

Mayo Clinic, Kaiser Permanente invest \$100M in hospital-at-home care—here's why these programs are exploding this year

Article

Mayo Clinic and Kaiser Permanente are [teaming up](#) to invest **\$100 million** in a home care startup **Medically Home**—which partners with hospitals to provide hospital-level care in patients' homes. The startup helps hospitals parse through the logistics of providing services like X-rays, diagnostic lab testing, and infusion services in patients' homes while clinicians manage the patient's health virtually. The investment doesn't come as too big of a surprise since both health systems have been partnering with the startup to roll out hospital-at-home services over the last year.

Health systems are flocking to hospital-at-home programs—which falls in line with our [prediction](#) about the explosion of hospital-at-home programs in 2021.

- **The pandemic highlighted the weaknesses in hospital care and the shortcomings of existing hospital capacities.** In 18 states, COVID-19 hospitalizations exceeded [10%](#) of total hospitalizations—and hospitals had to spread their thin resources across a flood of patients in critical condition. So, patients who typically come through hospital doors (like those with severe chronic conditions like heart disease and cancer) [weren't getting](#) the level of care they needed.
- **This incited the need for hospital-at-home care—and positive reimbursement for virtual care programs has been a major incentive for providers to turn to them.** For example, in October 2020 Deloitte [launched](#) its MyPath for Hospital in Home solution; and in December 2020, Biofourmis [teamed up](#) with Brigham and Women's Hospital to roll out its Biovitals Hospital@Home platform. Providers were inclined to develop these solutions because of the reimbursement flexibilities offered up by the CMS' [Hospital Without Walls](#) program. The CMS later [launched](#) its Acute Hospital at Home initiative which reimbursed hospitals for providing hospital-level care via telehealth and remote patient monitoring to Medicare patients in their homes. As of May 7, the CMS has already approved 56 health systems and 129 hospitals across 30 states for this program.

But hospital-at-home solutions are more than just a pandemic bandaid, they have long-term potential to help health systems ease the growing burden of healthcare costs:

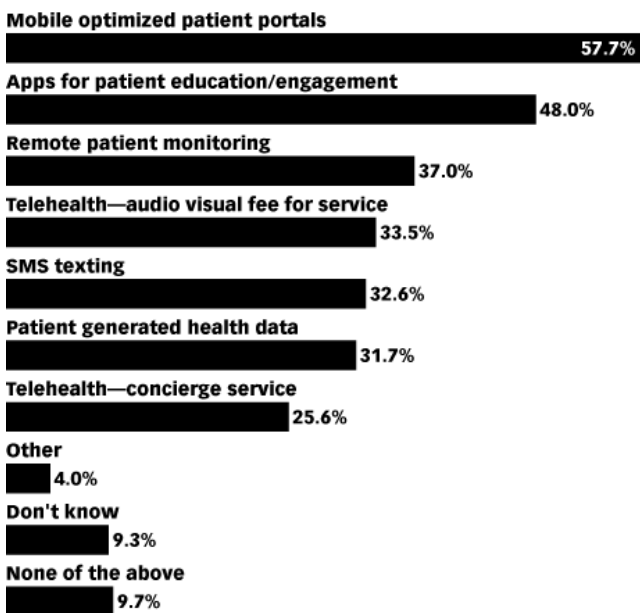
- **The annual cost of hospital readmissions is about [\\$26 billion](#)—and financial burdens for health systems and hospitals continue to mount as operational expenses [increase](#).**

- **Hospital-at-home solutions can help by reducing expensive hospitalizations.** For example, Biofourmis' hospital-at-home solution **reduced** 30-day hospitalizations by **70%** and overall cost of care by **40%**, and Vivify Health's at-home connected care solution contributed to **76%** fewer patient readmissions than those not enrolled.

But the hospital-at-home care also comes with its own challenges. For example, even though a hospital can control the scope of its virtual care solution, patient home environments are highly variable because of factors like space and internet connectivity—which can affect digital care delivery.

Types of Connected Health Tools* in Use at Their Hospital/Health System According to US Healthcare IT Professionals, Sep 2015

% of respondents



Note: *mobile and wireless devices
 Source: Healthcare Information and Management Systems Society (HIMSS), "2016 HIMSS Connected Health Survey" in partnership with Personal Connected Health Alliance (PCHA), March 2, 2016

206863

www.eMarketer.com