

PROPHET

From Rarity to Reality

How 12 Industry Leaders are
Shaping the Virtual Care Revolution

Paul Schrimpf
Jeff Gourdji
Priya Aneja



Introduction

Virtual care can mean many things to different people—a video call, an app check-in, even drones.

But however it's defined, what's certain is that the role virtual care plays in the healthcare ecosystem has been rapidly accelerated.

While virtual care, including telemedicine, has been growing for years, COVID-19 vaulted it into the center of every healthcare conversation.

As many as 20 percent of all medical visits in 2020 happened via telemedicine, according to research from Doximity.

By 2023, it is estimated that virtual care will account for \$106 billion of U.S. healthcare spending.

To assess how the healthcare universe is responding, Prophet conducted in-depth interviews with leaders from all corners of the industry.

This report covers:

Four important sub-categories

and the ways they continue to blur Virtual wellbeing, Connected health, Virtual health and Virtual medicine.

The changing dimensions of audience and interaction

there are a growing number of audiences, all of them relying on digital and virtual communication as never before.

Insights from 12 industry leaders

on what organizations are – and aren't – getting right.

Three pathways

companies can utilize to better connect virtual care to better serve patients and customers and achieve exceptional growth.

Four Models of Virtual Care

A person with chronic depression, for example, might have a Zoom call with a doctor, which is considered Virtual medicine. Using the Calm app to de-stress at the end of the day is Virtual Well-being. The best way to think about these spaces, as the lines blur, is that those on the outside are retail services that people use proactively. And those in the center are acute insurance-paid events.

Virtual wellbeing

Virtual wellbeing has been growing steadily over the past several years, with consumers increasingly willing to pay more for these unreimbursed retail experiences. For the most part, these interactions are about people going from good to great rather than fixing a health problem. They often include fitness and nutrition.

There are four clear models of virtual care: virtual wellbeing, connected health, virtual health and virtual medicine. But there's also an enormous – and growing – intersection between these areas leading to many unknowns.

Virtual medicine

Virtual medicine in the U.S., at the far end of the spectrum, had been growing slowly, inextricably tied to reimbursement rates and regulation. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March of 2020, injected government funds to improve national access to virtual solutions.

Private payers also authorized more reimbursable solutions, accelerating when those reimbursements might be issued. For example, some could be made in a single day, rather than the typical 30-day period. In a matter of months, virtual medicine had vaulted ahead years.

Four components of the virtual care ecosystem

Use of digital technologies to enhance wellness, fitness, even personal attractiveness, as well as areas of prevention, remediation and treatment of health conditions.

Use of devices and applications to analyze and apply data to improve outcomes. It also eases communication between providers and patients.

Use of technologies to provide care. It includes clinical services, such as live video consult and remote patient monitoring, and non-clinical services, such as professional training.

Provision of person-to-person clinical health services over the phone or via online person-to-person interfaces.

Virtual wellbeing

Connected health

Virtual health

Virtual medicine

Who When How:

The changing dimensions of audience and interaction

But there are a growing number of audiences, all of them relying on digital and virtual communication as never before. Those include relationships between attending physicians and fellows, case managers and home-care nurses, or general practitioners and specialists. While these providers all interact with patients, they also need new ways to connect with one another.

Similarly, it's easy to characterize interactions, including when and how they take place, as real-time back-and-forth between patients and caregivers.

But many are not synchronous exchanges. Getting two electronic medical record systems to talk to each other presents different challenges than a patient-physician video call.

In this new environment, it's important to notice how core definitions are evolving. In general, most people think of the virtual care audience as a patient receiving care from a provider.

