



Health
Recovery
Solutions



How Payers Can Thrive with Remote Care in a Post-PHE World



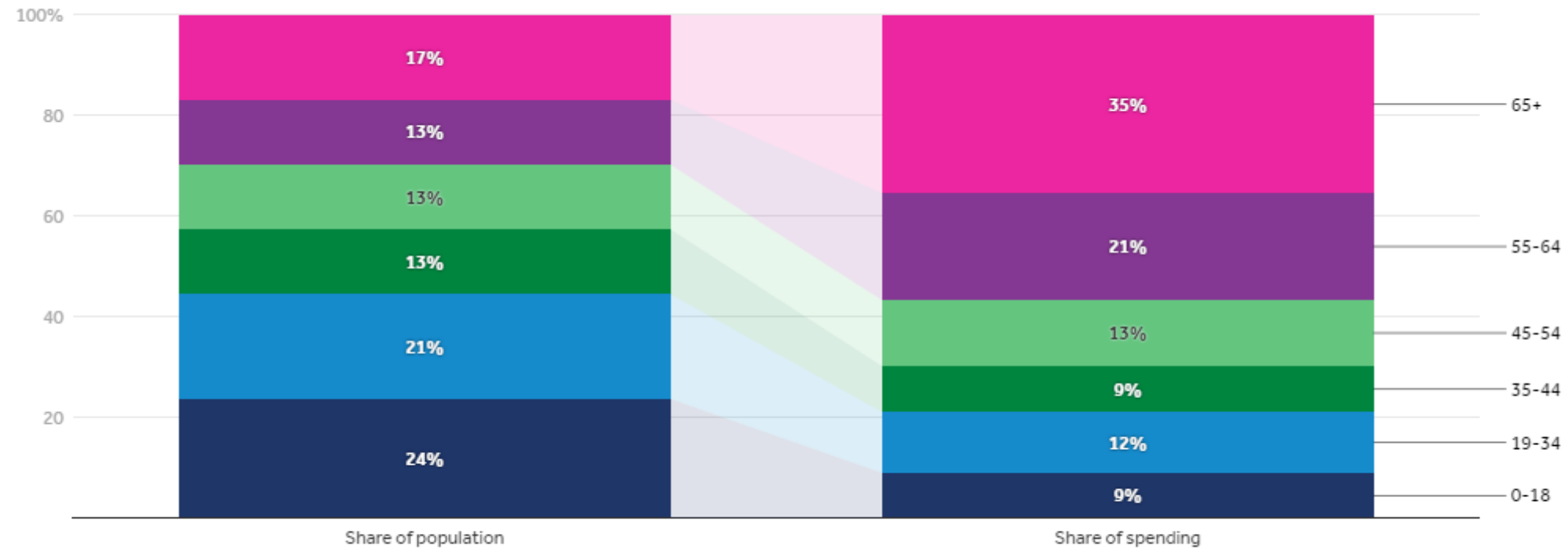
Waste in the US Healthcare System

The United States spends approximately 18% of their GDP on healthcare costs.
An estimated **30% may be considered waste.**

| <u><i>Source: Waste in the US Health Care System: Estimated Costs and Potential for Savings</i></u> | Estimated total annual cost of waste | Estimated annual savings to eliminate waste: |
|---|--------------------------------------|--|
| Failure of care delivery | \$102.4 billion - \$165.7 billion | \$44.4 billion - \$97.3 billion |
| Failure of care coordination | \$27.2 billion - \$78.2 billion | \$29.6 billion - \$38.2 billion |
| Overtreatment or low-value care | \$75.7 billion - \$101.2 billion | \$12.8 billion - \$28.6 billion |
| Pricing Failure | \$230.7 billion - \$240.5 billion | \$81.4 billion - \$91.2 billion |
| Fraud and abuse | \$58.5 billion - \$83.9 billion | \$22.8 billion - \$30.8 billion |
| Administrative complexity | \$265.6 billion | - |
| Estimated total cost | \$760 billion - \$935 billion | \$191 billion - \$286 billion |

