **Now, 29% of respondents rank improving engagement as one of their top three goals for telehealth programs, which ties with market expansion and growth among goals and trails only improving access to care and improving clinical outcomes. Only 10% of respondents said improving engagement was an important goal for telehealth in 2021, but this has more than doubled (21%) in 2022.**

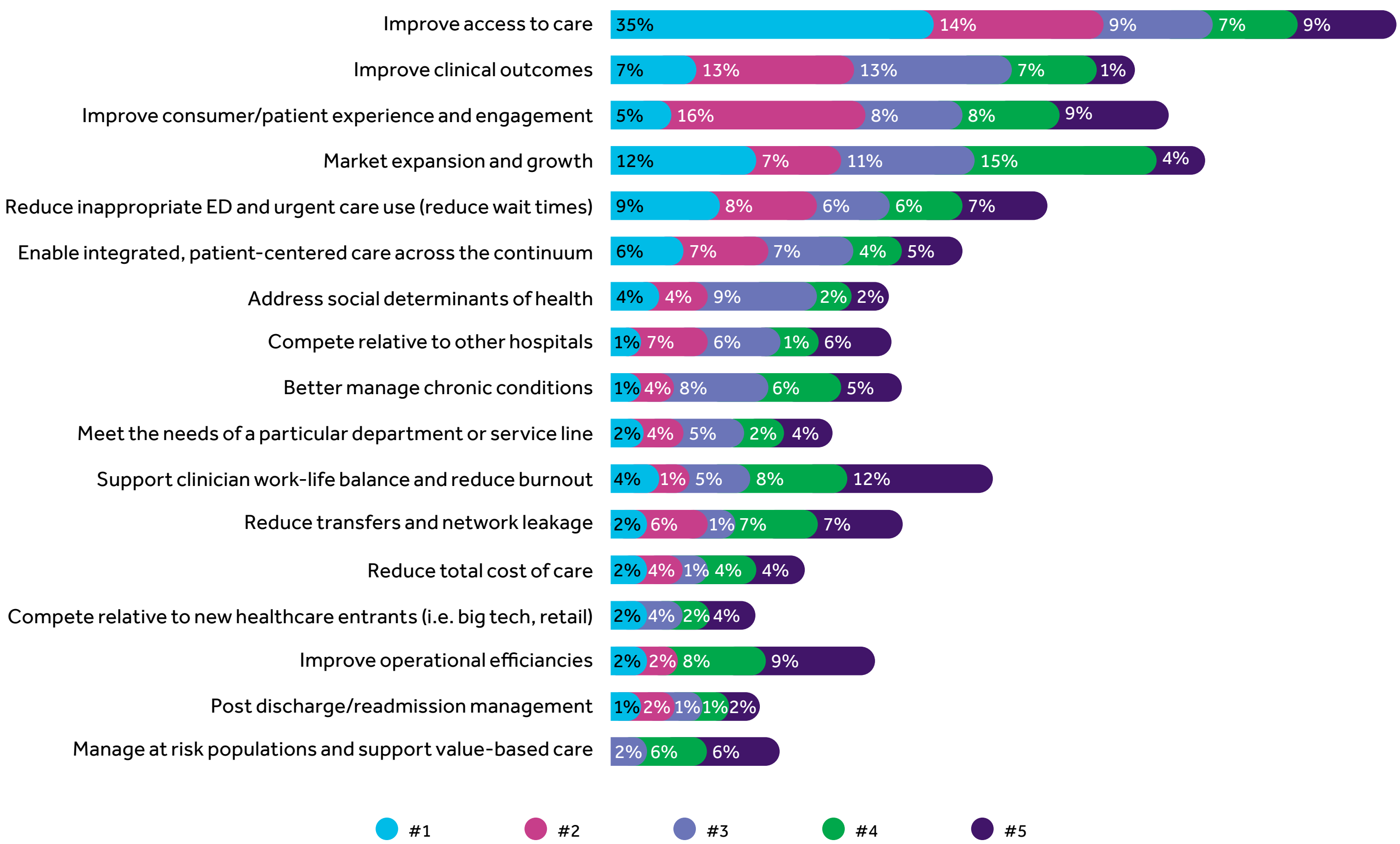
Improving patient engagement is a top goal for providers



percent of respondents who marked it as a top goal

Figure 10 shows the top-rated goals for telehealth programs. Respondents were asked to list their top five goals and the results were ranked based on the weighted average of respondents. With focus and priority moving beyond pandemic response, the current goals reflect broader diversity in what care providers want to accomplish through telehealth.

