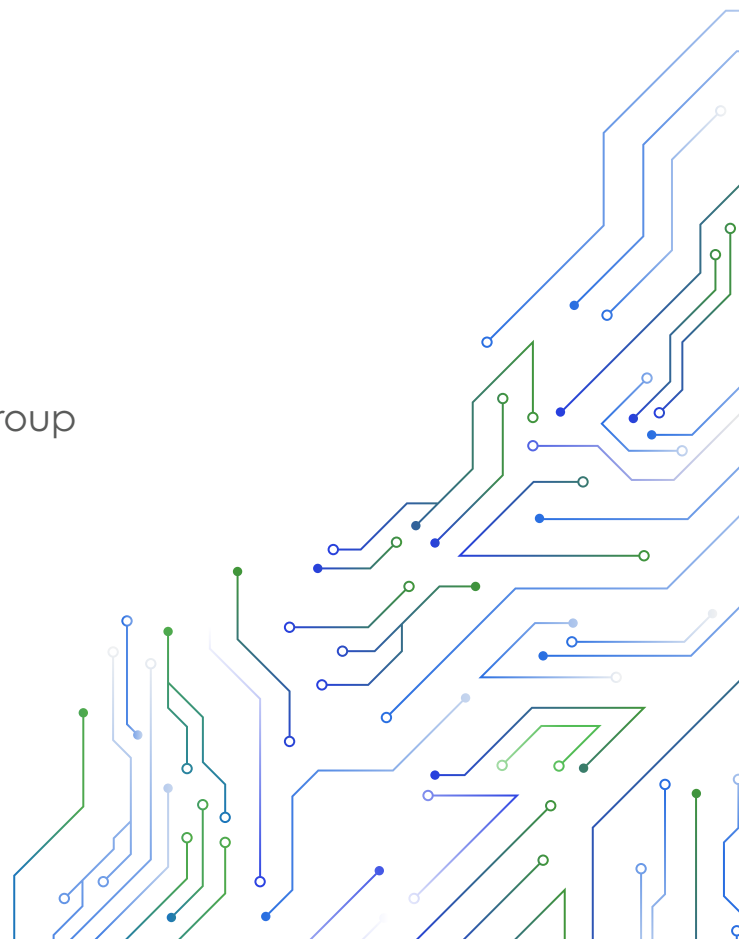**PROVIDENCE DIGITAL INNOVATION GROUP**

COVID-19 Digital Insight Series

RECOVERY: RESUMING OPERATIONS & CARE DELIVERY

Edition 1.0: July 2020 • Digital Innovation Group

Providence

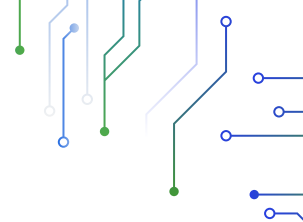# About the Covid-19 Digital Insight Report Series

This report is a part of the *COVID-19 Digital Insight Report Series* published by the Providence Digital Innovation Group. Providence is one of the nation's largest non-profit health systems and was also the first system in the United States to care for a COVID-19 patient in January 2020. These reports couple direct experience with primary research conducted through over 100 interviews with health system, technology and innovation leaders from within Providence and across the health care industry.

