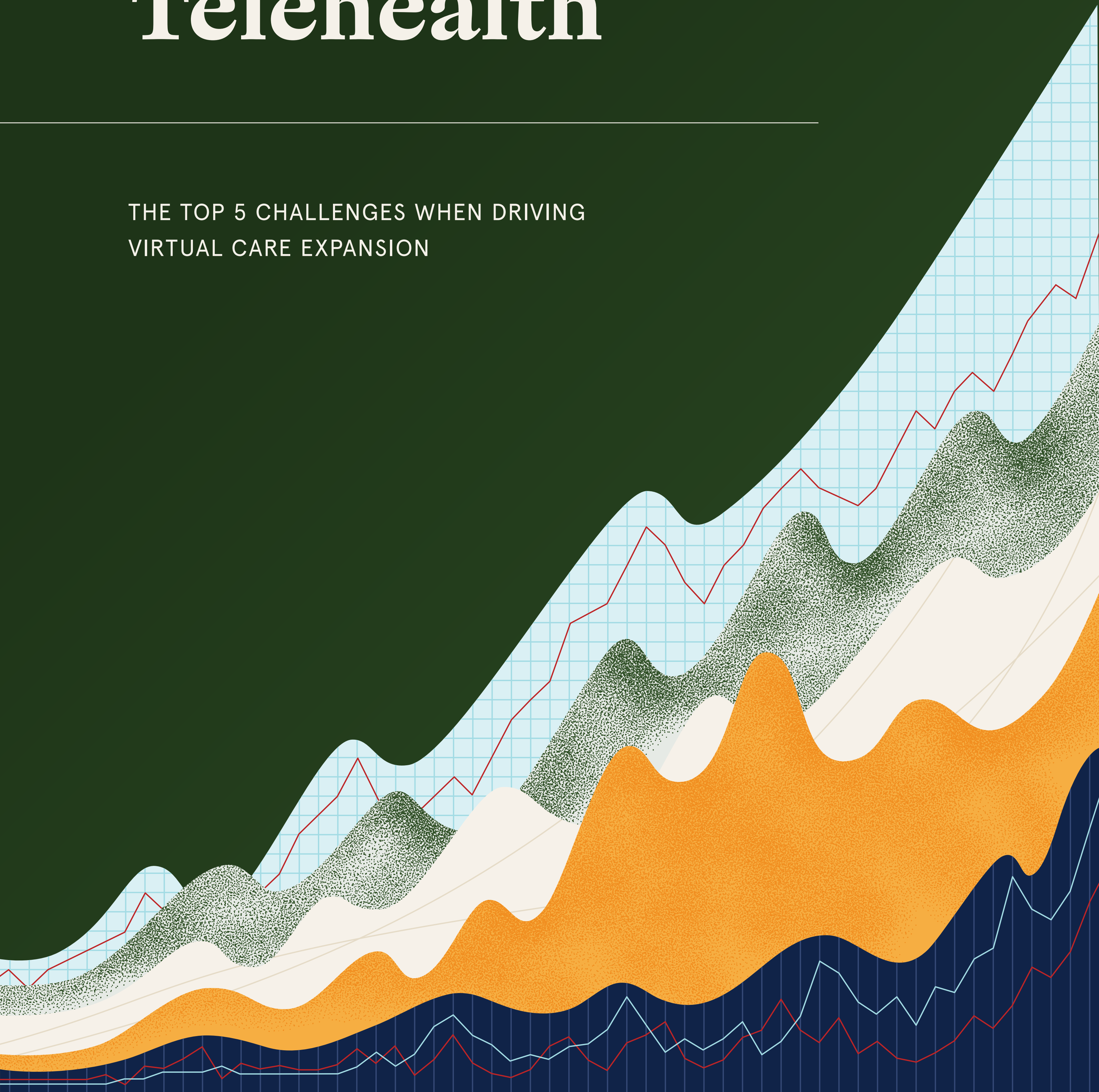
wheel

Scaling Telehealth

THE TOP 5 CHALLENGES WHEN DRIVING VIRTUAL CARE EXPANSION



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INTRODUCTION

If It Was Easy, We'd Have Already Solved It

A note from Wheel CEO & Co-Founder, Michelle Davey

We first launched a version of this guide in 2020. It's amazing how two years can so drastically alter the landscape of an emerging industry. With record-breaking funding and a staggering number of companies racing to serve more patients virtually, you'd think we'd have some of the biggest telehealth challenges already solved.

But the five challenges we identified back then, just two years ago, are still the most difficult challenges facing companies today.

Virtual care is not as easy as spinning up a website and bringing a few clinicians on board. Our technology has caught up, but regulations have only modestly adapted, and it's simply not enough to bring the old system of care delivery online.

To meet the demands of today's patient expectations, a worsening clinician shortage, and increasing stress on a legacy healthcare system, we must challenge each other to do better.