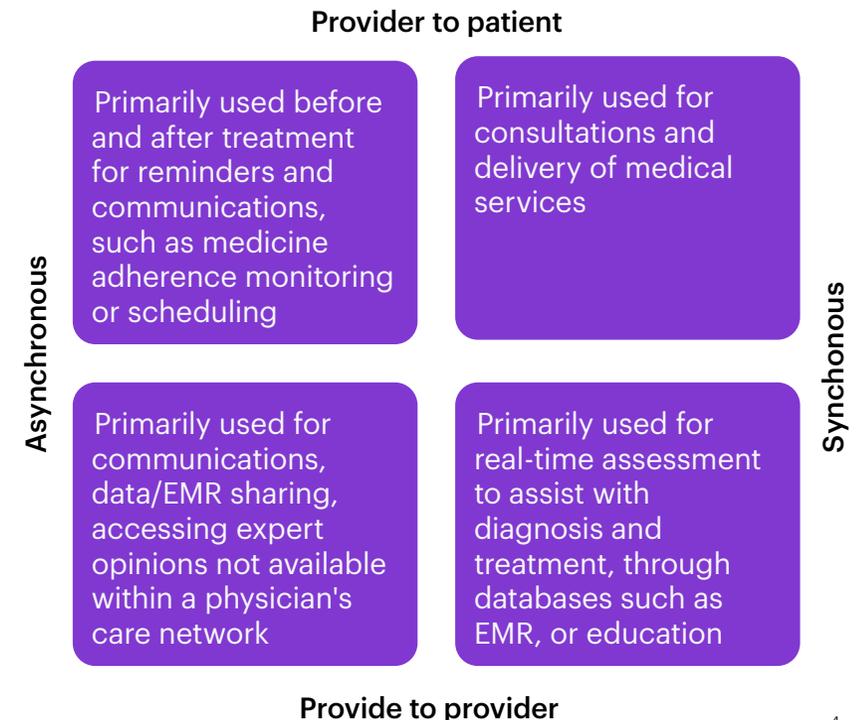
Synchronous virtual-care

"These solutions are arguably a bit easier to understand and discuss," says Richard Marritt, Chief Marketing Officer of Hillrom. "Those are conversations about using Zoom or FaceTime for a virtual visit, versus a whole different platform."

"But the bigger challenge is the asynchronous solution. How do you take all of the connected devices and patient data and pull it into the same place at the same time to have a robust care conversation between a doctor and patient?"

The more care is done virtually, the more that information needs to be collected, relayed and reported in an integrated, secure fashion."

Intersection for relaying information in a virtual care environment



Adding—not subtracting—fragmentation

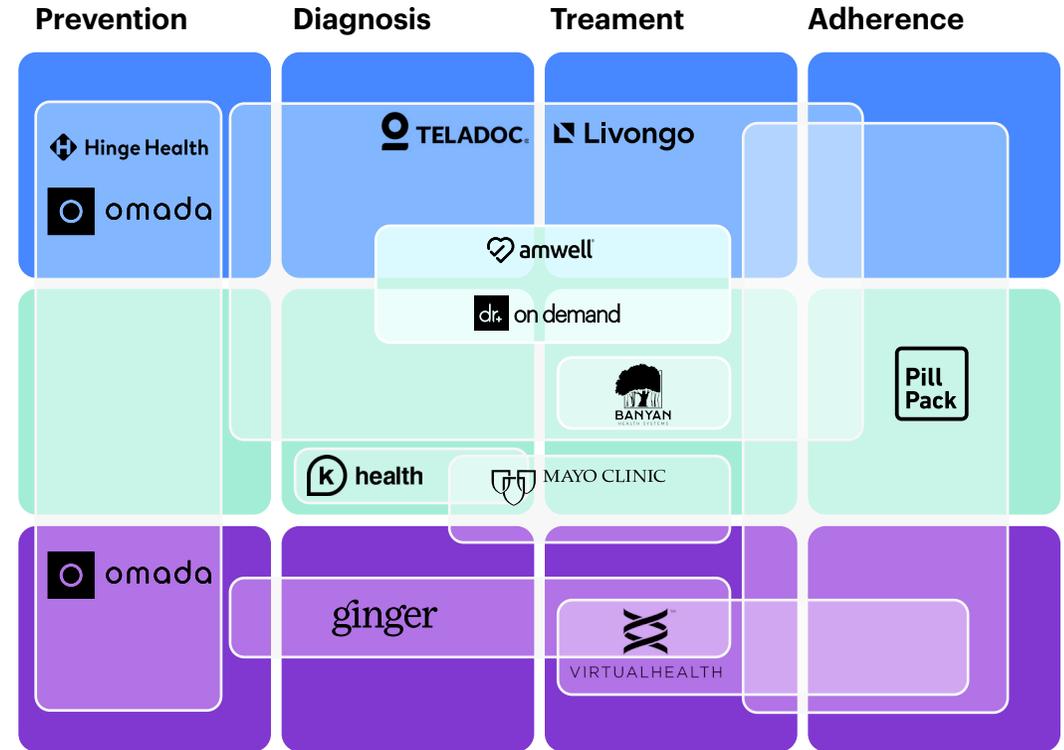
While many virtual care solutions are making independent experiences better, it isn't necessarily making holistic healthcare simpler. In many ways, it has made the already fragmented healthcare journey even more disjointed. So far, there are no single virtual care providers that help people across the full continuum of care or with a broad spectrum of healthcare needs. This chart shows the limited scope of some of the leading virtual care brands today.