Through the publication of these reports, our hope is to offer new insight, promote collaboration and discussion around the impact of COVID-19 on health systems, and examine the role digital innovation will play as we move through recovery and into the next normal.
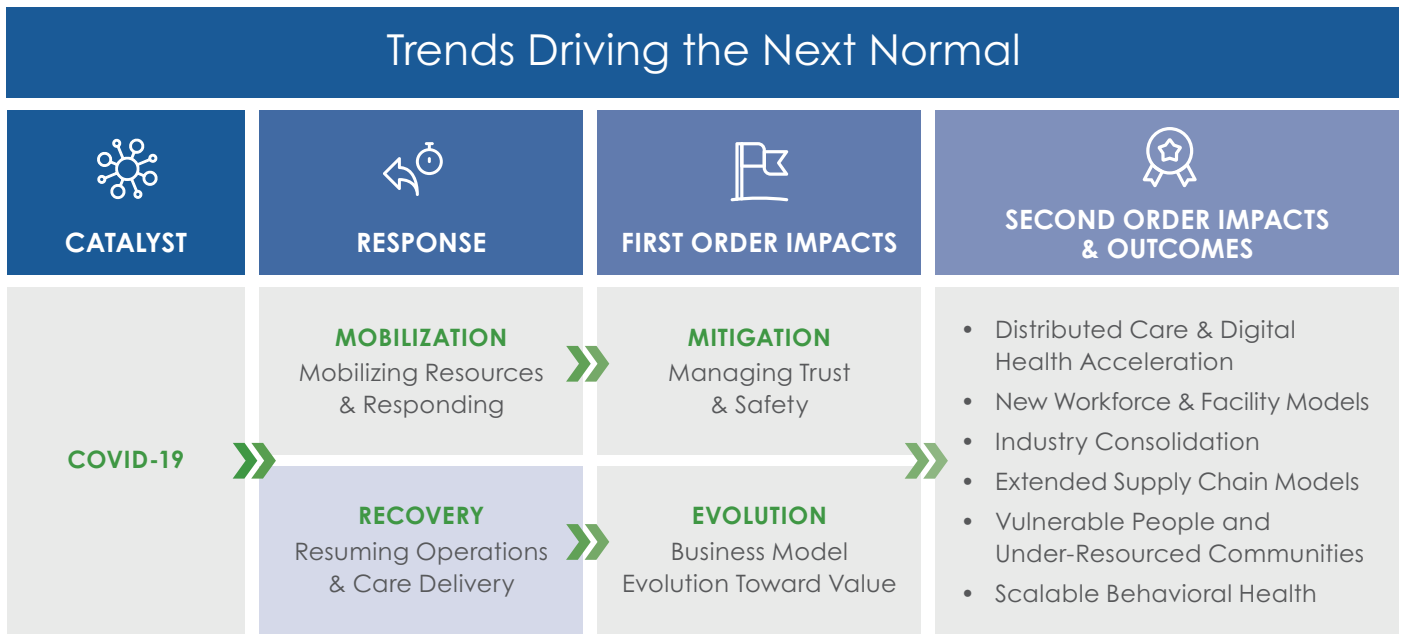
REPORTS IN THE COVID-19 DIGITAL INSIGHT REPORT SERIES INCLUDE:

- Journey Toward the Next Normal
- **Recovery: Resuming Operations & Care Delivery**
- Mitigation: Managing Trust & Safety
- Evolution: Business Model Movement Toward Value
- Distributed Care & Digital Health Acceleration
- New Workforce & Facility Models
- Industry Consolidation
- Extended Supply Chain Models
- Vulnerable People and Under-Resourced Communities
- Scalable Behavioral Health
- Key Learning & Conclusions

All reports can be downloaded at www.providence-digitalinsights.org.

The most pressing challenge keeping health system executives up at night following the COVID-19 surge and delay in non-COVID care is how to safely deliver backlogged care, recover financially, and re-activate patients in getting their health needs met while protecting clinicians and caregivers. In this report, we will examine lessons learned through early COVID-19 recovery efforts and explore the tactics and digitally enabled tools to support operational and financial recovery.

Trends Driving the Next Normal

CATALYST	RESPONSE	FIRST ORDER IMPACTS	SECOND ORDER IMPACTS & OUTCOMES
COVID-19	**MOBILIZATION** Mobilizing Resources & Responding	**MITIGATION** Managing Trust & Safety	• Distributed Care & Digital Health Acceleration
	RECOVERY Resuming Operations & Care Delivery	**EVOLUTION** Business Model Evolution Toward Value	• New Workforce & Facility Models • Industry Consolidation • Extended Supply Chain Models • Vulnerable People and Under-Resourced Communities • Scalable Behavioral Health

Background & Trends

Following the delay or cancellation of non-emergent non-COVID services, health systems are faced with challenges to safely deliver delayed care, allay COVID-19 fears and consumer hardships through technology enabled patient experiences, and recover financially.