Figure 10: Leading goals for telehealth programs, ranked*



*Ranked on a 5 point scale, with 5 being highest priority

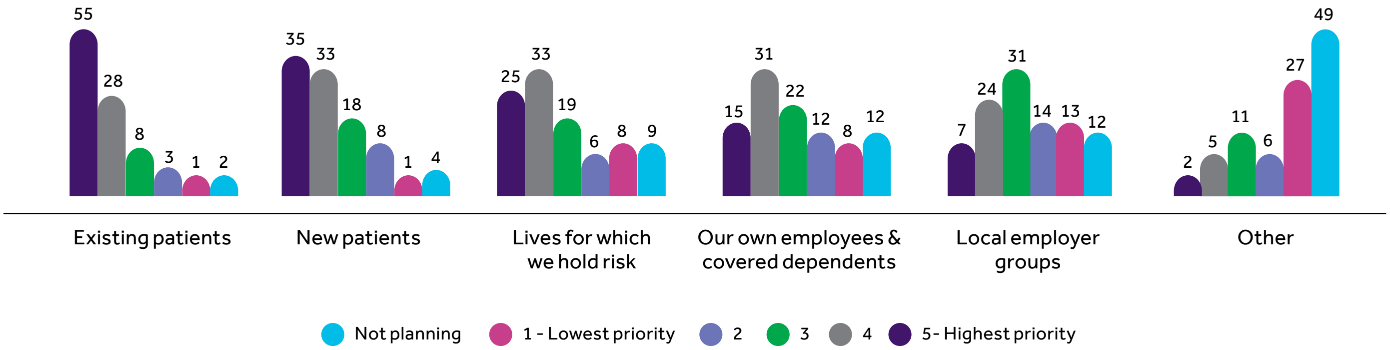
Improving access to care remains the leading overall goal for 35% of respondents in 2022.

Changes in goals also suggest that the COVID-19 influence on telehealth strategies is waning. While improving access to care remains the leading overall goal, it was only the top-ranked goal for 35% of respondents in 2022, compared to 80% the previous year when COVID care demanded more care provider resources and attention. Reducing emergency department wait times and unnecessary use of the ED fell from the third-ranked goal in 2021 to fifth in 2022,

when only approximately half as many respondents cited it as a leading goal. The percentage of respondents who reported market expansion and growth as a top goal for their telehealth programs declined approximately 7% year over year, but it tied as the third-highest rated goal.

There was little change in the target patient populations for virtual care services, with "lives for which we hold risk" a notable exception. Last year "lives for which we hold risk" was a high priority (ranked either 4 or 5 on a 5-point scale) for 82% of care providers. In 2022, that patient demographic was a high priority for 58% of respondents, which is in line with historical norms.

Figure 11: Patient population priorities for telehealth services (percent)



