

Telehealth: The Next Frontier  
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# Telehealth: The Next Frontier

Aryana Khalid  
Managing Director, Glover Park Group

# Overarching Health Care Trends

Our health care system is excessively complex, costly and fragmented. Change is constant and the future is uncertain.

1

**Increasing  
Health Care  
Costs**

2

**Aging  
Population**

3

**Increasing  
Chronic Disease**

4

**Rising  
Consumerism**

# Overarching Health Care Trends

## 1 Increasing Health Care Costs

- Health care costs in the U.S. continue to rise, becoming a larger share of our GDP.
  - Health care spending has **increased from 5 percent of GDP in 1960 to 18 percent today**, and is on a path to reach 20 percent within the next 10 years.
  - Chronic disease **accounts for 75 percent** of all healthcare costs.

## 2 Aging Population

- The population is aging...
  - The silver tsunami is arriving in full force; in just four years **10,000 people in the U.S. will turn 65 every day** for the next eight years AND the **baby boomers start to turn age 75**.

# Overarching Health Care Trends


## 3 Increasing Chronic Disease

- Chronic diseases are becoming more prevalent.
  - Chronic disease costs the **U.S. \$1.5 trillion** each year and is **responsible for 7 out of 10 deaths** in the U.S.
  - **Half of all adults have one chronic disease**, many of which are largely preventable, and that is projected to continue growing as our population ages.