Throughout the first wave of COVID-19, nearly all non-COVID care was halted to conserve critical care and Personal Protective Equipment (PPE) capacity or was cancelled by consumers driven by fear of exposure. Peak depressions in volume were seen in March and April as both elective and preventative procedures such as knee replacements and cancer screenings decreased by upwards of 90% across the country.[i,ii,iii] During the initial response, revenues for health systems were down nearly 50% with those reliant on fee-for-service business models hit hardest.[iv] For Providence, a significant decrease in patient volumes and increased costs including PPE, pharmaceuticals, and staffing starting in mid-March paired with a work stoppage in January, generated a net operating loss of $276M in Q1 2020. Some of this has been recouped by CARES Act funding received in Q2 2020.[v] As health systems fluctuate between cycles of recovery and response phases, new COVID-19 peaks will be met with counter cyclical depressions in non-COVID care and corresponding revenue until herd immunity is achieved.

Patients have not received the care they need during the crisis period as a depression in visit volumes translates into missed wellness checks, skipped chronic care visits and critical screenings, immunizations or procedures that may never be completed. The extent of care that has been missed and the pending impacts to long term health outcomes are not yet fully understood. Throughout the response phase reported heart attacks decreased by 38% and strokes were down 30%; however, the complexity of emergency department cases increased by 20%.[vi] These observations suggest care was delayed or avoided entirely which may later surface as an increase in all-cause mortality rates.

SWIFT AND SAFE RECOVERY RELIES ON SEVERAL APPROACHES:

Delivering
Contactless Care

Addressing
Consumer Fear

Driving Growth and
Patient Reactivation

DELIVERING CONTACTLESS CARE

Consumer willingness or ability to return to a healthcare facility for a service will be impacted by fear and risk of exposure. A health system's first step in ensuring safety for patients and providers is delivering care through virtual, contactless channels whenever possible. Key digital tools to support this include:

ONLINE SCHEDULING AND REGISTRATION
Simplify the patient experience and remove barriers to action by offering online scheduling and registration for in person and virtual visits.

VIRTUAL VISITS
Utilize virtual visit technologies to continue care delivery through a range of platforms (e.g. Zoom, FaceTime, WhatsApp, etc.), as regulations remain relaxed and reimbursement pressures are relieved. Virtual can be used for triage, pre-op and post-op visits to enable a seamless surgical experience and surgeons who adopted virtual visits during the crisis phase have been most successful in re-filling schedules.

DIGITAL AT HOME DELIVERY SOLUTIONS
Enable service delivery at home through remote monitoring, connected devices, retail shipments, and online programming.

Providence experienced an immediate decline in in-person visits and beginning in mid-March 2020 saw a significant increase in delivering 'contactless' care through video and phone.

