

Healthcare providers are still working out the kinks of telehealth

Article

The news: Physician practice and hospital executives are focused on optimizing their [telehealth programs](#) in 2023 rather than expanding them, according to a recently published survey from **Sage Growth Partners**.

- **95 health systems executives and 75 physician practices leaders** were surveyed in September.

Digging into the data: The findings show that providers still don't view telehealth as a competitive edge and are figuring out how to enhance the virtual care programs they have in place. We identified four key takeaways from the survey:

- 1. Optimization supersedes growth.** Just **11% of hospitals and 8% of practices** are looking to expand their telehealth offerings this year. This compares with **56% of hospitals and 70% of practices** that will be focusing on sustaining or optimizing their virtual care programs in 2023.
- 2. Many still aren't telehealth-savvy.** **33% of hospitals and 22% of practices** are either just getting started on telehealth initiatives or "treading water," meaning they're still figuring out how to make progress.
- 3. Telehealth isn't yet keeping the disruptors away.** **Fewer than 1 in 5 (19% hospital, 15% clinics) execs** said that delivering telehealth has had a real impact on protecting their market share from competitors.
- 4. Workflows must improve.** Clinical teams' workloads have increased at **52% of practices and 35% of hospitals** due to the addition of telehealth offerings. Meanwhile, **nearly one-third** of hospitals and practices acknowledge that telehealth makes work harder for nurses.

Growth isn't always linear: Telehealth's evolution during the pandemic was the epitome of "right place, right time" as in-person care services halted. Use of virtual care skyrocketed, only to come crashing down as face-to-face interactions resumed.

- **Telehealth visits** accounted for **5.2% of medical claims** in October 2022, per Fair Health. For context, April 2020 was the peak month for telehealth, with **13% of claims** going to virtual care.

Now, providers have an opportunity to take a step back and fine-tune their existing offerings instead of expanding them. Organizations might also be hesitant to invest more in telehealth infrastructure until the new Congress votes to extend pandemic-era waivers that fully reimburse clinicians for **providing virtual care** services.

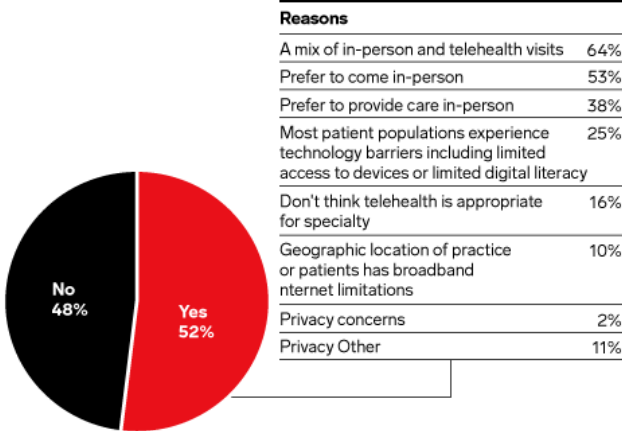
Our take: Despite all the studies on telehealth usage in 2022, this survey shows many providers aren't as advanced in their telehealth journeys as we might have expected.

Health systems and practices will first need to review their virtual care offerings and develop strategies to reduce the strain that these programs put on support staff. From there, they'll be

able to enhance their telehealth capabilities on the consumer side, which will help ward off disruptors who are progressively entering the market.

Why US Physicians' Use of Telehealth Has Decreased Since They First Offered Telehealth, Dec 2021

% of respondents in each group



Decrease in telehealth use

Note: physicians who have used telehealth n=1,705; physicians who have decreased used of telehealth n=879

Source: American Medical Association (AMA), "2021 Telehealth Survey Report"; Insider Intelligence calculations, March 23, 2022

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