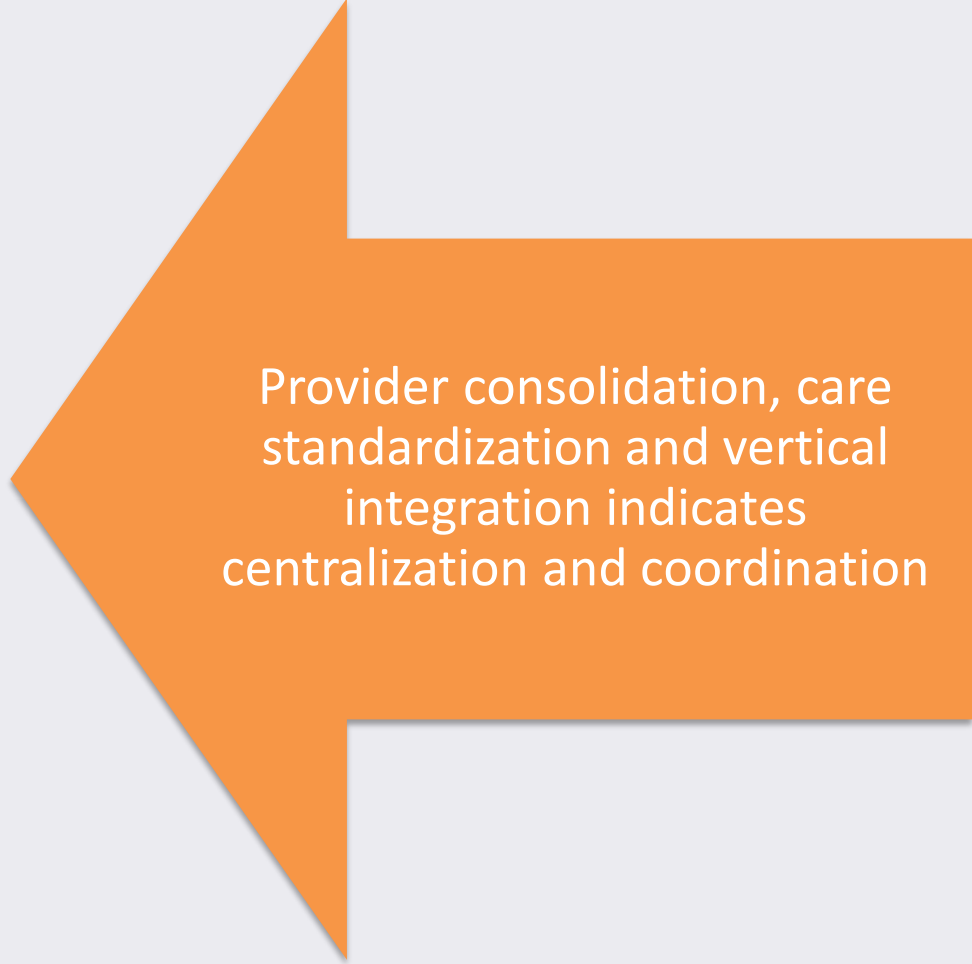
## 4 Rising Consumerism

- The rise of consumerism is driven in large part by the increasing numbers of individuals in consumer driven health plans.
  - Employees' health premiums have been rising at about **twice the rate of annual salary increases**.
  - Today, **nearly 30 percent** of employees are **enrolled in high-deductible plans**, compared to **only 4 percent a decade ago**.
  - These plan designs are intended to introduce **more consumerism into the health care system**.
  - And, the **opaque nature of the current system** does not offer the level of transparency needed to empower the consumer to make informed decisions.

# Trends Leads To Opposing Forces



Demands for increased transparency, access, wearable technology and management of patient subsets indicates decentralization and specialization



Provider consolidation, care standardization and vertical integration indicates centralization and coordination

# So What Does it Really Mean to be a Health Care Consumer?

Health care consumers are juggling many health needs:

- Multiple prescriptions, complex and chronic illnesses, day-to-day health and fitness.
- They're on the go – which means they need to be able to manage their health when, where and how they want to.

## What consumers DON'T want and DO want

- They do NOT want commoditized, one-size-fits-all health care
- They DO want a customized solution and require a responsive, nimble and attentive partner who is focused on their experience and their outcomes
- They DO want convenient, affordable acute care

## What's important to consumers

- Value and convenience
- Reasonable costs
- High quality and accessibility

# Why Does This Matter?

For the  
system

- When consumers better understand their health, it empowers them to make more informed decisions and when that happens, everyone in the system benefits.

For  
telehealth

- With predicted shortages of clinicians, we need to think about different ways to deliver and coordinate care at a lower cost in a way that complements the traditional system while leveraging new technologies and responding to patient and caregiver needs.

# The Market

## Global Telehealth Marketplace

- Expected to more than double in a five-year period - from an estimated \$25 billion industry in 2015 to nearly \$58 billion by 2020
- Number of people using telehealth services each year is projected to grow from 350,000 to 7 million over same period of time

## Large employers

- By early next year, virtually all employers (96 percent) will make telehealth services available in states where it is allowed, up from 90 percent this year, 46 percent in 2015 and 7 percent in 2012
- More than half (56 percent) plan to offer telehealth for behavioral health services, more than double the percentage this year
- Telehealth utilization is on the rise, with nearly 20 percent of employers experiencing employee utilization rates of 8 percent or higher

## Medicare

- Medicare spending jumped 28 percent to a total of nearly \$30 billion in 2016
- Reimbursement for the telehealth has grown nearly two-thirds since 2014
- However, telemedicine-devoted dollars are still an infinitesimal fraction of overall Medicare spending (\$588 billion in 2016) and reimbursement is the most frequently cited barrier to expanding telehealth



# The Market

## States

- As the federal government lags, and as telehealth becomes more prevalent among US healthcare institutions, states are rolling out or modifying their laws to better define regulatory frameworks specifically affecting remote delivery of care
- Every state but Connecticut and Massachusetts has made substantive legal changes to how telehealth is delivered in the past year, with some taking specific actions to better define the path of mental health-focused treatment

## Telemental Health

- A new, viable frontier for telehealth, as mental health disorders continue to be a major issue in the United States, with about 43.8 million adults experiencing a diagnosable mental illness in 2013

## Digitally Connected Consumer

- Consumers are looking to digital technology to enhance their quality of life
  - Nearly 90 percent of the US population is online
  - 58 percent of US adults own a smartphone
  - Over 40 percent of adults own a tablet
  - 80 percent of Internet users look online for health information