Compounding the complexity, major shifts toward virtual solutions with providers create a ripple effect with B2B suppliers, in both products and services. Depending on the patient type, event and point on the care continuum, there are different stakeholders and decision-makers.

Chronic
Long-term continuous care (e.g., diabetes)

Acute
Short-term one-off care (e.g., ER)

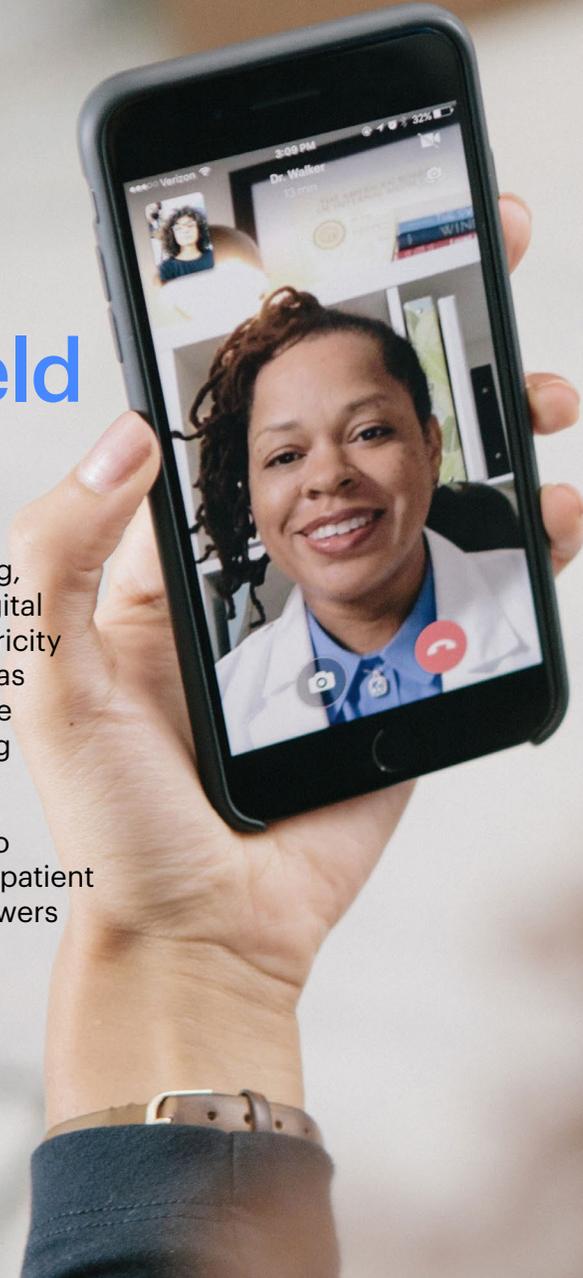
Episodic
Time-bound recurring care (e.g. maternity care)



Virtual Care Trailblazers: 12 Lessons From the Field

A different playing field is emerging, post-pandemic. Unsurprisingly, digital transformation and customer-centricity are more important than ever. But as we spoke to leaders throughout the healthcare world, we're discovering new perspectives.

There is an increased willingness to collaborate, as long as it improves patient experience. No one has all the answers yet, but 12 leaders weigh in.