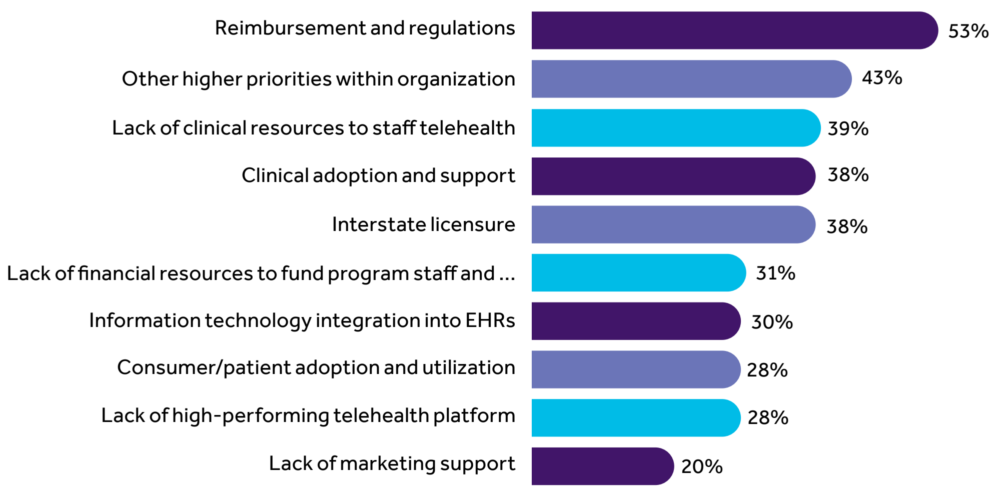
While most provider organizations are not significantly shifting their priorities for increasing telehealth utilization within these populations, many are exploring or using new partner models for virtual care delivery. For example, 53% or respondents said they are interested in working with a telehealth vendor to reduce readmissions and to help monitor patients with chronic conditions. A similar amount (57%) are open to receiving specialty care referrals of new patients from a telehealth vendor.

Leading telehealth barriers don't change, but weaken

The leading barriers for hospitals and health systems to start or expand telehealth programs have remained the same over the six years of producing the benchmark study. Reimbursement has always been the top barrier, with executive attention and resource issues always ranking high. However, the obstacles seem to be lessening, because the percentage of respondents who cite these factors as barriers continues to decline.

Figure 12: Leading barriers to telehealth implementation or growth

percent of respondents who ranked this as a top barrier*



*top-ranked 4 or 5 (difficult / very difficult)

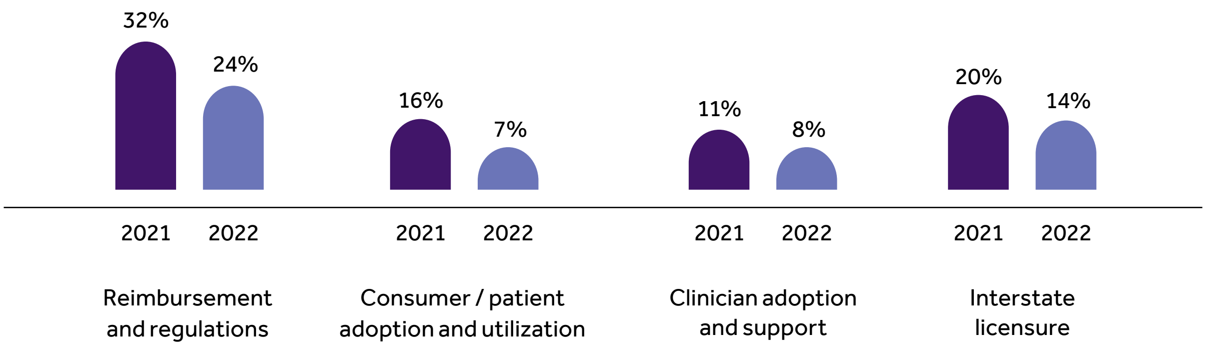
24%

OF RESPONDENTS SAID REIMBURSEMENT WAS A SIGNIFICANT BARRIER IN 2022

For example, 24% of respondents said reimbursement was a significant barrier this year, down from 32% last year; consumer/patient adoption utilization was only a significant barrier for 7% of respondents, compared to 16% the previous year. Organizations that are planning to expand their virtual care programs may be buoyed by other recent developments. Clinician adoption and support was a very difficult barrier for 8% of respondents in 2022, down from 11% the year before and 14% pre-pandemic. Interstate licensure fell from the second-most formidable barrier in 2021 to the eighth-ranked one in 2022. Providers are reducing their use of physicians contracted through their telehealth vendor, so the reduced reliance on such contractors may be mitigating licensing challenges. The reduction in contracting may also be a sign that staffing models and levels are readjusting after pandemic-driven changes.

