

A Virtual Awakening: COVID-19 Brings Healthcare Revolution

► Healthcare delivery has undergone a dramatic shift in the wake of the COVID-19 pandemic.

Virtual health has been around for more than a decade, but adoption has been slow. However, thanks to advances in technology and the global pandemic that have impacted all areas of health, healthcare is being brought into patients' homes via technology-enabled solutions.

According to a report published by the CDC, telehealth visits rose by 154% in the last week of March 2020 compared with the same period in 2019. And a McKinsey report shows providers plan extensive investment in virtual health applications, with 93% expected to invest in synchronous telemedicine (up from 77% currently); 82% in asynchronous telemedicine (up from 41%); 91% in patient engagement (up from 36%); 93% in remote monitoring (from just 32%); 68% in replacement therapies (from 13%); 77% in treatment optimization (from just 11%); and 77% in triage (from 11%).

Interest in virtual health has been growing, with 70% of U.S. consumers having said be-

fore the pandemic that they were interested in receiving a range of health services virtually. Now, with virtual health well-established and accepted — with 60% of patients using some telemedicine in 2020, up from 2% in 2019 — it's unlikely there will be a return to the low pre-COVID-19 numbers. Indeed, the virtual health market rose from \$11.98 billion in 2019 to \$30.9 billion in 2020 and is projected to reach \$91.9 billion by 2026.

Mental Health Support

One area where virtual health has been particularly critical during the pandemic is with helping people address mental health issues. Some reports have likened the effects of quarantine and social distancing to post-traumatic stress. The importance of providing virtual health services for mental well-being is, therefore, paramount.

Social media has helped to raise awareness

about mental health issues. Examples include public awareness campaigns from the American Foundation for Suicide Prevention and Instagram. Many outpatient mental health services have also been quick to embrace virtual health to support patients. For example, the outpatient psychiatric clinic at UC Davis Health was converted into a telepsychiatry clinic in just three business days.

The huge importance of virtual mental health services has brought greater attention to virtual services that specialize in on-demand mental health support.

Ginger, which offers behavioral health coaching 24/7 as well as support from therapists and psychiatrists via live video, carried out a survey in early April to assess the impact of the pandemic on behavioral health. The survey of 554 people found COVID-19 was affecting stress levels in 96% of respondents. The pandemic has also encouraged businesses to focus more seriously on mental health, with half of respondents to the survey saying their employers are more focused on employees' mental well-being. Since the pandemic there has been a rapid uptake of services for teletherapy providers. In July 2020, Ginger saw adoption rates for coaching rise 125% and rates for therapy and psychiatry services increase 265%.

Other virtual health services have reported a large increase in demand for teletherapy services. Doctor on Demand has reported record levels of patients seeking teletherapy, while Teladoc said that during the first quarter of 2020 alone, the company onboarded more than 6 million new paid members in the United States. Demand has been particularly

Virtual Health Applications Across Three Categories

CATEGORY: TELEHEALTH

Sub-category: Synchronous (telemedicine)

- live, two-way audio-visual interaction between patients and providers
- live, two-way interaction between providers

Sub-category: Asynchronous (store and forward)

- Provider-to-provider transmission of recorded health history (e.g. sending lab tests)
- Provider-to-patient transmission of patient information (e.g. post visit follow-up texts or phone calls)

Sub-category: Remote Patient Monitoring

- Collection of electronic personal health/medical data that is transmitted for review by a remote provider

CATEGORY: DIGITAL THERAPEUTICS

Sub-category: Replacement Therapies

- Evidence-based therapeutic interventions that leverage software to prevent, manage, or treat a condition, in lieu of conventional treatments (e.g. pharmaceuticals)

Sub-category: Treatment Optimization

- Optimizes medication, extending the

value of pharmaceutical treatments (e.g. improving adherence, monitoring side effects)

CATEGORY: CARE NAVIGATION

Sub-category: Patient Self-Directed Care

- Patients accessing their own information (e.g. 24-hour access to secure website of personal health information)

Sub-category: Triage

- Tools that provide support in searching for and scheduling appropriate care, based on symptoms/conditions as well as price and quality of providers

Source: Virtual health: A look at the next frontier of care delivery, McKinsey

high among men, patients older than 65 and people who use Medicaid, Teledoc has said.

