

Powering virtual-first health plans



The promise of primary care delivering improved health outcomes has been proven over time. At the core of this equation is a robust and longitudinal patient-provider relationship. These positive relationships often improve patient satisfaction, yielding higher engagement and utilization of primary care services.

However, recent studies suggest people are not engaging with primary care. Internal Teladoc Health data has shown that 80% of members do not have a strong relationship with a primary care provider.

Because primary care is a key enabler of prevention, wellness and chronic condition management, the shortcomings of the primary care relationship could lead to more vulnerable populations and limit the potential benefits for patients.¹

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Virtual-first is the next evolution of insurance coverage. It centralizes virtual care and creates a benefit designed to incentivize convenient, cost-effective care.

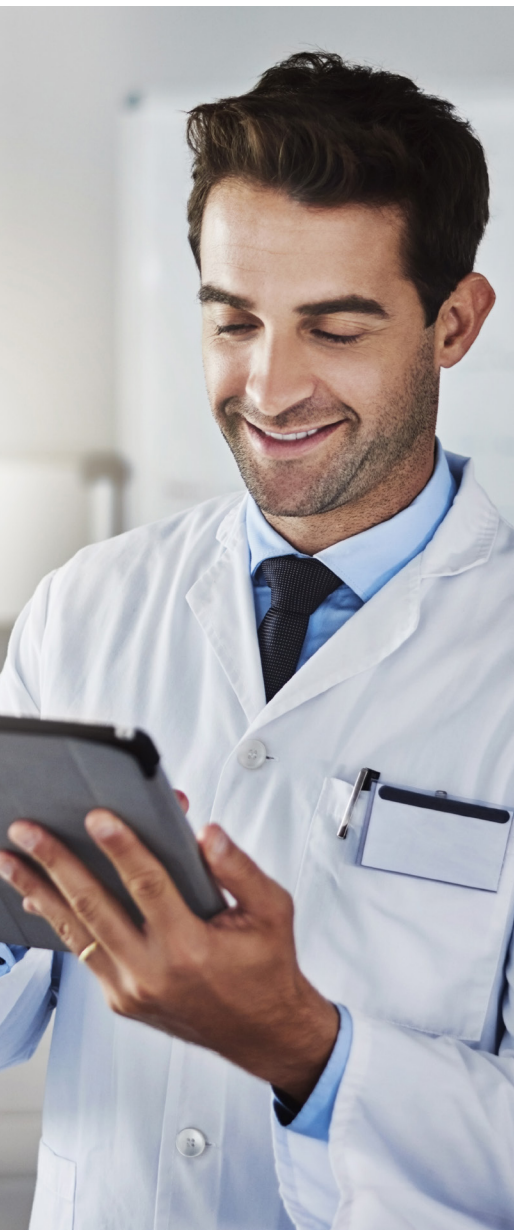
Rob Bressler, senior vice president at Teladoc Health

A different approach to primary care is in order. Virtual primary care can address challenges in traditional care, and help fill existing care gaps. And now, organizations, providers and consumers appear ready to embrace it more than ever. Virtual primary care amplifies value in several ways, including:

- Increasing time spent with a provider and reducing wait times
- Earlier detection of chronic conditions and better management for patients with multiple chronic conditions
- Lowering costs for members and employers
- Expanding access, enabling more members to engage with primary care
- Comprehensive care coordination to help members navigate the healthcare ecosystem

Virtual primary care embedded in a virtual-first health plan also offers a novel alternative for employers and health plans to curb rising healthcare costs, while improving outcomes and driving member engagement and satisfaction.

Rather than adding tele-consults onto a traditional plan menu, virtual-first plans create a benefit design that is optimized for members who prefer a virtual front door to care, which studies show to be an ever-increasing percentage of the population. This enables plan sponsors to tailor engagement strategies for populations that have self-identified as being promoters of primary care and help improve cost and quality measures in doing so.



“Virtual-first” doesn’t mean “virtual only”

In this nascent category, virtual-first health plans can take many forms. However, some common traits are starting to emerge.

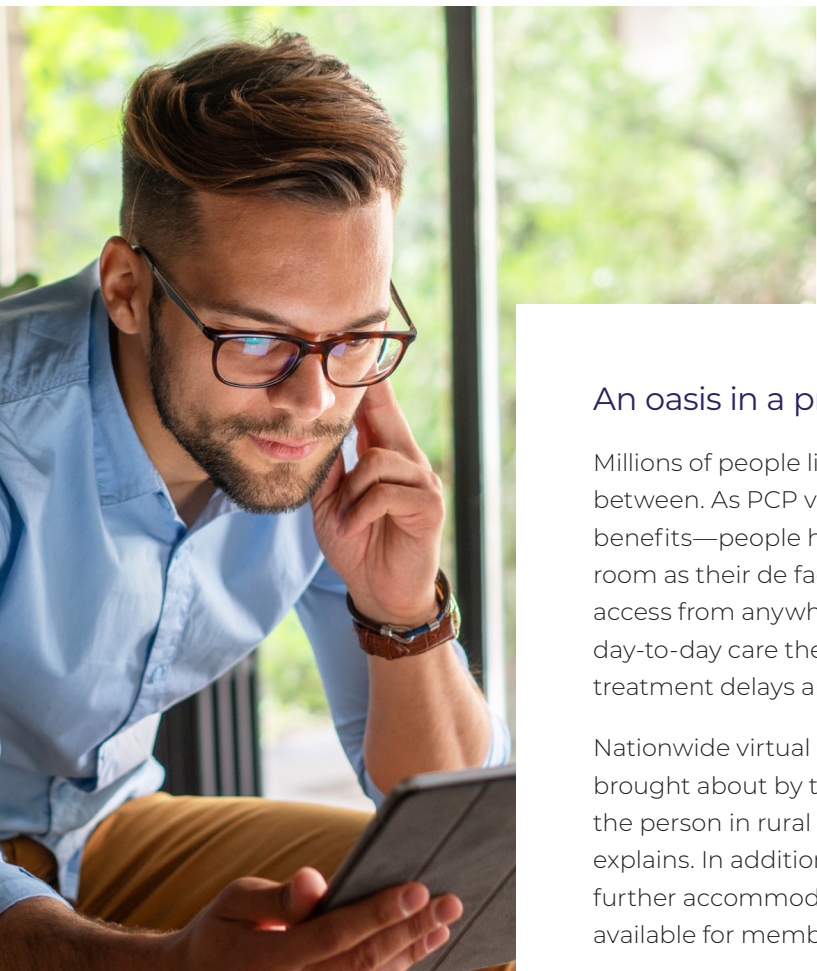
- Virtual-first health plans have a particular emphasis on the primary care provider (PCP) as the “quarterback” for care, who develops a longitudinal relationship with the member (versus an on-demand provider) to deliver highly coordinated care.
- Virtual-first health plans offer the same benefits as traditional plans, while incentivizing virtual visits and this enhanced care coordination element.
- Members who select a virtual-first health plan still have access to traditional care, as care teams help them find high-quality and low-cost providers within their network.
- Ensuring the virtual and in-person aspects of care work together seamlessly is a foundational element of a successful virtual-first plan.