Figure 13: Barrier decline to telehealth implementation in 2022

percent of respondents who ranked this as the leading barrier*

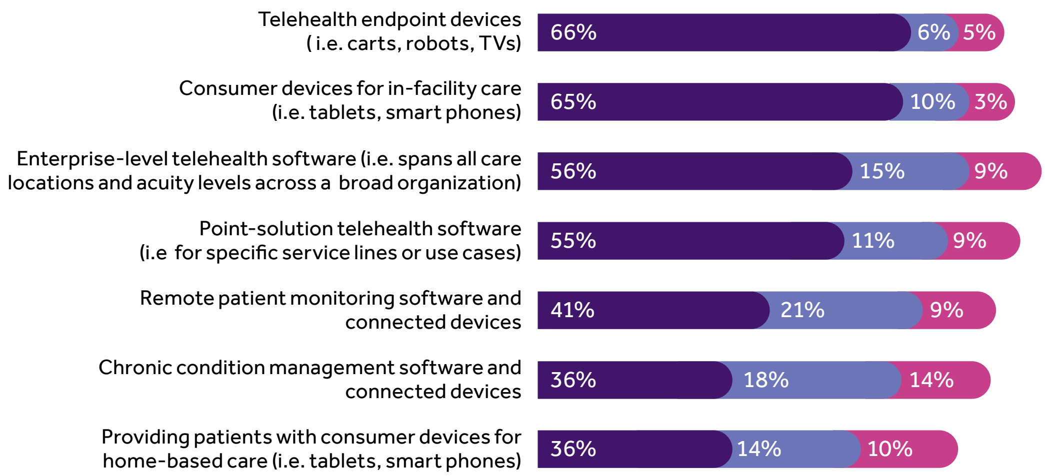


*leading = ranked 5 (very difficult)

How will care providers get there?

As care providers reassess their telehealth ambitions, care models and infrastructure with an eye on post-pandemic care delivery, many are looking to consolidate multiple components and point systems into an integrated approach that better fits with their preferred workflows and EHR. The features they plan to add (Figure 13) provide insight into their telehealth priorities and ambitions for care delivery technology.

Figure 13: Telehealth technologies currently in place & planned for implementation



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For the first time in 2022, a majority (56%) of organizations that offer telehealth services reported they had enterprise-level telehealth solutions in place that spanned all their care locations. That is a sign of virtual care's continued maturation. By the end of 2022, four in five organizations that provide virtual care expect their telehealth solution to be at that level of enterprise integration. There was also a 9% year-over-year gain, to 42%, in the number of care providers that conducted more than half of their telehealth encounters through their EHR (rather than just documenting the consult in the EHR).

Besides having more comprehensive telehealth solution platforms and deeper EHR and workflow integration, care providers are planning to integrate more clinical and consumer devices and complementary software applications into their virtual care programs. The percentage of respondents who will be implementing chronic condition management devices and software in 2023 is almost equal to the install base that has these components now, making it likely to be one of the highest-growth areas. If those "plan to implement" expectations are met, by the end of 2023 more than half of all telehealth programs would include remote devices and software specifically for remote patient monitoring and to support chronic condition patients. The new device and software rollouts that respondents are planning are consistent with their plans for telehealth program offerings – as previously noted, hospital-at-home, chronic condition management, virtual sitter and pre- and post-surgical care were among the highest-growth virtual care services.

There is also momentum for care provider support for consumer devices used outside health system facilities. While issuing tablets and smart phones to patients is not a common practice, it grew by 10% in 2022, and another 24% of respondents are planning to provide such devices to patients in 2023.

The focus on providing patient infrastructure for home-based care suggests hospitals and health systems are changing and raising the level of their telehealth practices. Their aim may be to give clinicians a more complete view of the patient's condition, one that is more in line with the data that would be available if the patient was physically present at a healthcare facility.

