

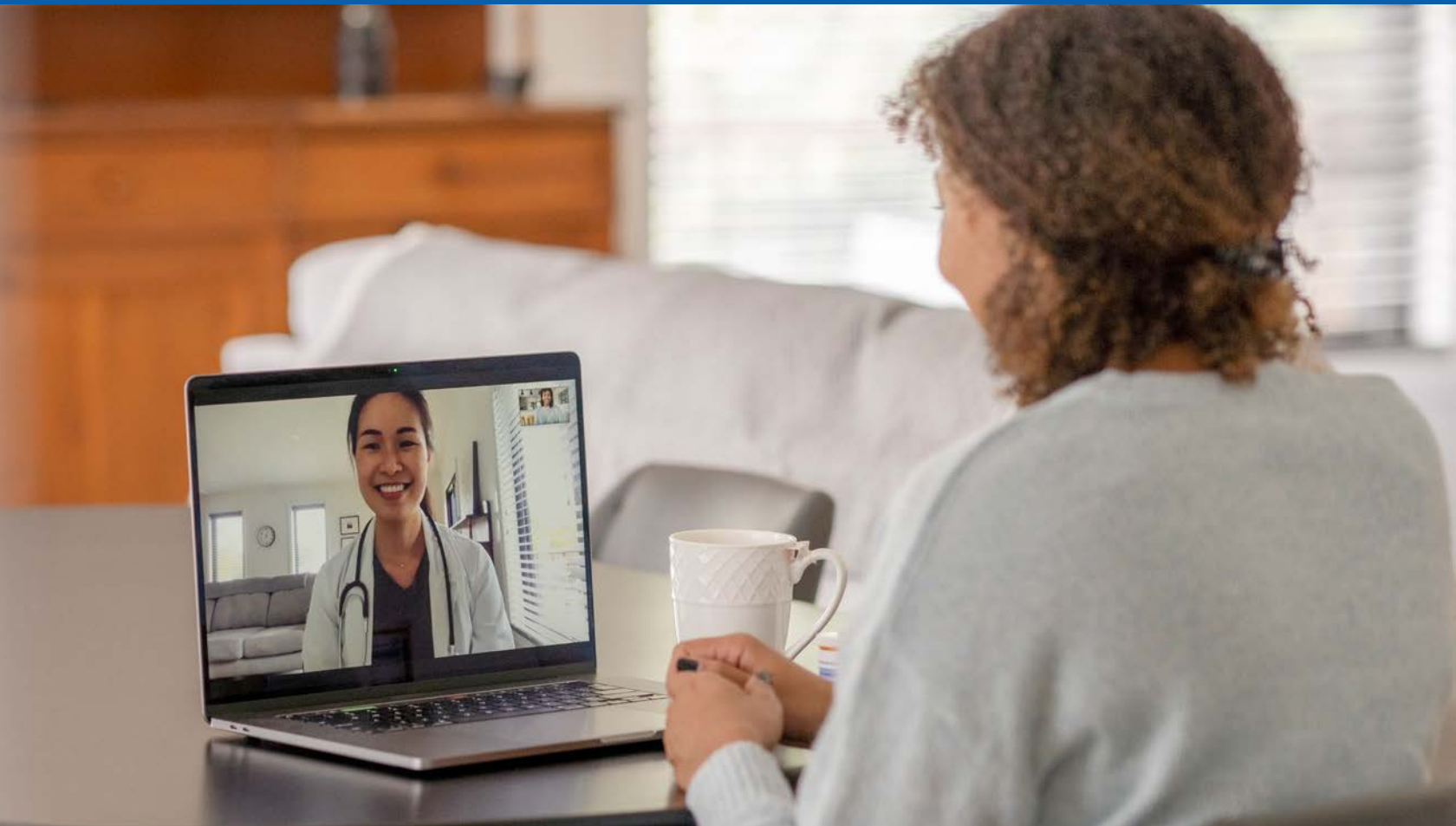


SAGE GROWTH
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A Sage Growth Partners Survey in partnership with the
Nashville Entrepreneur Center and The Disruption Lab

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Telehealth: The Innovation That's Not Yet a Habit



Telehealth isn't just telehealth. It's telerevenue, telegrowth — telerelevance. Just not yet. The 2023 Sage Growth Partners Telehealth Survey tells two stories: What virtual care is and what it could be.

The Top Takeaways

1. A few services lead telehealth use, but the picture is mixed.

Providers use telehealth for follow-up more than any other reason, with behavioral health second. All other services rank well below these two.

- **Highest Use:** Follow-up visits comprise 37% of practice telehealth services and 27% of hospital services.
- **Lowest Use:** Providers use telehealth the least for initial visits (11%) and triage (5%).
- **Increases:** For practices, the biggest year-over-year usage gain was for behavioral health (13% to 20%); for hospitals, it was for chronic care management (8% to 19%).
- **Decreases:** Telehealth year-over-year use declined the most for hospital initial visits (21% to 11%).
- **2025 Projections:** Practices expect telehealth use to increase the most for behavioral health and primary care (4% each). Hospitals project that behavioral health services will grow from 20% to 31%.

