

Virtual physical therapy apps could save insurers billions in surgery expenses

Article

The news: Digital musculoskeletal (MSK) treatment company **RecoveryOne** revealed it's expanding its partnership with **Cigna** to offer virtual physical therapy (PT) for Medicare

Advantage members within the Tennessee market.

More on the Cigna-RecoveryOne partnership: Cigna already offers RecoveryOne's services to its employer clients—and it's a longtime investor in the startup.

- Cigna's employer clients with **500 or less employees** can offer RecoveryOne as a benefit to their enrollees. Users virtually connect with a RecoveryOne physical therapist to conduct chronic pain-relieving exercises.
- It isn't surprising Cigna is now expanding its partnership with RecoveryOne, considering it has a vested interest in the physical therapy platform: In 2021 September 2021, Cigna helped pour **\$33 million** into its Series C funding round.

Insurers could save billions on surgery expenditures with digital PT tools: Cigna could recommend RecoveryOne to members before they agree to invasive surgeries for chronic pain, for example.

Some digital therapies minimize the need for expensive surgeries:

- RecoveryOne's competitor **Kaia Health** claims its virtual PT solution had the highest clinically proven outcomes compared with surgery, pain killers, and other treatments, according to a 2020 study.
- Plus, a virtual PT solution can lead to up to **136% in pain reduction**, per Kaia Health.
- For context, **Private insurers spend about \$80 billion annually on their members' low back and neck pain**, per a 2020 JAMA study.

What's next? Virtual PT platforms won't improve members' health outcomes unless people stick to the regimens—and adherence rates are a key issue with virtual therapy apps.

- For context, **only 12% of patients prescribed PT begin treatment, and only 20% of patients complete their treatment**, per Limber Health.

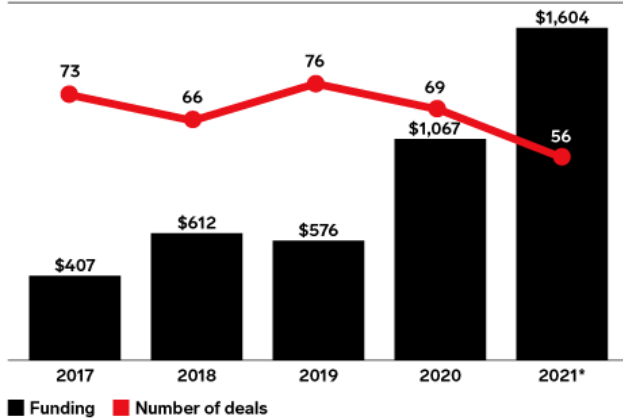
Combining at-home care in combination with app-based exercises could make PT more accessible and convenient for patients, and in turn, increase adherence.

- About **42% of US patients say they prefer a hybrid model** of in-person and virtual care visits, per a 2021 survey by the Harris Poll.

- Digital MSK vendors like Kaia Health and **Limber Health** have already hopped on the hybrid car train—which means it won't be long before other digital therapy competitors implement a similar strategy to retain customers.

Digital Therapeutics Funding and Number of Deals Worldwide, 2017-2021

millions and number of deals



Note: *2021 data is based on a run rate as of August 23, 2021
Source: CB Insights as cited in the company blog, Sep 13, 2021

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