

Does Virtual Care Save Money?



Virtual Care Landscape

Virtual care,¹ which first emerged in the 1950s, has been gaining momentum in recent years as a result of consumerism and technology. And, since March 2020, virtual care usage has skyrocketed as a result of the COVID-19 pandemic, with a **50% increase** (154% during last week of March 2020) in virtual visit volume.² What used to be a little-known novelty is now a common topic of discussion across the spectrum of health care stakeholders. Consumers are using virtual visits more than ever before, and there are strong indicators of continued increase in adoption and sustained use post-pandemic. It is estimated that in the future 1 in 3 visits will be virtual.³ How will such a dynamic shift in care delivery, impact clients' health care spending amidst already double-digit health care cost increases?

Defining Virtual Care

Virtual care is a form of care delivery using technology that allows patients to connect with their providers anytime, anywhere by removing barriers that come with in-office visits. Patients can simply connect with their provider through interactive audio and video, through a secure, HIPAA compliant platform. Where permissible and clinically appropriate, patients can also send and receive messages from their provider using secure messaging or email. Remote-monitoring devices may also be used to capture key health data from patients and transmit it to health care providers for evaluation and treatment.

Virtual Care Trajectory: Where Is It Headed?

In 2020, McKinsey & Company predicted \$250 billion of US health care spend could potentially be shifted to virtual or virtually enabled care. A year later, they reported approaching this level of virtual health is still not a foregone conclusion.⁴ Globally, the virtual care market is projected to grow to **\$636.38 billion** (USD) by 2028.⁵

With this potential exponential growth in virtual care spend comes an expansion of offerings. What started as

a convenient way to address low-acuity, non-emergent conditions has transformed into sophisticated and holistic care treating both mind and body. Virtual urgent care, primary care (routine care and preventive care), specialty care along with behavioral care are now standard offerings within the virtual care suite amongst certain payers. For example, in specialty care, patients can share pictures with dermatologists, receive speech therapy via video, perform physical therapy exercises live or on demand with a physical therapist, and have a follow-up visit with an endocrinologist. Undoubtedly, investments and innovations in this space will continue to advance virtual care capabilities at lightning speed.

The Great Debate: Does Virtual Care Save Money?

Business experts predict a large portion of the US health care spend will go toward virtual care. But what does this mean for employer groups and their employees? Will virtual care help to lower or increase medical spend? That is the great debate. Though virtual care has been around for decades and its utilization has rapidly accelerated over the last year and a half fueled by the pandemic, skeptics assert the use of virtual care may very well increase costs due to:

- ▶ **Duplication of care:** Perception around limitations in what virtual care providers are able to diagnose may lead to patients needing an in-person visit for further evaluation for the same medical concerns.
- ▶ **Misdiagnoses/Incomplete diagnoses:** Concern that virtual care providers may not be able to correctly diagnose medical conditions due to their inability to do physical examinations or have the appropriate tools in place for proper diagnoses.
- ▶ **Directing care to urgent care/ER:** Some believe that virtual care providers may lead more care toward urgent/emergent care settings when they feel there may be a dire need amidst an inability to properly diagnose.





The Answer Is YES: Virtual Care Does Save Money

Virtual care has come a long way and has proven it can be an effective way for health care to be delivered in a cost-efficient manner without sacrificing quality of care.

Aside from the convenience and expanded provider access that it offers, virtual care has shown that it can help to drive down health care costs. In various analytic studies looking at MDLIVE® utilization across Cigna's customers, we found the following.



Lower costs than in-person visits:

The average cost for a low-acuity virtual care visit is \$93 less expensive than an in-person provider visit,⁶ \$120 less expensive than a specialist visit⁶ and \$141 less expensive than an urgent care facility.⁷



Expanded entry points into health care system:

Virtual care has been able to reach unengaged populations who value convenience. For them, getting care via virtual care visits has resulted in timely identification of health care conditions, leading to avoidance of medical surprises/scares in the longer term. Virtual wellness screenings, provided by MDLIVE, showed "more than 75% of Cigna customers who had an MDLIVE virtual wellness screening in 2020 did not have a PCP – and two-thirds identified a health condition as a result of the virtual screening."⁸