Pre-Pandemic Spend by Age

Share of total health spending by age group, 2019



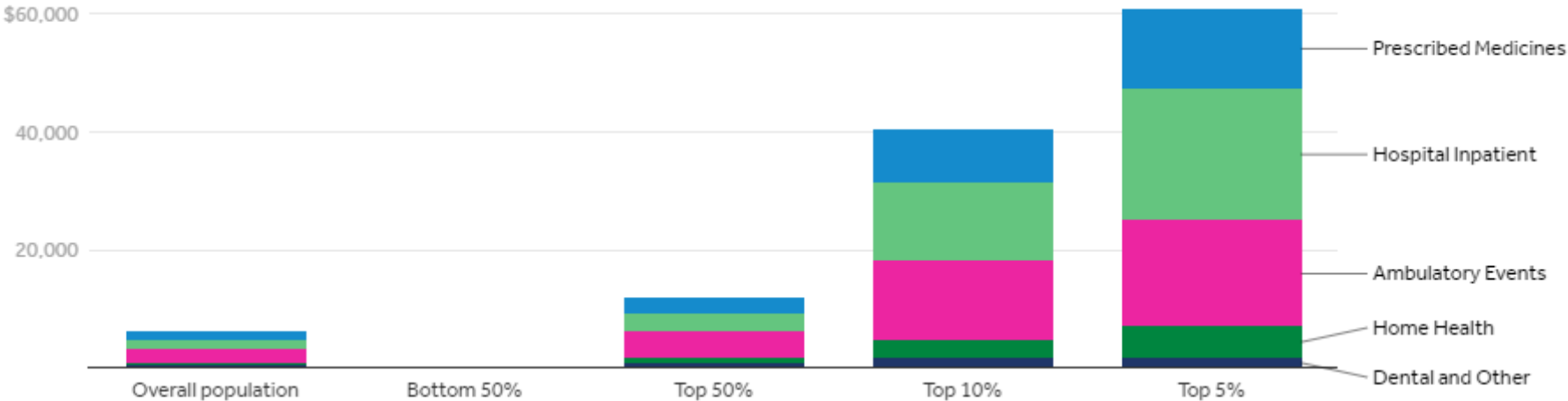
Source: [KFF analysis of 2019 Medical Expenditure Panel Survey data](#) • [Get the data](#) • [PNG](#)

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Pre-Pandemic Spend by Service Allocation

Average **total** health spending by type of service and percentile of overall health spending, 2019

Select: **Total** Out-of-Pocket



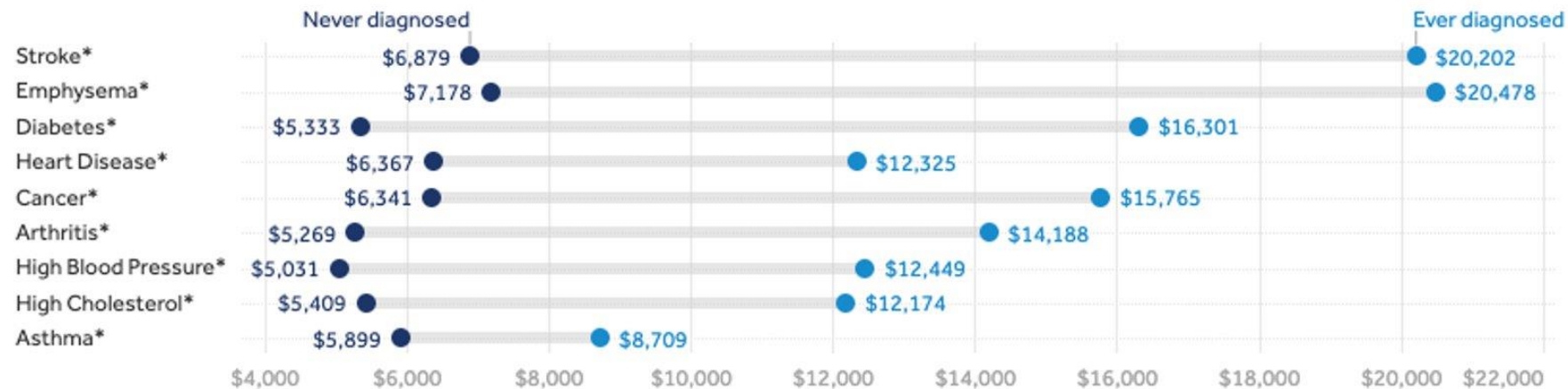
Source: [KFF Analysis of 2019 Medical Expenditure Panel Survey data](#) • [Get the data](#) • [PNG](#)