The data also suggests many leaders are reassessing their telehealth platform's fundamental video interface for patient and provider communications. One third of care providers who currently conduct virtual care visits with a videoconferencing platform that is not an integrated part of the telehealth solution are planning to replace the interface with video communications native to the telehealth system in the coming year. On one hand, the desire to upgrade video communications convenience and reliability is not surprising – improved consumer or patient experience is the feature that respondents want most from their

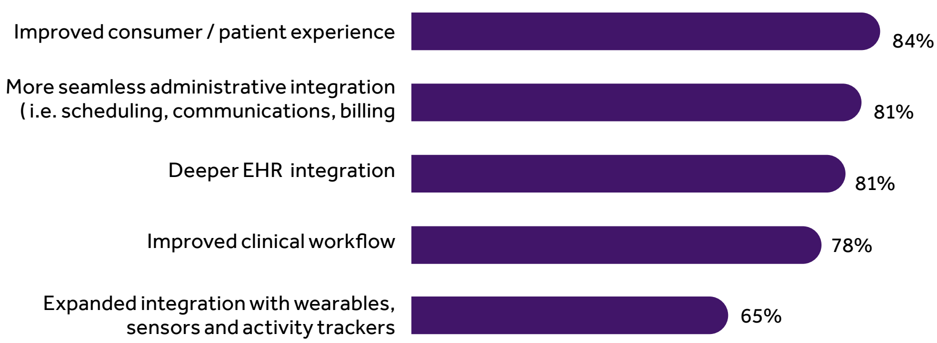
>50%

NUMBER OF TELEHEALTH PROGRAMS TO INCLUDE REMOTE DEVICES IN 2023

24%

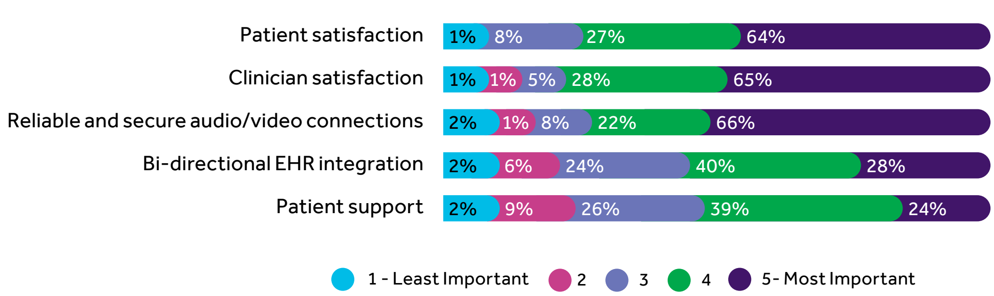
OF RESPONDENTS ARE PLANNING TO PROVIDE TABLETS AND SMART PHONES TO PATIENTS IN 2023 telehealth systems in the future (Figure 14), and a reliable communication system is fundamental to that effort. On the other, it is a big change from 2021, when consumer/patient experience ranked only fifth among hoped-for improvements. Respondents probably did not consider patient experience unimportant in 2021, it was likely just less of a priority when telehealth was being expanded quickly and was more focused on pandemic response. The year-to-year change is another example of how organizations today see the patient experience of these virtual care program as a key component influencing overall patient engagement and satisfaction.

Figure 14: Most desired future functionality (Top 5)



Beyond improving the patient experience, it is also clear that respondents want better integration across their telehealth systems. Improved integration with administrative processes, the EHR system and clinical workflows ranked second, third and fourth respectively in the most-desired functionality. As care provider organizations have expanded (and will continue to expand) their virtual healthcare services and programs, managing and integrating these offerings has become more complex. Organizations are looking to for telehealth platforms and vendor partners that can help navigate and reduce this complexity. Care providers report the attributes they consider most important in a telehealth program partner (Figure 14) include competence and/or the ability to help with patient satisfaction, clinician satisfaction, and reliable audio and video connections, with bi-directional EHR integration leading the next tier.