WEEKLY 2020 TO DATE
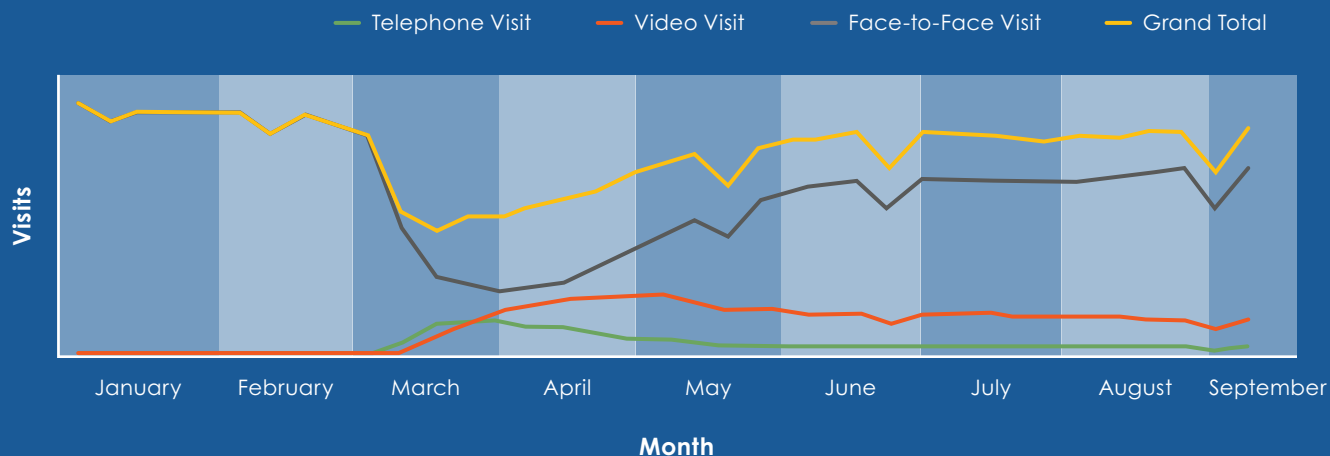
Note: This graph has been corrected

Care that must be delivered in-person can be made safer via the digitization of portions of the care episode. Key digital tools to maintain safety throughout an in-person visits include:

DIGITAL CHECK-IN AND VIRTUAL QUEUING
Eliminate waiting rooms and clipboards during check-in while making visits as efficient as possible by deploying platforms to make information gathering and visit-prep seamless.

TESTING
Offer online scheduling and automatically schedule COVID-19 testing appointments prior to a planned procedure or visit. Ensure capacity is reserved for caregivers to maintain a safe work and care delivery environment.

NAVIGATION TO OUTPATIENT SETTINGS
Utilize navigation platforms and shared decision-making tools to drive a shift to outpatient settings (including ASCs for surgeries) as controlling for safety is easier with a smaller facility and fewer employees.

SEGREGATING COVID AND NON-COVID CARE
Explore new ways to serve COVID symptomatic patients safely by altering patient flow/entry into facilities, check-in procedures, and using telehealth to conduct physician rounding, lowering exposure risk to patients and clinicians.

SURGE FACILITIES
Partner with State and Federal governments to create rapidly deployable surge capacity facilities. Many of these facilities were deployed in the geographies initially hard hit by COVID but every community

should have a plan for flexible capacity. Additional details will be provided in the *New Workforce and Facility Models* report in this series.

INPATIENT TELEHEALTH AND ROBOTICS

Enable virtual rounding and monitoring of patients through bedside telehealth capabilities. Inpatient telehealth platforms can provide safe communications with family members which was a tragic shortcoming early on in our fight against COVID. Robots can be utilized to deliver supplies and disinfect rooms using ultraviolet light.

ADDRESSING CONSUMER FEAR

Consumer willingness or ability to return to a healthcare facility for a service will be impacted by fear and exposure risk. As 70% of consumers are reporting hesitancy in seeking care, the onus has been put on health systems to demonstrate safety and provide a COVID-19 free environment to alleviate patient fear and recover revenue shortfalls as quickly as possible.[vii] Relative to established patient visits, new patient visits experienced a 20% greater depression in volumes indicating some patients may be 'up for grabs' when they return for care or some patients may defer care permanently.[viii] Health systems must increasingly spread the message of safety to consumers through digital messaging and marketing platforms to maintain continuity with existing patients and acquire new patients.

JOINT PUBLIC SERVICE ANNOUNCEMENT (PSA) CAMPAIGNS

Providence has launched marketing campaigns with peer health systems in targeted regions delivering the message that it is safe for patients to seek care.

PERSONALIZED MESSAGING

Personalized engagement is critical to reestablishing trust and eliminating fear. Providence has initiated personalized, direct-to-consumer messaging campaigns with outreach from clinicians to re-schedule appointments through online portals to simplify the consumer experience for patients who may have delayed care.