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Pre-Pandemic Spend by Condition

Average adult **total** health spending based on diagnosis status, 2019

Select: **All Adults** **Adults age 65+**



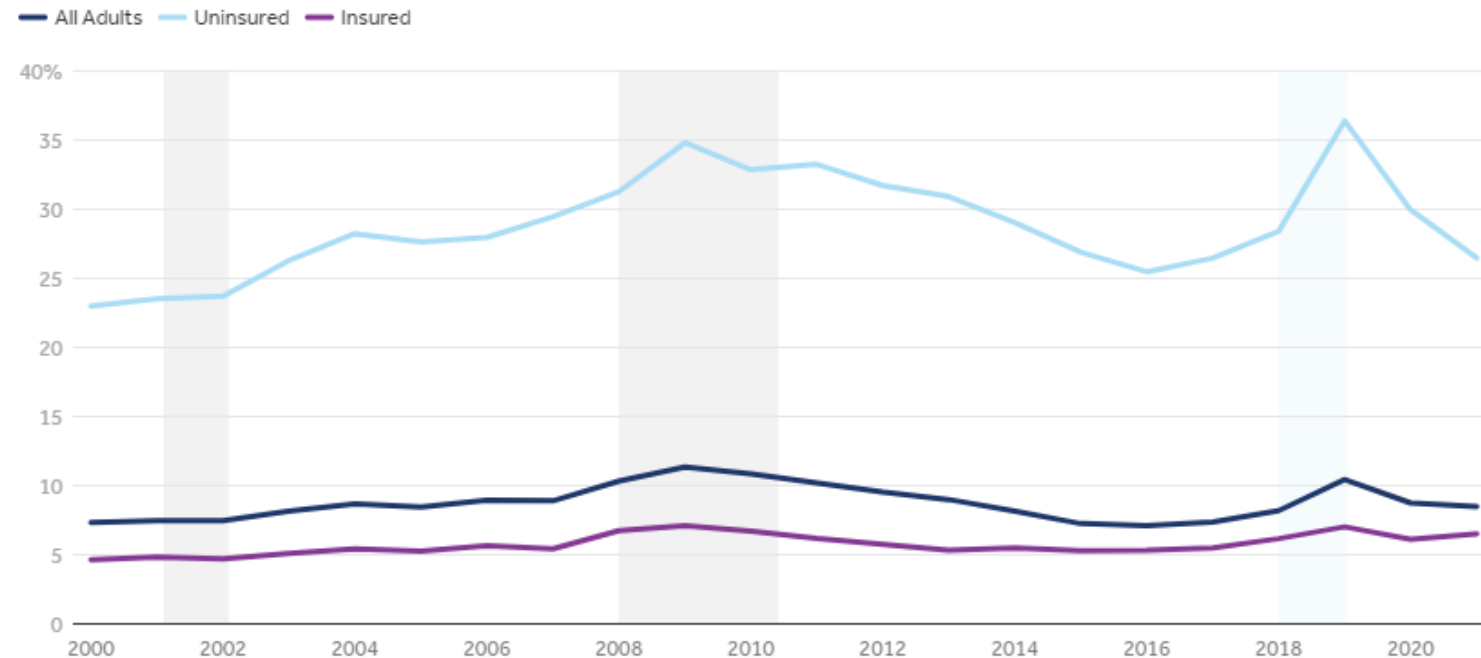
Note: For diagnoses shown, with the exception of asthma and diabetes, diagnosis status was asked only of respondents age 18 or older. All respondents up to age 85 were asked about their asthma and diabetes diagnosis status. A (*) next to the disease name indicates that there is a statistically significant difference ($p < 0.05$) between individuals who have ever been diagnosed and never diagnosed with the disease.