Contributors

Adam Dicker, MD, PhD

Founder
**Jefferson Center
for Digital Health**

Patrick Spain

Chief Executive Officer
**First Stop Health
LLC**

Brian Wagner

Worldwide Vice President,
Digital Marketing and Strategic
Brand Management
BD

Suzanne Foster

President
**Cardinal Health at-Home
Solutions**

Stephany Verstraete

Chief Marketing and
Engagement Officer
Teladoc Health

David Dennis

Vice President of Strategy
and Business Development
Cardinal Health

George Sauter

Chief Strategy Officer
John Muir Health

Matthew Anderson, MD

Clinical Innovation Lead
Banner Health

Richard Marritt

Chief Marketing Officer
Hillrom

Rusty Yeager

Senior Vice President, CIO
Encompass Health

Jake Orville

General Manager,
Pipeline Exact Sciences

Nick Patel, MD

Chief Digital Officer
Prisma Health

Adam Dicker, MD, PhD

Founder
Jefferson Center for Digital Health

“We’ve set a new bar for patient expectations”

“For years, we’d heard resistance, like ‘Virtual care won’t work—we can’t do physical exams and overall, it’s not effective.’ That was just never true— and we learned that very quickly in 2020. Because we had partnered with Teladoc for over five years, we were prepared for the surge in virtual visits, sometimes serving about 3,000 patient visits per week.

We’ve set a new bar for patient expectations, and we expect these increases to continue. It will change how healthcare institutions think about space utilization and the building of new buildings. If no procedure is involved, what services do you wish to provide during an in-person visit vs virtual? It’s not patient-centric, and you can capture the information a provider needs in other ways. All provider resistance to virtual care has disappeared. Our goal now is rebuilding patient trust to come back to the hospital, and the out-patient setting.”

Brian Wagner

Worldwide Vice President, Digital Marketing
and Strategic Brand Management
BD

“Now, decentralization is key”

“The pandemic forced digital transformation efforts to accelerate, even in categories that had traditionally been slower to innovate, such as medical devices. When you’re a highly matrixed organization with different incentives, digital transformation takes longer. Before, it was too easy not to change. With 70 percent of sales reoccurring, we just never had the sense of urgency we feel now.

But this pandemic affected every part of the enterprise and instantly became a central objective for several rapid digital shifts. Business models need to change for health systems and for companies that supply them. Integrated delivery networks need to evolve. The hospital and doctor’s offices have historically been the hub of healthcare. Now, decentralization is key. Health conditions like diabetes don’t require in-person touchpoints. Care can be home-based. Organizations will need to fundamentally change to reflect that.”

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Adam Dicker, MD, PhD
Jefferson Center for
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“We still find a lot of portals that have virtualcare offerings buried inside”

“The majority of employer plans have long included options for traditional virtual care offerings. We still find a lot of portals that have virtualcare offerings buried inside. But there are good reasons they weren’t being used. Once you find it, none of your information is transferred. And employers and carriers normally don’t allow virtual care providers to have employee data, or communicate to them to drive adoption and understanding.

Emergency room visits are a prime example for cost savings, with tens of millions of unnecessary ER visits each year. We believe employers are rational. They want value for the money, and they aren’t getting that. When consumers choose to visit the ER versus doing more cost-appropriate convenient virtualcare visits first, it makes it hard for employers to recognize cost savings. With our digital solutions for patients, we guarantee employers that our virtual care will save them money. Nearly all find cost savings within the first year.”

Stephany Verstraete
Chief Marketing and Engagement Officer
Teladoc Health

“A combination of the usual and unusual”

“Teladoc was already well positioned for virtual care heading into 2020, operating in 125 countries with thousands of enterprise clients. So when the pandemic hit, it was with a combination of the usual and unusual. The usual: A high profile ad campaign – the advertising from Washington – telling people to do it. Then you combine it with a significant price reduction – you made it free for millions of people. The unusual: You’ve taken away every other option. Shelter in a place shut down of brick-and-mortar.

Many changes are here to stay. The awareness and embrace of the medical community have happened. Some constraints were lifted from a physician’s perspective, and largely those constraints won’t come back. And of course, people are not going to stop seeing their doctors, and there are so many things that need to be done in person. It works best when there is an integration between virtual and in-person care.”

“HIPAA is meant to protect patients’ privacy, but is sometimes assumed to be more restrictive than it actually is.”

Suzanne Foster
President
Cardinal Health at-Home Solutions

“Now that people have seen how helpful virtual care it is, there's no going back.”

David Dennis
Vice President of Strategy and Business Development
Cardinal Health

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President
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“How will HIPAA’s perceived restrictiveness impact how we deliver care?”