2. Patient access and satisfaction are a big telehealth Why.

One factor dominates as providers decide how much telehealth to offer, the value it delivers, and whether to keep using it: patient access and satisfaction. During the pandemic,

crisis drove need, demand, and supply. Today, 75% of providers offer telehealth with their own providers, and 25% utilize outsource providers. This ratio was similar to the 2022 survey.

3. The missing opps in ops.

Because patients drive so many telehealth decisions, providers don't yet think of it as a broader business tool. But it could be. Implemented well, telehealth could increase efficiency, decrease burnout, and also improve costs, revenue, and market share.

4. What, us worry?

Telehealth has disrupted the healthcare market. So have new players like Amazon and CVS Health, but not all providers view the threat equally. Just over 50% of practices and 75% of hospitals see these new entrants as at least a moderate threat. For those who see less threat, patient loyalty is the reason why.

5. How to make telehealth a habit

Telehealth can have more than one Why. Patients may be in control, but providers can't afford to bury their heads in the digital sand when it comes to the technology's uses and benefits. Read on for more data highlights and insights from the 2023 Sage Telehealth Survey.

Survey Respondents and Telehealth Decision Makers



The vast majority of provider respondents were from independent specialty groups with less than 50 physicians (N=59).



Most healthcare organization respondents are key decision makers with less than 25 hospitals in their health systems (N=96).



The C-suite dominates telehealth decisions. CEOs and CMOs make the key platform purchasing decisions.

1

A few services dominate telehealth use, but the picture is mixed.

Providers and hospitals offer multiple telehealth services in diverse ways — from primary, specialty, and behavioral health care to condition management and coordination to preventive, urgent, and acute settings.

At issue is penetration and trend. The industry uses telehealth for follow-up far more than for intake or any other service. Conversely, use has declined since 2020, and even bright spots like behavioral health are mixed as usage has both dipped and is expected to grow.

Overall, neither practices nor hospitals expect telehealth as a percentage of overall visits to change much in the next two years.

They don't? When is it ever true that healthcare doesn't change, and rapidly? Providers feel this way for a reason, and telehealth's divergent value story may be a root cause.

TELEHEALTH VISITS BY STAGE

	Providers	Hospitals
Percent Virtual / Telehealth Visits (Mean)		
Follow-up	37%	27%
Behavioral health	20%	23%
Chronic care management	16%	19%
Initial	11%	11%
Post-surgical	9%	10%
Triage	5%	5%
Other (please specify)	3%	5%

Q18, 19 - What percent of your practice's / organization's virtual / telehealth visits are each of the following?
 Sample Size: Providers = 59, Hospitals = 96.

2

Patient access and satisfaction are a big telehealth Why.

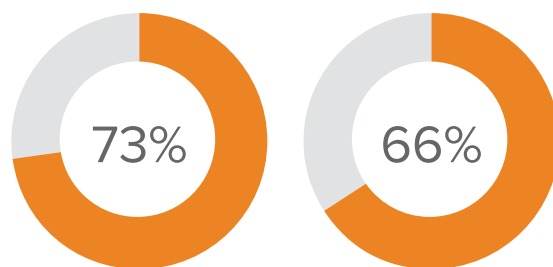
Patient access and satisfaction keep providers engaged with telehealth. They aren't the only reasons, but are the leading ones and influence:

- the level of services offered;
- the value received; and
- the desire to provide more.

The influence of patient access and satisfaction is high for each. This includes the level of telehealth that practices and hospitals provide, with no major changes from 2022.

Collectively, this data shows that consumerism drives telehealth just as it does other aspects of the industry. But is that enough for virtual care to reach its full potential?

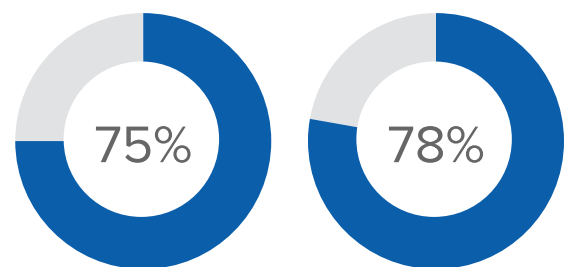
Practices



Patient access

Patient satisfaction

Hospitals



Patient access

Patient satisfaction

Q26 - How important are each of the following when deciding the level of virtual / telehealth visits to provide?
Data shown are for patient access and patient satisfaction only. Sample Size: Providers = 59, Hospitals = 96.

3

The missing opps in ops.

Asynchronous telehealth refers to delayed communication between patients and providers; messages and their meaning are stored for future review and action. For providers, telehealth’s use case is asynchronous as well, and it may be limiting their opportunities.

Patient preferences drive decisions: 54% of the time for practices and 45% of the time for hospitals. Meanwhile, the business benefits of telehealth rank in the single digits for providers. Referral capture, business strategy, and revenue capture have the lowest value for

practices, with similar statistics from hospitals and little change from 2022.

