

Health systems are prioritizing improving patient satisfaction this year—we think it means they'll invest more heavily in telehealth

Article

The data: About 42% of health system execs say improving patient satisfaction scores are a top strategic priority over the next 12 months, and around 83% say improving patient access with digital tools is a top strategic priority, [per](#) Verato and Sage Growth Partners' survey of 100 healthcare execs.

What's driving the numbers: Health systems say large, digital-first players like **Optum** and **CVS** pose a strong threat to their business.

Nearly 50% of US health system executives believe **Optum** (a part of **UnitedHealth Group**) is an "extreme" competitive threat, while around 47% of execs say **CVS Health/Aetna** is a "strong" threat, [per](#) a September 2021 Kaufman Hall report.

- That's likely because **Optum's** has a provider network of over 53,000 physicians across the US, many of which offer patients specialized virtual care services.
- In fact, last year, **Optum** announced it's expanding its virtual care business, **Optum Virtual Care** across all 50 states—a geographic footprint most health systems don't have yet.
- And **Optum** isn't the only healthcare player offering patients more telehealth options than their local health systems: Last August, **CVS Health** **launched** its insurer-backed virtual primary care solution nationwide, **Aetna Virtual Primary Care**.

What's next? We suspect health systems will invest more heavily in telehealth services to boost patient satisfaction and play catchup to the likes of **Optum** and **CVS** over the next 12 months.

Most patients already prefer virtual care services over in-person visits due to factors like easy scheduling and cost:

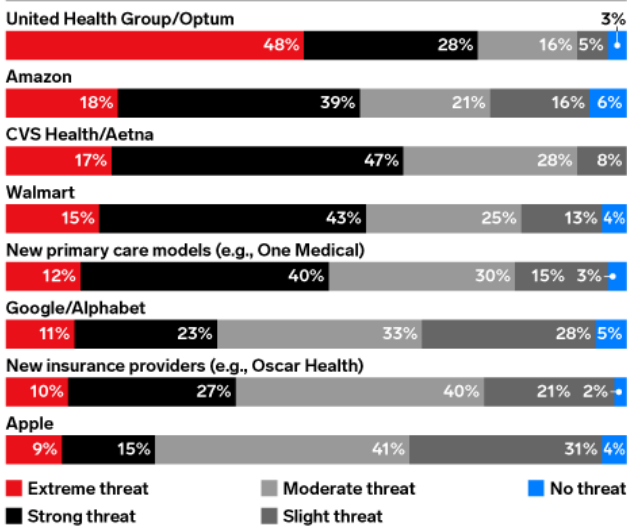
- **Many patients (namely 28% of Gen Zers)** [say](#) lower out-of-pocket costs are drawing them toward telehealth.
- Moreover, the ability to quickly schedule or move around an appointment online makes virtual care a more attractive option for convenience-hungry patients. **About 44% of Gen Zers and 43% of millennials use telehealth for easy appointment scheduling**, [per](#) Insider Intelligence's January 2021 Telehealth Trend survey.

Many large health systems like **Kaiser Permanente** and **OSF Healthcare** already have their own venture funds, which have a history of making large investments for virtual care services over the past year.

- So, it's not far off to imagine these health systems deepening their virtual care investments this year to grow patient satisfaction scores.
- For example, last September, OSF Ventures participated in pediatric telemental health startup **DotCom Therapy's \$13 million** Series A raise.

Degree of Competitive Threat Posed by Select Companies to US Hospitals and Health Systems According to US Health Executives, Summer 2021

% of respondents



Note: over the next five years
 Source: Kaufman Hall, "State of Consumerism in Healthcare 2021: Regaining Momentum," Sep 8, 2021

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