“Data is great. So are data collection and “iot.” But for healthcare data to be actionable, it needs to be shared.

The intention of HIPAA is not to prevent data sharing. It is meant to protect patients’ privacy, but is sometimes assumed to be more restrictive than it actually is. As we quickly adopt more digital and data sharing solutions, mostly in reaction to COVID-19, how will HIPAA’s perceived restrictiveness impact how we deliver care?”

David Dennis
Vice President of Strategy and Business Development
Cardinal Health

“Habits are the hardest thing to change”

“Habits are the hardest thing to change. And for a long time in healthcare, there was no real downside for providers not changing. But now that people have seen how helpful virtual care is, there’s no going back. I can’t see insurers allowing people to do everything physically again, now that we have confidence in many of the virtual solutions.

I’m interested to see what happens beyond just going virtual. What else can be integrated to increase convenience? Can you wrap up a virtual visit and immediately fill a prescription that can be sent to your home? Or receive a home diagnostic kit to self-administer and send back? The integration and care coordination opportunities get equally interesting as things go more digital.”

George Sauter
Chief Strategy Officer
John Muir Health

“Making the blend of virtual and physical frictionless is critical to moving forward”

“This isn’t about virtual care versus physical. It’s healthcare. You need to physically interact with patients in a wide variety of situations—not just at home, but also with things like pop-up stores at corporate offices or various other convenience options.

The new challenge will be in creating a cohesive experience—and the U.S. healthcare system is already not good at that. Making the blend of virtual and physical frictionless is critical to moving forward. While many are focusing on the digital natives, we see the biggest gains from existing hybrid players. Providers such as One Medical and Carbon Health were well positioned when COVID-19 hit, and they’ve been faring particularly well. They’ve pulled a lot of patient volume from traditional providers in the area.”

Matthew Anderson, MD
Clinical Innovation Lead
Banner Health

“Access to the right bandwidth will continue to be one of the most significant barriers”

“Virtual care is easy and effective, both for patients and doctors. Its future identity will be heavily influenced by how things are and are not reimbursed. The barriers will always be tied to reimbursement. But traction is dependent on whether a patient has access to technology. In rural areas where telemedicine should be fantastic, the biggest issue is the lack of internet bandwidth and sometimes the lack of devices. That’s another social inequity we need to recognize. Access to the right bandwidth will continue to be one of the most significant barriers.

As rural hospitals continue to close, hybrid digital and physical solutions could be their salvation. But virtual care poses many questions about hospital staffing questions as well. Do you need to staff hospitalists 24/7 at low patient volume locations? Do you need as many specialists physically at multiple locations?”

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George Sauter
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“Health systems and primary care groups need to be the ones that adapt and own this virtual care surge.”

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“Interoperability is becoming even more important”

“Synchronous virtual care solutions are arguably a bit easier to understand and discuss as those are conversations about using Zoom or FaceTime for a virtual visit, versus a whole different platform.

But the bigger challenge is the asynchronous solution. How do you take all of the connected devices and patient data and pull it into the same place at the same time to have a robust care conversation between a doctor and patient? The more care is done virtually, the more that information needs to be collected, relayed and reported in an integrated, secure fashion.

The asynchronous parts of virtual care are challenging. Interoperability is becoming even more important. There are many stakeholders but I think the systems that are at the point of care become the natural hub to do virtual visits and share clinical data between patients and healthcare providers.

Even as more aspects of care move to virtual care the provider systems are generating much of the information that direct the pathway of care. Health systems and primary care groups need to be the ones that adapt and own this virtual care surge. Many people race to healthcare consumerism when they think of virtual care, but healthcare providers are still diagnosing, prescribing and referring. And that’s not likely to change any time soon.”

Rusty Yeager
Senior Vice President, CIO
Encompass Health

“Platform players will win, as they can pull in the fragmented pieces of healthcare”

“The idea that healthcare is local has been a drumbeat for years. But in the case of virtual, it’s not. An over-reliance on physical locations and big integrated delivery networks will dramatically change as virtual care – in all its forms – grows. Whether it’s six feet between people, more social distancing or people needing to wait in their cars before they are allowed to walk in, there is a need to have few people in those places. And this will inevitably be addressed by a variety of technology-enabled solutions.