Source: [KFF analysis of 2019 Medical Expenditure Panel Survey](#) • [Get the data](#) • [PNG](#)

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Pre-Pandemic Spend by Condition

Percent of adults who report delaying and/or going without medical care due to costs, by insurance status, 2000-2021



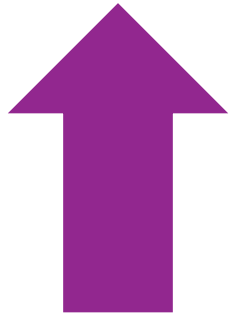
Note: Blue region represents the CDC redesign of NHIS. Changes from 2018 to 2019 are at least in part due to the NHIS questionnaire redesign, the updated weighting approach, or both, in addition to any actual change over time. Grey region represents periods of economic recession.

Source: [KFF analysis of National Health Interview Survey](#) • [Get the data](#) • [PNG](#)

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How the Pandemic Has Impacted Healthcare Spending

By Condition:



Mental Health
Conditions



Elective
Procedures

By Care Setting:



Hospital Care



Outpatient Care

How the Pandemic Has Impacted Healthcare Spending

| Change Type | Permanent Medicare Changes | Temporary Medicare Changes (ends Dec 31, 2024) | PHE Medicare Changes (ends May 13, 2023) |
|--------------------|--|---|---|
| Original Objective | Better patient access to mental healthcare services | Better patient access to general telehealth services | Better organizational access to adopting telehealth |
| Key Changes | <p>No restrictions on originating sites for behavioral/mental telehealth services</p> <p>Looser restrictions on communication platforms for behavioral/mental telehealth</p> | <p>No restrictions on originating sites for general telehealth services</p> <p>Looser restrictions on communication platforms for general telehealth</p> <p>Medicare patients can receive telehealth services in the home</p> | <p>Telehealth can be provided as an excepted benefit.</p> <p>Medicare-covered providers may use non-HIPAA compliant communication tools for telehealth (i.e., Zoom)</p> |

How Do You Manage Remote Care Effectively Now that the PHE is Going Away?

As PHE funding comes to an end, organizations can look to deploy remote care programs in several key areas.



Behavioral Health

Telehealth services can provide mental health patients with regular check-ins, access to mental health professionals, and the tools they need to manage their conditions from home



Chronic Disease Management

Remote care programs can be particularly effective for patients with chronic conditions, such as diabetes, hypertension, and heart disease. These programs help patients manage their conditions more effectively, reduce hospitalizations, and improve overall health outcomes.



Post-Acute Care

Remote care programs can be beneficial for patients who have recently been discharged from the hospital and require ongoing care. These programs help reduce readmissions, improve patient recovery, and provide patients with the support they need to manage their conditions at home.



Preventive Care

Remote care can be used to provide preventive care to patients who are at risk of developing chronic conditions. By monitoring vital signs, conducting regular check-ins, and providing education and support, these programs help patients have more healthy days at home and avoid more serious problems in the future



Rural and Underserved Areas

Remote care programs can be particularly valuable in rural and underserved areas where access to healthcare services may be limited. By leveraging remote care technologies, these programs can help improve access to care, reduce healthcare disparities, and improve health outcomes

How Do You Manage Remote Care Effectively Now that the PHE is Going Away?



Offer Flexible Reimbursement Policies

Payers can offer flexible reimbursement policies that enable providers to bill for remote care services effectively. This can include reimbursing for remote care visits at the same rate as in-person visits and expanding coverage to include additional remote care services.



Promote the Use of Remote Care Technologies

By offering financial incentives and collaborating with technology vendors to provide discounted services to providers, payers can encourage more use of remote care technologies.



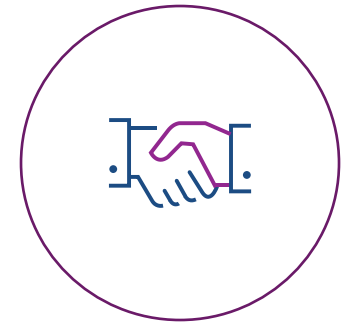
Provide Education and Training

Payers can provide education and training to providers on how to effectively use remote care technologies, communicate with patients remotely, and manage patient data and information securely.