Improved health care outcomes:

In a recent actuarial study looking at MDLIVE's urgent care services, it was found:

- Visits initiated by MDLIVE reduced the need for lab work, leading to an average savings of \$118 per episode of care for urgent care episodes.⁹
- MDLIVE visits were highly efficient, resulting in 16% less duplication of care in urgent care visits when compared to other virtual PCPs and specialists.⁹
- In low-acuity episodes, MDLIVE visits generated 11% fewer-than-expected follow-up visits for the same conditions than brick-and-mortar providers.⁹



Effective care connectivity into high-performing providers:

Building on the patient/provider trusted relationship, virtual care providers are instrumental in directing patients to the right level of care at the right location and at the right time within an integrated health care ecosystem. In fact, MDLIVE has demonstrated they were able to direct care away from unnecessary emergency room (ER) and urgent care utilization, with 19% fewer visits than brick and mortar providers.⁹

Cigna's Role

Cigna recognizes the value of virtual care and is committed to bringing affordable solutions to those we serve. To help combat rising health care costs and provide more convenient access to high-quality care, Cigna offers the following services and capabilities to all of its US Commercial customers:

› MDLIVE virtual primary care:

Preventive care, sick care, routine care and specialist referrals.

› MDLIVE urgent care:

On-demand care for minor medical conditions.

› MDLIVE virtual behavioral care:

Talk therapy and psychiatry from the privacy of home. Care for issues such as anxiety, stress, life changes, grief and depression.

› MDLIVE virtual dermatology:

Fast, customized care for most of the common skin, hair and nail conditions — all without the long wait time.

› Flexible/customizable plan designs:

Plans offering employers choices about how to design their plan to meet the unique needs of their employees. Customers have the freedom to select care tailored to their preferences without needing to access virtual visits prior to in-person care.

- **MDLIVE Virtual \$0 Plans:** Clients can set \$0 customer cost-share across all MDLIVE services.
- **Incentivized Virtual Plan Designs:** Clients can choose different cost-share amounts for MDLIVE visits and virtual visits provided by other network providers to encourage virtual care utilization.

› Data-enabled provider collaboration:

- **Integrated referrals:** Through data integration, MDLIVE seamlessly coordinates with high-performing network providers to deliver integrated care through every step of customers' health care journey.
- **Valued-based rigor:** Cigna is expanding its value-based programs to include MDLIVE where evidence-based outcomes will be measured and rewarded ensuring delivery of high-quality, low-cost care. Care coordinators work proactively to identify gaps in care and guide customers in their health care journey to ensure their needs are being addressed in a timely manner, before they escalate into potentially more-costly care.
- **Integrated formulary:** With MDLIVE's real-time on-formulary prescribing capabilities, MDLIVE can see patients' formulary and recommend more cost-effective pharmacy alternatives.
- **Health-monitoring programs:** MDLIVE's health-tracking capability allows patients to log vital information where it can be viewed by their MDLIVE PCP during appointments to personalize care plans and deliver better outcomes.

1. Cigna provides access to virtual care through national telehealth providers as part of your plan. This service is separate from your health plan's network and may not be available in all areas or under all plans. Referrals are not required. Video may not be available in all areas or with all providers. Refer to plan documents for complete description of virtual care services and costs. Virtual primary care through MDLIVE is only available for Cigna medical members aged 18 and older.
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3. Birhanzel, R. (2020, June 30). "Health's NewFUTURE: Virtual health reaches the point of no return — but is the healthcare ecosystem ready to sustain it?" Accenture. <https://www.accenture.com/us-en/blogs/insight-driven-health/healths-newfuture>
4. Bestsennyy, O., Gilbert, G, Harris, A. & Rost, J. (2021, July 9). "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?" McKinsey & Company. <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>
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6. Cigna 2021 utilization data, 1/1/2020–8/31/2021.
7. Cigna 2019–2020 analysis of total medical costs for medical customers with Cigna Virtual Care.
8. MDLIVE, Inc. analytics. Cigna virtual wellness screening utilization from 9/28/2020 to 11/30/2020.
9. Cigna. (2020). "Episodes of Care study comparing virtual vs. brick and mortar visits." 2020 book of business. [Pricing study].

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