Platform players will win, as they can pull in the fragmented pieces of healthcare. I think that a combination of community, health and tech platforms could translate into serious healthcare spaces. Some of that is due to healthcare’s culture of being slow to respond. You can’t get to a dramatic scale unless there is a driving force. And we got that with COVID-19.”

Jake Orville

General manager, Pipeline
Exact Sciences

“The lab business is no longer about the lab, it’s about the sample”

“Healthcare providers need to ask themselves, ‘Why have patients come to us, when we can come to you?’ Virtual care solutions solve for a lot of it, but we still need diagnostic tests – Cologuard is just one example. We have the ability to get to the home easily. The experience we offer is no longer compared to a colonoscopy, but to Amazon – it’s that easy to send, administer and return the test.

Even if labs can’t get into homes, they can still bridge the gap by reaching people in other places, like retail stores. The lab business is no longer about the lab, it’s about the sample. If you meet the patients where they are, you earn the business. So labs need to capture more samples, not open more labs. A bold example is Walmart and Quest Diagnostics partnering to use drone delivery of COVID-19 tests to homes in Texas. COVID-19 is pushing healthcare companies to think outside of hospital and labs.”

Nick Patel, MD

Chief Digital Officer
Prisma Health

“We need to build out a digital continuum”

“The majority of a doctor’s visit is spent getting history from a patient. The next is determining tests – if any. And then treatment. The most important commodity to a provider is information that enlightens us on what to do next. A lot of that can be done virtually, but some still need a physical visit for diagnosis. We’re living in a world which I call Healthcare 2.0. It’s more digital, but mostly focused on the EHR, but we still need to move to Healthcare 3.0, where everything comes together to create an integrated virtual experience that includes wearables, robotic process automation, and AI to deliver data driven, near real-time healthcare to keep patients out of the hospital.

We need to build out a digital continuum with the use of automation to seamlessly escalate someone from an asynchronous e-visit, to a video virtual visit, to an in-person visit. Clean data flow is a key ingredient. Otherwise, we’re just creating uncoordinated bespoke – and frustrating – experiences.

We did about 500,000 virtual visits in 2020, up from between 15,000-20,000 per year before 2020.

I don’t think I ever thought I’d see that level of adoption in my lifetime.”

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Final Thoughts:

As organizations continue to assess how well – or poorly – they are faring in virtual care, we see a growing push toward cohesion.

More are striving toward the integration required to win with today's increasingly digital customers and patients.

Once business problems are defined, organizations can move forward faster by focusing on...

Patient experience

Find more ways to move beyond tactical fixes to a holistic experience strategy, one that addresses virtual and physical healthcare.

Business-model innovation

Reevaluate organizational blueprints, right down to the role of physical design. How should staffing, space and capital be redeployed to better serve virtual interactions?

Digital transformation

Continue to invest in digital and tech innovations, recognizing that evolving platforms, devices and data-sharing strategies will require more hands-on management than ever before.

While daunting, the virtual care revolution makes it easier for organizations to confront the existential questions that have been dogging healthcare for years.

Prophet believes these changes present multiple opportunities for sharpening focus, improving care and achieving uncommon growth.

PROPHET

Our Services:

End-to-end patient experience strategy
Product, service & touchpoint design
Organizational design & operating model
Digital marketing & sales strategy
Brand positioning & portfolio architecture



Jeff Gourdji

Practice Co-lead and Partner

prophet.com/author/jeff-gourdji/
J_gourdji@prophet.com



Paul Schrimpf

Practice Co-lead and Partner

prophet.com/author/paul-schrimpf/
P_schrimpf@prophet.com

Prophet is a digitally-powered, creatively-inspired consultancy that helps our clients unlock uncommon growth in the face of disruption. Unprecedented levels of change and disruption require new thinking and transformative approaches to growth. From purpose to product, brand to experience, customers to operations, we bring the insight, rigor and expertise needed to help our clients realize transformative opportunities.

Our global team combines insight, creativity, data and technology to help our clients unlock growth that is human-centered, transformative and durable. We are guided by a mission and set of values that are focused on a higher-order approach to growth. Our global footprint operates within a single P&L, enabling us to bring the right people with the right experience together to solve our clients' current business challenges from across our 12 global offices.

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