Monitor the Quality of Remote Care Services

By implementing performance metrics, tracking patient outcomes, and conducting regular audits, payers can monitor the quality of remote care services.



Collaborate with Providers and Patients

Payers can work closely with providers and patients to ensure that remote care services are being utilized effectively and meeting the needs of patients.

The Many Benefits of Remote Care Programs

| Benefits to Payers & Providers | Benefits to Patients |
|--|---|
| <ul style="list-style-type: none">• See improvements in HEDIS measures, star ratings, and member retention• Achieve more efficient utilization and care management• Optimize care coordination between payer and provider• Enhance efficiency in care delivery through automation tools• See a decrease in costs by shifting in-person care to remote care• Providers can optimize case loads, with one nurse potentially able to care for 100 patients• Providers can touch base with patients more frequently without overwhelming clinical capacity | <ul style="list-style-type: none">• Avoid delays in treatment and increase access to care• Reduce hospital readmissions, bringing down the overall cost of care for patients• Treat patients in a less stressful environment with fewer exposure risks• Patients feel more cared for with more frequent communication through remote tools |

How Remote Care Decreases Costs for Payers

Efficient Utilization Management, Reduction of ED Visits, Avoidable Hospital (Re-) Admissions

Remote care, when effectively operationalized, provides a power toolbox to reduce unnecessary visits to the Emergency Department, and a potential hospital admission. Rather than an inpatient admission – remote care enables safe monitoring at-home

Early Detection and Intervention

The best outcome for both a consumer of healthcare, and those rendering care to their patients is risk mitigation. For those that are deemed high-risk, remote care provides a sound offering to provide targeted interventions at the point of decline, prior to hospitalization

Managing Care Upstream, Reducing Overall Medical Cost Spend

Equipping consumers with the tools to better manage care prior to an exacerbation or adverse event is in the best interest of both the health plan and member. Remote care provides a flexible offering, available to deploy across acuity pyramid – from low, to rising, to high-risk populations

Diversified Benefit Offerings, Aimed at Improving Member Satisfaction, Retention & Decreasing Acquisition Cost

Important to member acquisition and member retention includes a plan to engage consumers across value provided, provider options, and member experience. In the age of healthcare consumerism, options to engage with your healthcare needs in a means most convenient to you, while ensuring your health is a top priority is an attractive offering to acquire, retain, and grow your membership. This allows for a delightful member-centric experience

An example equation shows how next-generation actions can potentially improve care management ROI.

By implementing next-generation actions, payers can potentially improve specific components of the payer care management ROI equation

