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Implications of Virtual Healthcare Adoption on Patient Capture and Retention

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With every health system's ten-year plan for virtual health being implemented during a two to six-week period in March/April 2020, health systems will not be returning to the pre-pandemic strategy landscape when it comes to competing for patients. While many health systems have historically utilized aspects of a virtual health strategy as part of their future care delivery design, the pandemic marked a shift in virtual care delivery and acceptance – and transformed competition in everyone's market.

The frantic adoption of virtual and telehealth channels for patient care most immediately solved the question of "how do we care for patients during a pandemic?" While significant unknowns in terms of the post-pandemic virtual health regulatory landscape remain, we can be certain that it will provide a new competitive paradigm that successful organizations will use to shift market volumes. We are, in fact, in a new reality where patient movement throughout the care continuum will be as fluid as ever, thanks to the pandemic-related removal of regulatory and reimbursement barriers leading to widespread adoption. Because of this, many health systems are aggressively striving to answer the strategic question of "What does a mature virtual health offering look like and how it is best leveraged to acquire and retain patients and market share?"   This question will be answered over time, but we see four imperatives for health systems to consider immediately:

1 Prepare for Disruption to Existing Patient Relationships

Overall, the biggest threat to health systems from widespread adoption of virtual health is disruption of existing patient/provider relationships. This will come in the form of increased commercial telehealth company presence, new competition from existing competitor health systems – both within the market and outside the market – and independent physician practices. Increased patient acceptance of virtual health creates an access competition that historically was framed by the geographic location of access points. While every health system should view this as a threat, it is also an opportunity for growth if the organization can become a market leader in this area.

2 **Virtual Health Delivery Must Be A Core Competency**

Most healthcare organizations pieced together a Virtual Health offering during the COVID-19 pandemic out of necessity. Thanks to relaxed regulations around these services, there are a multitude of solutions being utilized to connect providers and patients. However, as this market matures, we can expect the quality of Virtual Health offerings by a health system will become a differentiator – positive or negative – and will have a direct impact on a health system's ability to acquire and retain patients. While the inevitable retightening of Virtual Health regulatory and reimbursement guidance will force restructuring of some Virtual Health models, health systems should be motivated to build a "best in class" offering and differentiate themselves from others.

3 **Practice Operations and Culture Cannot "Go Back to Normal"**

Thankfully, the massive COVID-19 related disruptions to practice operations that spurred the quick rise of Virtual Health adoption will not last forever. As the COVID-19 threat diminishes, one of the many challenges will be the desire to return to "normalcy" as it relates to day-to-day practice operations and patient interactions. Providers who only acquiesced to utilize virtual care because of the necessity of the moment will pose barriers to continuing to incorporate virtual care in the patient care delivery model. However, given the widespread patient acceptance and adoption of convenient virtual health interactions in both primary care and specialty care scenarios, practices and providers who want to go back to a pre-COVID workflow primarily centered on face-to-face office visits will find themselves out of step with market desires and will potentially see significant patient losses to those that embrace virtual care in daily practice. In addition, confining thinking to solely conducting operations in "bricks and mortar" locations will result in many lost opportunities. Expand horizons for mental health, dermatological, and "urgent" care through telehealth offerings. Increase staffing and more fully utilize current physical spaces by augmenting office encounters with virtual encounters to cost effectively and more conveniently (for both patients and providers) render care. These changes will directly impact daily practice operations, patient scheduling, staffing, coding and documentation requirements, revenue cycle management, and ultimately, the entire culture of the network.

4 **Tracking Patient Behavior Across the Care Continuum is Critical**

Most health systems' view of individual patient activity is confined to their own EMR platform – despite the presence of health information exchanges (HIE) in some areas. This limits a health systems' ability to know or understand when patients choose to seek care outside of the health system's network. In the past, health systems originally experienced this when patients used competitors' Emergency Departments and later with the rise of independent urgent care center popularity. Prior to COVID-19, independent companies offering virtual services for minor acute care (for a fixed fee) were making progressive inroads into most markets. These companies experienced significant increases in volume during the pandemic. Health care organizations are reportedly following suit to recapture this volume – and pilfer it from others.

As the number of easily entered healthcare access points continues to expand, patients can be expected to seek alternative routes of care more frequently. Health systems must be able to comprehensively track patient activity to be aware of access gaps and/or understand where competition is making inroads on attracting patients that have historically been loyal to the organization. Having access to measure the impact is crucial for understanding market forces, the disruptors in play, and the implications for strategic services.

Overall, Virtual Health adoption will be a force in the market that will disrupt the current patient/provider dynamic. Health systems must quickly build a long-term strategy for Virtual Health deployment that differentiates them in the marketplace – or risk their competitors and other third parties doing so to their detriment.

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