

Here's why Walmart's telehealth plans could succeed with its Medicare patients

Article

The news: Walmart quietly filed paperwork to provide virtual care to consumers in 37 states (including 4 where it has clinics), [according to](#) a review of filings conducted by Insider.

How we got here: Walmart's filing closely follows its [acquisition](#) of virtual care company **MeMD** and amid plans to slow down expansion of its brick-and-mortar clinics.

In February 2021, Insider [reported](#) Walmart is likely walking back on its strategy to build 4,000 clinics by 2029 due to leadership changes. That doesn't mean the retail giant isn't building any clinics at all, though: It apparently plans to still open 22 additional clinics by the end of this year.

Instead, Walmart is shifting focus toward its virtual care business, which should help it reach more health consumers without shelling out the cash needed to build traditional clinics. Telehealth visits generally cost less than in-person visits and don't require the construction of a physical store, so it's likely Walmart will be spending far less by expanding its telehealth venture than its original plans to spend over [\\$11 billion](#) building 4,000 clinics.

Why this could succeed: Walmart already has a sizable Medicare customer population, a group that has increasingly opted for audio-only telehealth since the pandemic hit.

Although US adults' telehealth adoption rates have been dropping off since February, we have yet to see data showing that usage is dropping among Medicare patients. Telehealth insurance claim lines fell 13% nationally from March to April 2021 alone, [per](#) nonprofit Fair Health's tracker. However, the survey notes these claim lines don't include data from Medicare or Medicaid patients, which means Medicare patients could be still be opting for certain type of telehealth visits, such as audio-only visits

In fact, seniors were particularly warm to telehealth at the height of the pandemic, especially audio-only visits.

- Among the **1 in 4 Medicare beneficiaries** who used telehealth between the summer and fall of 2020, **56% of Medicare patients** participated in their visit through telephone or audio only visits, [per](#) KFF.

Now-acquired MeMD allows an option for an audio only exam [according to](#) its website, which puts Walmart in a prime position to cater to Medicare patients for the long haul since a recently introduced bipartisan [bill](#) could allow for Medicare to cover audio-only telehealth visits even after the COVID-19 public health emergency subsides.

US Medicare Beneficiaries Who Had a Telehealth Visit*, by Age and Medicaid Enrollment, Nov 2020

% of respondents in each group

	Among beneficiaries with a usual source of care whose provider offers telehealth	Among beneficiaries overall
Age		
<65	53%	30%
65-74	42%	27%
75+	43%	25%
Enrolled in both Medicare and Medicaid		
Yes	55%	32%
No	43%	27%
Total	45%	27%

Note: *during the summer and fall of 2020

Source: Kaiser Family Foundation (KFF) analysis of Centers for Medicare & Medicaid Services (CMS) "Medicare Current Beneficiary Survey COVID-19, Fall 2020 Community Supplement," May 19, 2021

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