DRIVING GROWTH AND PATIENT REACTIVATION

Health systems must rely on fee-for-service payment structures delivered in a tightly controlled cost environment to maintain solvency and support future investments in value-based care technologies to enable risk-based business models. Health systems must recover and maintain the old model for a multi-year period to fund adoption of the new model. Details on the adoption of risk are covered in the *Evolution: Business Model Movement Toward Value* report in this series.

As leadership teams shift from crisis response to recovery, they will be challenged by several unknowns:

- What percentage of missed or delayed care will not come back?
- What will be the new steady state volume and at what payor mix?
- If volumes remain depressed, what other opportunities do we have to grow revenue?
- What near term changes need to be made to accommodate new volumes?

While some regions of the country may experience a bolus of backlogged care, early data indicates regions hit hardest by COVID-19 cases and economic fallout will be met with a slow but consistent return. Through early June, Providence ambulatory provider visits remain depressed compared against prior year to date (YTD) volumes as primary care visits are down 21%, specialty provider visits are down 5%, surgical specialist visits are down 6%, and elective procedural volumes are down 20%. Relative to aggregate national figures, volumes are returning to Providence with increased prevalence especially for specialty and surgical providers; however, Providence's recovery is trailing regions that experienced lower initial COVID cases counts – in particular, states in the Southeast, Midwest, and Mountain states.[ix,x]

As health systems enter the recovery phase with depressed per capita utilization, they must take swift actions in reducing capital expenditures, consolidating service lines, and rationalizing physical assets where possible. Tracking where and how virtual visits and care at home is delivered throughout the recovery period is essential to informing service line and asset rationalization plans. Additionally, staffing flexibility will be critical as operations resume and leadership will need to ensure staffing ratios are scaling to meet demand. Our report on *New Workforce & Facility Models* report in this series will cover additional details into how staffing models are evolving across modalities and clinical need.

To better prepare for evolving distributions of patient volumes, health systems will need to strengthen competencies critical to driving growth and re-activating patients who are hesitant to return. Competencies include:

NETWORK MANAGEMENT | REFERRAL PARTNERS AND PATHWAYS
Establish referral channels and pathways to transact directly with consumers. Digital applications include online scheduling at the point of referral via syndicated appointment slots and automated prior authorization workflows.

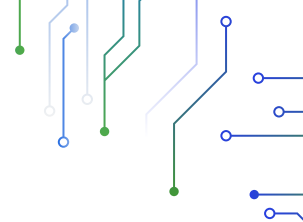### PATIENT COMMUNICATIONS | ENGAGEMENT AND OUTREACH
Patient engagement through targeted channels—both during and in-between episodes of care—is critical to re-activating hesitant patients. Digital applications include analyzing deferred appointment and clinical need data to inform and enable prioritized outreach.

DISTRIBUTED CARE DELIVERY | NEW DELIVERY CHANNELS
For patients who remain hesitant to return for care, systems must be prepared to safely deliver care and engagement through decentralized digital and at home channels. We believe these delivery models will be the norm and not the exception in the future as disruptors (large tech, vertically integrated payor/providers, and tech start-ups) deliver care in the home. Additional details will be provided in the *Distributed Care & Digital Health Acceleration* report in this series.

ADDRESSING CHANGING FINANCIAL STATUS | PAYMENT CHANGES
Barriers to returning to care are not just safety related as the economic crisis brought on by the pandemic has created financial challenges for many patients. Health systems will need to address the health needs of price conscious patients with changing financial and insurance conditions by focusing on affordability, convenience, and personalization. Opportunities include financial counseling and automated insurance enrollment at point of service, low-cost cash pay services for categories or low-acuity emergent care, and ancillary service product offerings.