# To Know Where You Are Going You Have to Know Where You Have Been

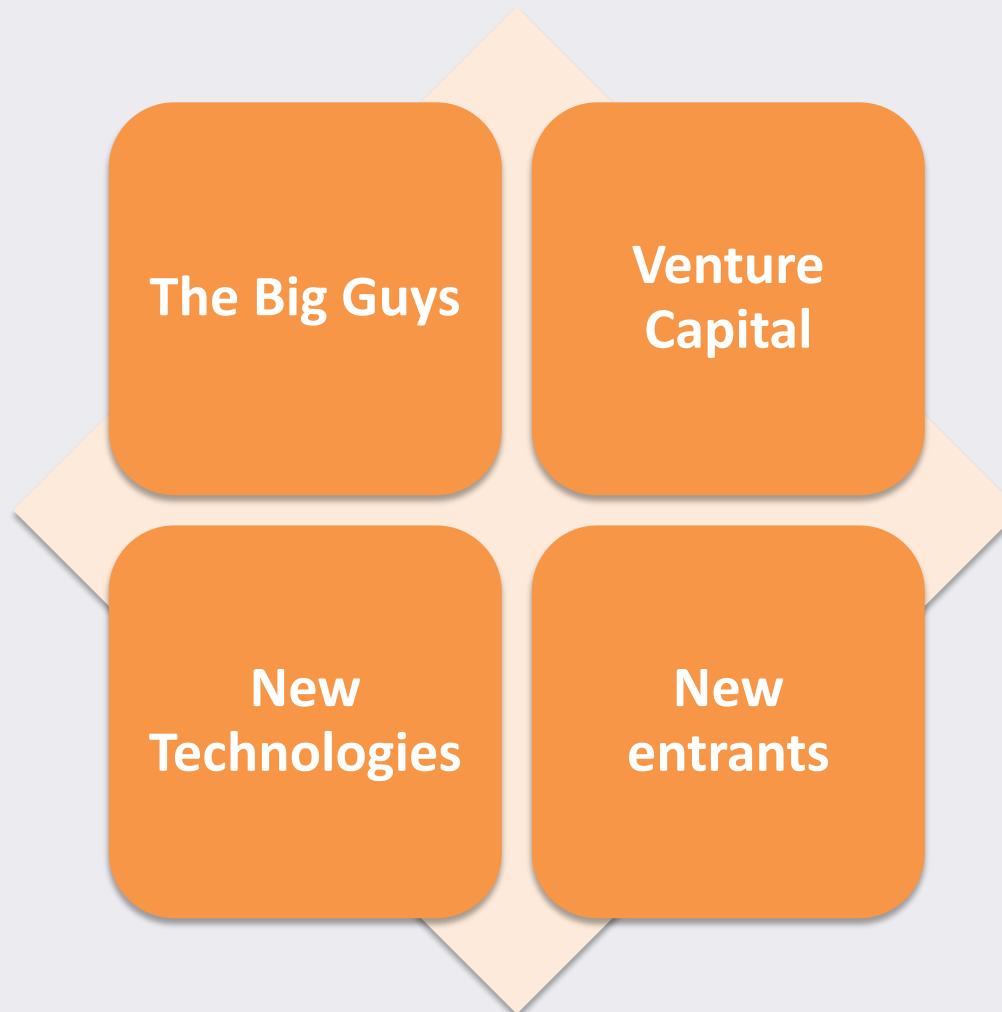
## Some things are still the same

- Access
- Workforce shortages
- Challenges in rural communities
- How do we deal with that pesky CBO?
- Despite the promise of remote medical care, many traditional barriers remain
- Limited reimbursement

## Many things are changing

- Delivery system reform / new payment models
- Federal and state legislative and regulatory changes
- Licensure compacts
- Pairing smart phones and other devices in the home to truly manage the entire patient
- Telehealth as a part of network adequacy?
- More telehealth in their 2019 health plan benefit designs?

# Who/What May Shake Up The Market



# Questions

# Thank you.



1025 F Street NW, 9th Floor  
Washington, DC 20004

17th Floor, 114 Fifth Avenue  
New York, NY 10011

202.337.0808 | [GPG.COM](http://GPG.COM)