The clear takeaway? The market is just not thinking about virtual care as a broader business solution. It’s a video visit — not a platform to improve workflow, efficiency, or burnout.

When the gap between consumer value and business value is this large, it’s worth asking why and identifying the opportunities. But first...

THE OPERATIONAL VALUE OF TELEHEALTH TRAILS BEHIND PATIENT ACCESS AND SATISFACTION

Perceived Significant + Major Value Received from Telehealth Visits

	Providers	Hospitals
Percent Virtual / Telehealth Visits (Mean)		
Patient access	59%	57%
Patient satisfaction	56%	46%
Business strategy	20%	24%
Market share growth	20%	16%
Referral capture	13%	12%

Q27/Q28 - How much value has your practice / hospital received in each of the following areas from providing virtual / telehealth visits? Data shown is excerpted from a longer list. Sample size: Providers = 59, Hospitals = 96.

4

What, us worry?

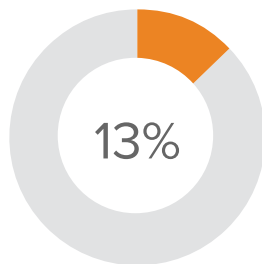
In addition to the value gap, another disconnect looms: What happens to telehealth if consumers lose interest and patient satisfaction continues to trump provider pain?

Less than 30% of hospitals report that telehealth has increased professional satisfaction. Only 23% agree that telehealth has decreased the workloads of either support staff or nurses. These statistics won't improve if stakeholders don't connect telehealth and workforce success — and if they don't keep their eyes on the disrupters who do.

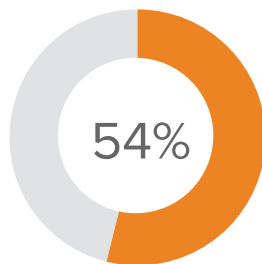
For telehealth, if providers don't see broader value, they won't see broader threat. Amazon launched in 1994 as an online bookseller. Today, its market value is more than \$1.4 trillion and it sells everything, including its own infrastructure (Amazon Web Services). Telehealth could become critical healthcare infrastructure, but if provider satisfaction is sacrificed along the way, the technology can only go so far.

PATIENT LOYALTY IS WHY PROVIDERS SEE LITTLE THREAT FROM NEW MARKET ENTRANTS

Practices

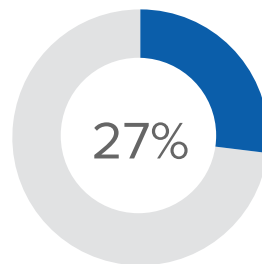


Major to significant threat

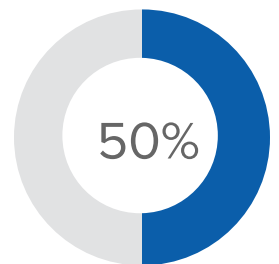


Minor threat due to patient loyalty

Hospitals



Major to significant threat



Minor threat due to patient loyalty

Q40 - How much of a threat do you anticipate from new entrants into the healthcare market like retail and technology companies? Sample Size: Providers = 59, Hospitals = 96.

Q41 - Why do you believe these new entrants pose little to minor threat? Sample Size: Providers = 26, Hospitals = 24).

5

How to make telehealth a habit

Have we turned telehealth on, only to stop halfway? It took a pandemic for the industry to deploy virtual care as quickly as it did. Maximizing its use over time may simply be part of the development cycle. However, habits follow values. To strengthen telehealth habits, the industry can take several steps.

Match opportunity and capacity to scale confidently

Low utilization is a growth prospect if the business case is right. Only 5% of practices and hospitals use telehealth for triage, but 24-33% respectively have intake and triage capabilities.

Prioritize workflow to capture undecideds

Without workflow integration, most technology is DOA. Practices understand this, and 75% mirror their telehealth and in-person services (up significantly

from 57% in 2022). Hospitals have headed in the same direction. In 2023, telehealth mirrored in-person workflows almost equally, another significant shift from 2022 when 57% of hospitals used unique workflows for virtual care.

Stay confident to capture efficiency

The factors above are actually good news for growth. Most providers are still either optimizing, implementing, or developing their telehealth programs (61% of practices, 69% of hospitals). And curiously, despite the survey data, providers see operational efficiency as a reason to continue providing telehealth (59% of practices, 52% of hospitals).

REASONS TO CONTINUE PROVIDING VIRTUAL CARE	Practices	Hospitals
Reduce patient barriers to access care	78%	75%
Increase patient satisfaction	69%	73%
Virtual visits / telehealth has proven to be operationally effective	59%	52%
Reduce unnecessary patient cost	41%	43%
Virtual care has been clinically effective	27%	29%
Provide more comprehensive care	25%	52%
Increase professional satisfaction	24%	40%
Other (please specify)	2%	3%
Not interested in continuing virtual / telehealth	10%	1%

Q32 - Which of the following are reasons why your practice/organization is interested in continuing to provide care via virtual visits/ telehealth? Sample Size: Providers = 59, Hospitals = 96.



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