Conclusion

Health systems must deploy visible enhanced standards for sanitation, safety and cleanliness and communicate these changes to consumers. While some patients may return for a procedure with little concern, most consumers will be hesitant, and some will not come back at all delaying needed care indefinitely. To address shortfalls where consumers may not return, health systems must put new growth strategies into action and focus on delivering contactless care. To maintain normal operations and care during future outbreaks, health systems will need to strengthen the flexibility of their critical care capacity and maintain PPE reserves in addition to expanding infrastructure to deploy screening, testing, and vaccine delivery for both patients and caregivers. If health systems are successful at recovering their businesses, they must immediately invest in new, non-fee-for-service alternate payment models and the technology to support these models as well as quickly adapt to more convenient and personalized care delivery models or risk being disintermediated by the coming onslaught of disruptors.

References

[i] Strata Decision Technology – 55% Fewer American Sought Hospital Care in March & April

[ii] Stat News – Routine Cancer Screenings have Plummeted During the Pandemic

[iii] Bloomberg – Doctors Fears Arizona Virus Overload as Hospital Cases Top NY

[iv] Modern Healthcare – COVID-19 Reshapes Healthcare Utilization

[v] PSJH – Continuing Disclosure Quarterly Report

[vi] New York Times – How Many More Will Die from Fear of the Coronavirus

[vii] The Chartis Group – After the Surge: Five Health System Imperatives in the Age of COVID-19

[viii] The Chartis Group – Healthcare Demand Recovery Tracker

[ix] The Chartis Group – Healthcare Demand Recovery Tracker

[x] Strata Decision Technology – National Patient and Procedure Volume Tracker
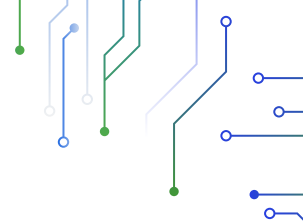
Key Contributors

AARON MARTIN
Executive Vice President and Chief Digital and Innovation Officer, Providence

SARA VAEZY
Chief Digital Strategy and Business Development Officer, Providence

DOUGLAS GRAPSKI
Senior Digital Strategy Manager, Providence Digital Innovation Group

Acknowledgments

This *COVID-19 Digital Insight Report Series* would not have been possible without the expertise and thinking of the remarkable individuals who were interviewed as a part of our research.

Interviews were conducted with senior and operational leaders from over 50 organizations—including national and local health insurance, government, strategic consulting, academic, trade, retail and health system entities. In addition, 75+ individuals at Providence and Providence Health Plan were interviewed for this report series, at all levels and across all functional areas of our organization.

Thank you to the 100+ domain experts who participated and shared your knowledge, insight, and informed opinions.

THANK YOU TO OUR RESEARCHERS WHO CONDUCTED OVER 100 INTERVIEWS WITHIN PROVIDENCE AND ACROSS THE INDUSTRY

Aaron Martin	Doug Grapski
Amber Hill	Jeffery Stolte
Bethany Vick	Joelle Sostheim
Branden Fini	Julie McComish
Cyril Philip	Matt Cohlmia
Daniel Galles	Rich Proscia
David Kereiakes	Sara Vaezy

About This Report Series

The *COVID-19 Digital Insight Report Series* combines direct experience with primary and secondary research to offer new insight on the impacts and digital opportunities the COVID-19 pandemic has presented to health systems.

All reports can be downloaded at www.providence-digitalinsights.org.

Providence

PROVIDENCE
Providence is a national, not-for-profit Catholic health system comprising a diverse family of organizations and driven by a belief that health is a human right. With 51 hospitals, 1,085 physician clinics, senior services, supportive housing and many other health and educational services, the health system and its partners employ more than 120,000 caregivers serving communities across seven states – Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington, with system offices in Renton, Wash., and Irvine, Calif.

PROVIDENCE DIGITAL INNOVATION GROUP
The Providence Digital Innovation Group is a team of strategists, software engineers, marketers and investors who are focused on digital innovation in furtherance of the Providence vision of "Health for a Better World." The organization works hand-in-hand with clinical and operational teams at Providence to identify opportunities and deliver innovative solutions through the use of technology that will have an impact on our patients, clinicians, our communities and the strength of our organization.