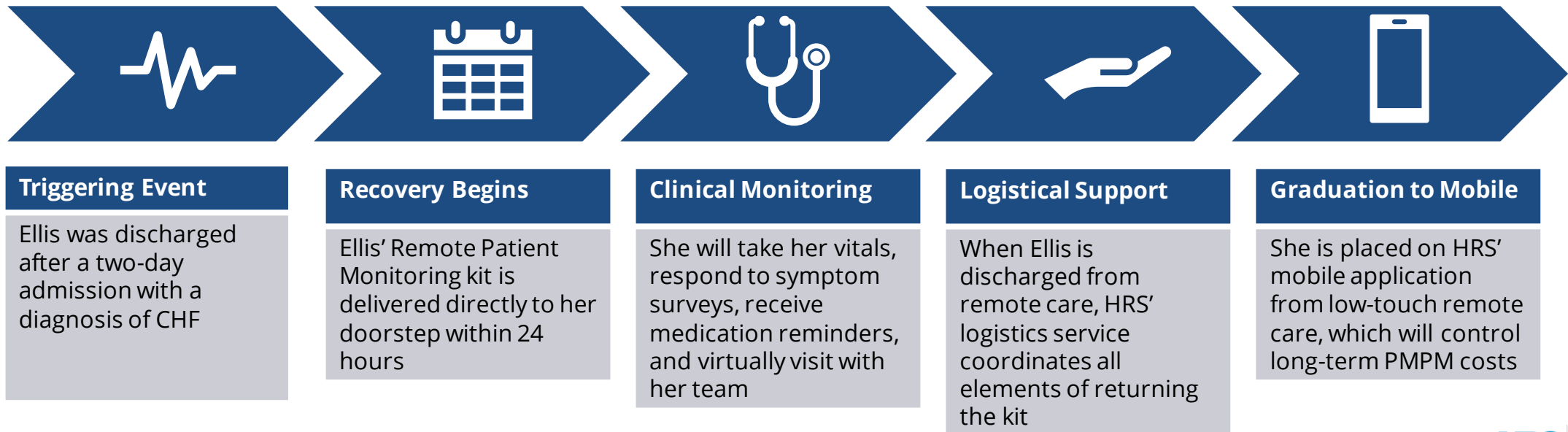
| | Today | Next generation |
|---|-------------------|-------------------|
| Percent of members targeted for care management | ~15–20% | ~15–20% |
| | ⊗ | ⊗ |
| Percent of targeted members engaged | ~10–30% | ~40–60% |
| | ⊗ | ⊗ |
| Percent medical cost reduction for engaged members | ~0–5% | ~10–15% |
| | ⊕ | ⊕ |
| Care management administrative costs a percent of premium for all members | ~0.5–1% | ~0.5–1% |
| | ⊖ | ⊖ |
| Potential ROI | Less than 2:1 ROI | More than 2:1 ROI |

Source: Aggregate McKinsey client experience

The Member Experience with Remote Care



Meet Ellis. She has been a member of your MA plan for 5 years. Despite consistently having annual wellness visits, she has experienced increased ED Utilization due to heart arrhythmia over the past 6 weeks. She was admitted to the hospital through the ED on her last episode.



Measuring Success with Remote Care

MaineHealth Accountable Care Organization (MHACO) Partners with Anthem to Reduce Healthcare Utilization for Hypertension Patients

Healthcare services, medications, and loss of productivity related to hypertension cost the US between \$131 and \$198 billion each year over the last decade.

The high rate of uncontrolled hypertension is largely due to several factors:



Low patient adherence to hypertension medication regimens, therapies, and care plans.



Complexity of care plans and lack of education on the impact of uncontrolled hypertension and benefits of care.



Poor patient-physician communication delaying enrollment in hypertension therapies, or preventing timely intervention or escalation of care services.

MaineHealth Accountable Care Organization

Organization Type:

Accountable Care Organization

Location:

Maine

HRS Products:

PatientConnect Complete

Measuring Success with Remote Care

In early 2021, MHACO partnered with Anthem to reduce healthcare utilization among patients diagnosed with hypertension.

Telehealth and Remote Patient Monitoring enabled MHACO clinicians to enhance patient care by providing:

- **Daily vital sign monitoring** of patients' blood pressure readings, recorded by patients on a tablet and seamlessly transferred to a clinician dashboard
- **Condition-specific symptom surveys** answered daily by patients to provide a complete picture of patients' daily health status to the MHACO care team
- **Education and clinician interventions**, when deemed necessary by the MHACO care team or when vital signs and reported symptoms triggered a high-risk alert, indicating a potential exacerbation
- **Enhanced care coordination** through weekly patient reports provided to referring physicians, highlighting any clinical interventions, medication changes, and care plan modifications that were made by the MHACO care team

MaineHealth Accountable Care Organization

Organization Type:

Accountable Care Organization

Location:

Maine

HRS Products:

PatientConnect Complete

Measuring Success with Remote Care

Within four weeks of enrollment in the telehealth and remote patient monitoring pilot program, 70% of patients had controlled their hypertension, achieving consistent, daily blood pressure readings at the 135/85 control threshold.



70%

Of Telehealth Patients
Achieved Controlled
Hypertension Status
within Four Weeks

MaineHealth Accountable Care Organization

Organization Type:

Accountable Care Organization

Location:

Maine

HRS Products:

PatientConnect Complete