A virtual-first plan might offer discounted or \$0 copays for virtual primary care visits and discounted specialist visits when referred from a virtual consult. This reduces the cost burden when plan members need preventive and screening services from a PCP or other virtual service.

Virtual-first health plans are tailor-made for tech-savvy millennials. But what about other generations? Rob Bressler, senior vice president at Teladoc Health, sees virtual-first health plans appealing to all employees who have no relationship with a PCP or lack a high-quality relationship with a provider—a patient population which represents a sizable portion of the U.S. workforce. For instance, adults who went at least a year without a single visit to a primary care provider increased from about 38% to 46%.²

“The data show virtual care is detecting chronic disease earlier because it’s making access to the PCP visit much easier,” said Bressler. “That’s the sort of outcome we’re trying to create by making primary care more accessible.”

For physicians, a virtual-first health plan often provides a care team that helps members navigate to the resources they need. This approach also removes the documentation and administrative overhead from physicians, allowing them to spend more time with their patients during a visit.



An oasis in a primary care desert

Millions of people live in primary care deserts, where PCPs are few and far between. As PCP visits have declined—even among those who have health benefits—people have turned to high-cost urgent care sites or the emergency room as their de facto primary care.³ Virtual primary care can provide PCP access from anywhere in the U.S., which in turn can help members get the day-to-day care they need, preventing visits to the emergency room due to treatment delays and suboptimal management of chronic conditions.

Nationwide virtual access can help improve and address health inequities brought about by these primary care deserts. “The person in New York City and the person in rural America get the same high-quality experience,” Bressler explains. In addition, virtual-first health plans can offer translation services to further accommodate member needs and may make digital health devices available for member use at home or on the go.



We’re under-invested in primary care and over-invested in the emergency room. Virtual-directed health plans help us address that.

Rob Bressler, senior vice president at Teladoc Health

A market primed for virtual-first

When the COVID-19 pandemic closed medical offices, consumers turned to digital options en masse—some for the first time—and saw the benefits of virtual visits. Research indicates that consumer use of virtual visits has grown by a factor of four, from 11% to 46%, since the pandemic began.⁴

In a Teladoc Health survey of 1,000 respondents enrolled in a commercial health plan, more than 60% expressed interest in a virtual-first health plan. And more than 40% said they would choose it over their current plan if it were offered at a discount.⁵



As of April 2021, 84% of physicians were offering virtual visits and 57% would prefer to continue offering virtual care.⁶ In the same time frame, 68% of physicians told researchers they were personally motivated to increase the use of telehealth in their practice. Seventy-one percent said their organization's leadership was motivated to do the same.⁷

Looking to the future, employers will need to rein in healthcare costs while providing benefits that attract and retain the best employees. The good news is employers and employees have shown an appetite for innovative plan designs. In the decade between 2007 and 2017, enrollment in high-deductible health plans increased from 17% to 43% among adults aged 18-64 with employment-based coverage. Enrollment in traditional plans decreased over the same period.⁸

Forward-thinking health plan providers and purchasers are offering virtual-first health plans, and pandemic-seasoned employees are ready to use them. "We really think virtual-first is the next evolution in benefits offerings," Bressler said.

As healthcare evolves, it's clear that plan designs focused on virtual care solutions will play a central role in meeting member needs and improving the quality of primary care.

¹Internal Teladoc Health data from Primary360 pilot program

²Ishani Ganguli, et al. "Declining use of primary care among commercially insured adults in the United States, 2008-2016." February 18, 2020. *Annals of Internal Medicine*. <https://www.acpjournals.org/doi/10.7326/M19-1834>

³<https://acpinternist.org/weekly/archives/2020/02/04/4.htm?>

⁴McKinsey & Company: <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>.

⁵Teladoc Health study 2021

⁶<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>.

⁷Tanya Albert Henry. "Patients, doctors like telehealth. Here's what should come next." May 17, 2021, American Medical Association. <https://www.ama-assn.org/practice-management/digital/patients-doctors-telehealth-here-s-what-should-come-next?>

⁸Robin A. Cohen and Emily P. Zammitti. "High-deductible health plan enrollment among adults aged 18-64 with employment-based insurance coverage." NCHS Data Brief No. 317. August 2018. <https://www.cdc.gov/nchs/products/databriefs/db317.htm>

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