Figure 15: Factors considered important in a telehealth vendor partner (Top 5)

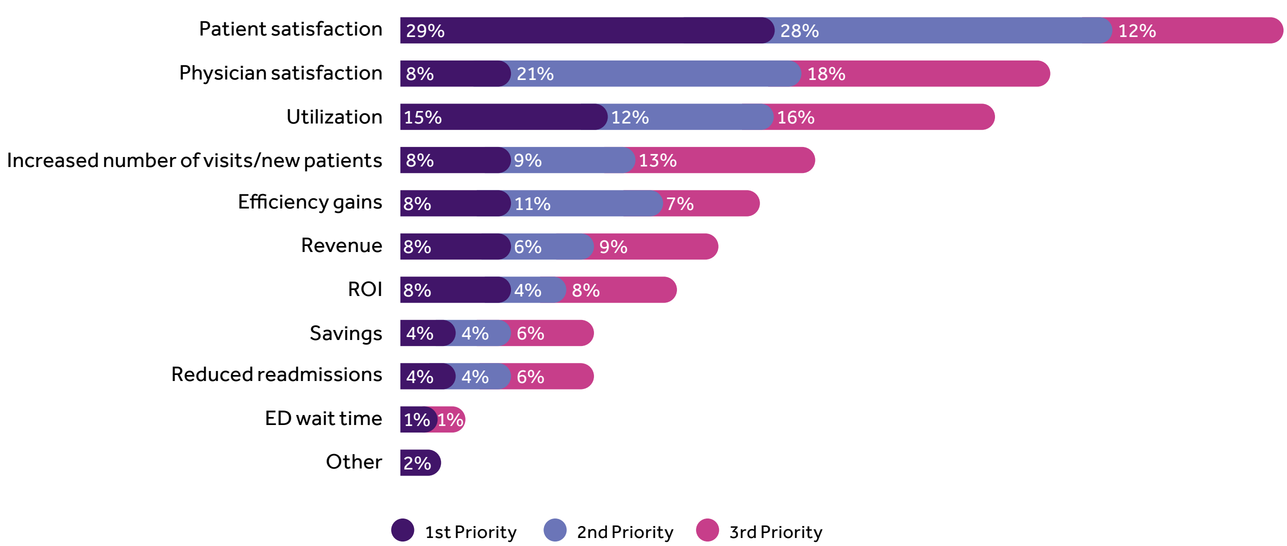


Ranked based on their weighted averages across a 5 point scale

These stronger partnerships between care providers and vendors extend beyond technological considerations: approximately half of care providers expressed willingness to collaborate with their telehealth vendor partners on non-technical issues such as referrals and readmission reduction programs.

But as care provider organizations reassess what they want from their telehealth partners, programs and technologies, the areas they use to evaluate virtual care success have mainly remained consistent over the years, with patient satisfaction remaining the top metric for success. There was, however, a notable exception in 2022: physician satisfaction. It is now ranked the second-most important measure of telehealth success, after ranking no higher than seventh in any previous survey. Hospitals and health systems have made excellent progress in gaining physician acceptance for their telehealth programs and this data suggests they continue to prioritize those efforts. Aside from physician acceptance, most other results were consistent with traditional levels, with topics related to access and utilization ranking higher than those around cost savings and efficiency gains.

Figure 16: Success metrics for telehealth programs, ranked by importance



> 90%

OF RESPONDENTS NOW HAVE VIRTUAL CARE PROGRAMS IN PLACE OR WILL BY THE END OF THE YEAR

Conclusion

The 2022 Telehealth Benchmark survey is a guidepost that shows how far virtual care has come and where it is going. More than 90% of respondents now have virtual care programs in place or will by the end of this year, and 75% will have comprehensive enterprise-level telehealth technology that spans their entire organization. Visit volumes and utilization remain above pre-pandemic levels and care providers think they can go higher. Most care providers who have virtual care programs are expanding them – with various home health services becoming the focus of new virtual offerings, and improved care provider and patient experience the guiding principles for expansion. Organizations leaning into the future are reimagining the role of telehealth in care delivery. They are looking to make use of more connected devices that can enable new types and avenues of care, which will further extend and differentiate virtual care more than ever before. As hospitals and health system leaders execute these plans, they will continue to push for more sophisticated telehealth infrastructures, offerings and vendor partners that can help them unlock the full potential of virtual care.