Telehealth use is waning, but not all is lost—here's how telehealth vendors can hold onto their new customers

Article

The news: A new report by **Trilliant Health** breaks down the decline in telehealth utilization. Their findings were based on over 70 billion medical claims data representing 309 million patients across all 50 states, including private insurance and Medicare claims.
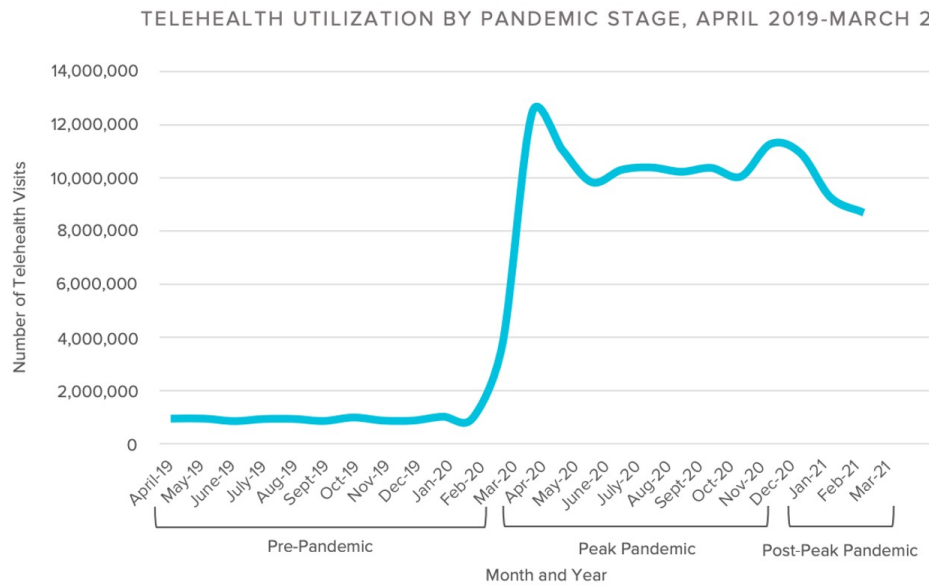
Here's a breakdown of some key stats:

- Telehealth use fell **37%** from pandemic highs to the end of Q1'2021.

- **Most telehealth visits are accounted for by a small percent of total US adults.** Around **38 million** US adults (not including Medicare beneficiaries) generated **96 million** telehealth visits during the pandemic.

- **Mental health has been, and will continue to be, a key driver of telehealth demand. 35%** of all telehealth visits were for mental health conditions, which is more than the next five leading drivers combined.

- **80%** of consumers say they'd be willing to use home care models (like hospital at home schemes) if they were covered by insurance.

The bigger picture: While we're seeing some falloff in utilization rates as patients are no longer reliant on virtual care, adoption levels are still far higher than they ever were before the pandemic.

- From March 2019 to March 2020 telehealth use skyrocketed **154%,** per the CDC.

- And the Trilliant health report pegs telehealth utilization at around **12 million visits** at the peak of the pandemic, and around **9 million** by March 2021—which is still far higher than the **less than 2 million** monthly visits happening from April 2019 to January 2020.

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Trilliant Health's Analysis of Telehealth Use from 2019 to 2021

TELEHEALTH UTILIZATION BY PANDEMIC STAGE, APRIL 2019-MARCH 2021

Source: 2021 Trends Shaping the Post-Pandemic Health Economy Report, Trilliant Health

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What's next? In a market with dwindling consumer demand, an increasing supply of healthcare providers (including telehealth providers), and low rates of loyalty among healthcare consumers—affordable pricing will be a key driver in attracting consumers.
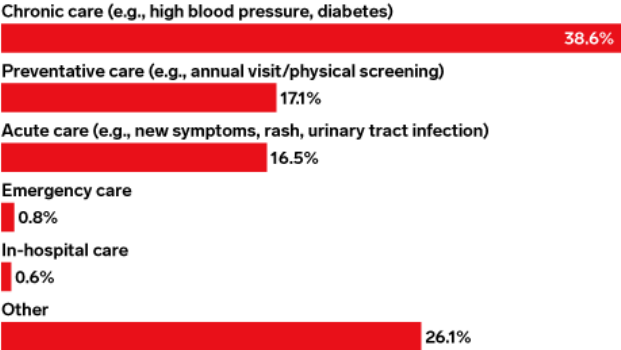
Healthcare consumers are not loyal to their provider networks, which means they'll flock to the most convenient and affordable healthcare options. Loyalty rates decline with age, which is significant since older adults will make up over 20% of the US population by 2030. **64%** of adults ages 21-30 are loyal to their provider network, while **59%** of adults 61+ are loyal, per Trilliant Health's analysis. Meanwhile, **71%** of US adults report concerns around the costs of care, according to Public Opinion Strategies and ALG Research's 2021 National Survey of 1,201 registered voters in the US.

Telehealth vendors can boost their appeal to consumers by making their services more affordable and user-friendly to a larger population of patients. Right now, the highest utilizers of virtual care are adults ages 35-54 **(78%)**, high income earners **(85%),** and those with higher education levels **(86%)** according to Rock Health's 2021 Digital Health Consumer Adoption report. By establishing more accessible design and price points, telehealth companies could lure in new consumer segments.

Telehealth companies can also optimize their provider networks by building out partnerships with health systems and hospitals. Consumers increasingly say they prefer the option of having both in-person and virtual care visits in their healthcare journey, per Trilliant Health. To add, these kinds of partnerships can merge incentives for health systems and hospitals that are trying to implement value-based care payment structures, and for telehealth vendors that are trying to hold onto consumer volume.

Telehealth Services Received Most Recently Among US Telehealth Users, Feb 2021
% of respondents

Service	%
Chronic care (e.g., high blood pressure, diabetes)	38.6%
Preventative care (e.g., annual visit/physical screening)	17.1%
Acute care (e.g., new symptoms, rash, urinary tract infection)	16.5%
Emergency care	0.8%
In-hospital care	0.6%
Other	26.1%

Note: ages 18+; among those who had at least one telehealth encounter during March 1, 2020-Jan 30, 2021
Source: The COVID-19 Healthcare Coalition, "Telehealth Impact: Patient Survey Analysis," April 11, 2021

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