Growing Opportunities

While virtual health benefits patients and offers greater protections for healthcare providers in the midst of COVID-19, it holds business advantages too. According to a study, some health systems, under value-based arrangements, realized 17% savings when virtual care with their own HCPs was included. Virtual health also can help providers to attract patients with new service offerings, and some providers are offering virtual specialty care consultations across wider geographies. Virtual care also enables providers to access rural markets in partnership with local hospitals, for example, virtual specialist visits and tele-ICU coverage in collaboration with rural health systems.

The growth of telehealth has also led to VC investments or mergers and acquisitions. For example, in August 2020, Ginger announced \$50 million in Series D venture capital funding to enable expansion of its services. Meanwhile, Teledoc Health has announced a series of acquisitions in recent months to support its market growth. In July 2020, Teledoc completed its acquisition of InTouch Health, which links providers together in complex medical environments, enabling Teledoc to become a single integrated partner to healthcare providers. Then in October 2020, Teledoc announced it had completed its merger with Livingo, another virtual health powerhouse, creating the largest ever digital health deal. In an age of booming virtual health, the combination of Teledoc and Livingo brings together strong capabilities in the delivery of primary care, acute and chronic care, and mental health with proactive patient engagement, particularly among those with chronic conditions.

To ensure virtual health continues to meet the needs of patients and providers, emphasis must be placed on user-friendly solutions, remote patient monitoring platforms, and interactive virtual assistants that expand access to diverse patient populations. There will also need to be continued improvements in reimbursement policies to help providers and health plans to support the care delivery model and expand the use of virtual health.

A Virtual Future

The rapid increase in demand for virtual health has been driven by the pandemic, but has been made possible by advances in technol-

ogy. Even after the pandemic ceases to become an all-encompassing priority in healthcare, virtual health is expected to remain strong thanks to these advances. They include:

- ▶ mHealth — the growth of smartphone ownership combined with greater demand for virtual health services has led to increased use of mobile devices for the delivery of healthcare services. Today, mHealth services provide support for chronic conditions, remote monitoring, capturing patient data, electronic records, e-prescriptions, personal fitness, and wellness applications.
- ▶ Artificial intelligence — automated interactions with patients, enabled by healthcare chatbots, have been hugely important during COVID-19. AI-enabled virtual

health services will likely continue to grow to support diagnosis and treatment.

- ▶ Virtual reality/augmented reality — with the need to find better virtual ways to communicate, VR/AR are becoming invaluable ways to interact through audio-visual-based virtual communication.
- ▶ 5G — demand for virtual health can place pressure on business networks. With 5G it will be easier to carry out a range of virtual healthcare activities, including sending large files, such as MRIs, for specialist review; supporting mobile networks to handle telemedicine appointments; and making it easier to support the use of AR, VR, and spatial computing for patient engagement, etc. ^{PV}

EXECUTIVE VIEWPOINTS



Ed Cox

Executive VP, Strategic Alliances & Global Head of Digital Medicine, Eversana

The Skills and Talent Needed in a Virtual World

Virtual health solutions are not tech solutions that are going to be deployed within healthcare. These are healthcare solutions delivered through a technological modality. As a result, I think almost all of the stronger teams I've seen are cross-functional and are highly balanced between people with the pharma experience and people with deep technology experience. The very best teams I've seen are the ones in which the individuals themselves have both sets of experiences and therefore can bring solutions from both mindsets simultaneously.

Tracking Commercialization of Virtual Health

Generally, commercialization — and, more specifically, the reimbursement mechanics and market access dynamics of how these digital and virtual health products get monetized — is the biggest

trend I am currently tracking. Many of these virtual products help drive success of already available pharma products, but in many cases the technology products themselves are what is being commercialized, so I think seeing this very fast and evolving reimbursement framework is very exciting because of the new opportunities being created.



Chris Jankoski

Digital Strategist, Ogilvy Health

Pharma's Place in Social Media

I am keen on following how pharma brands continue to find their place in the social media landscape. Historically, pharma brands have had to “hack” social ad units to accommodate their specific needs (linking to prescribing information, including important safety information, etc.). However, we are now seeing platforms such as Facebook and Instagram catch up to these pharma requirements and offer streamlined solutions that make participation in social media both easier and more effective for health brands.