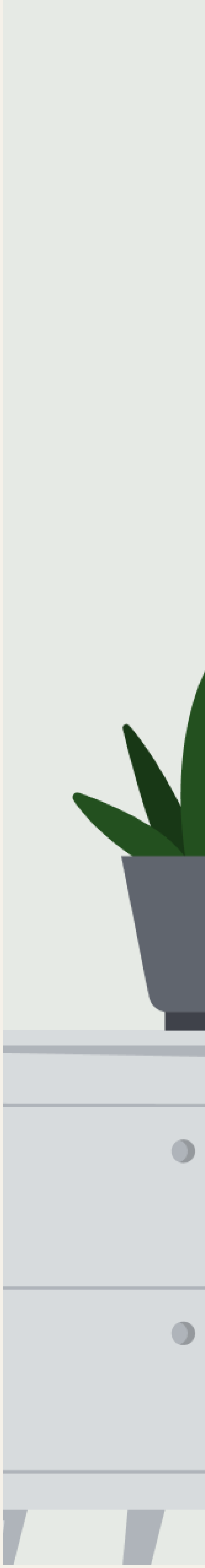
With that in mind, I want to share the top five challenges we see companies face time and again in driving virtual care expansion — everything from managing clinical licensure across broad geographies to the inherent challenges of accurate demand forecasting.

We've learned so much over the past few years helping companies scale their care offerings virtually, and I want to share those learnings to help companies innovate smarter, increase patient access to those who need it most, and drive down costs for everyone.

When that happens, we all win.

MICHELLE DAVEY

WHEEL CEO & CO-FOUNDER



01

Clinician Scarcity Is Now Reality

The success of today's new hybrid healthcare models rests on the people at the center of care delivery — knowledgeable, caring, and passionate clinicians. But for the past few decades, the traditional healthcare system has treated our care providers like commodities instead of the highly-skilled, empathetic professionals they are — subsequently causing them to burn out at alarming rates.

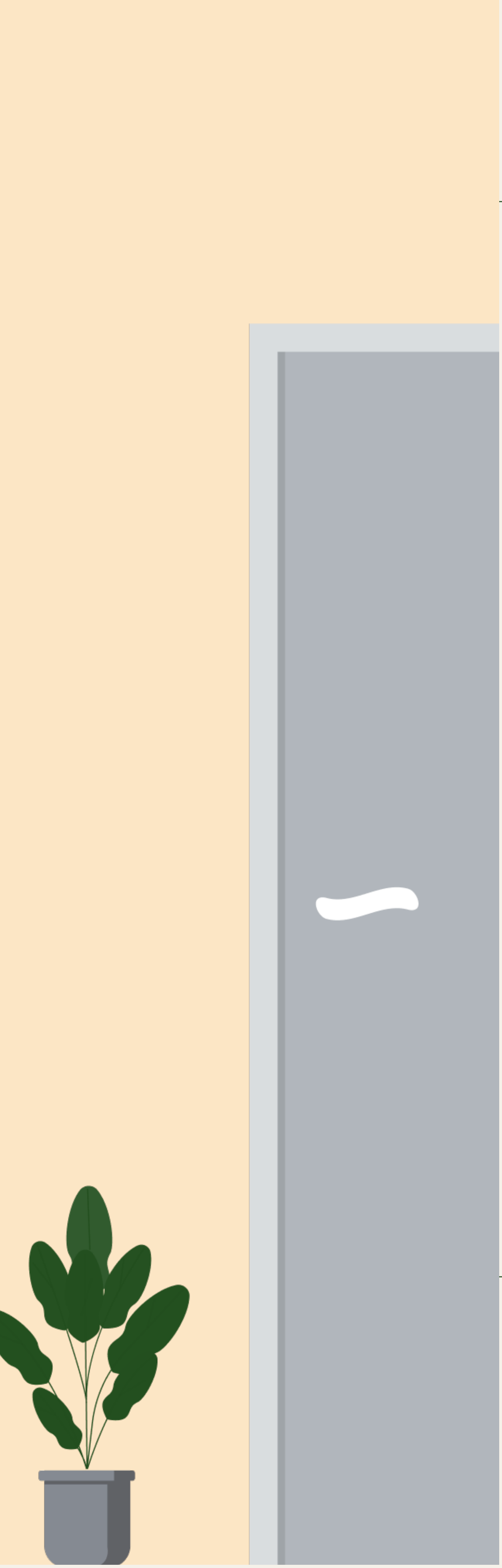
According to Medscape's Burnout and Depression Report 2022, 47% of physicians in the United States report feeling burned out, up from 42% last year. Burnout rates increased most notably for emergency medicine physicians, from 43% last year to 60%.

> **"Clinicians are past the point of burnout. What we're experiencing goes further than feeling stressed or overwhelmed — it's impacting our ability to provide great care to patients. I hope that healthcare organizations recognize adopting virtual care can be just as beneficial for their workforce as it is for their patients."**

POOJA AYSOLA, MD, MBA
WHEEL HEAD OF CLINICAL OPERATIONS

In addition, a recent Wheel study of nearly 400 doctors and nurses found that 58% have lost passion for their profession because of stress, and 57% have considered leaving their job over the last year.

This is an unsustainable situation that must be addressed as we work to revolutionize healthcare. Not only is the delivery model important to how we care for patients, **but it's also central to how we retain our clinicians over the long term.**



SYSTEM FACTORS

A pre-pandemic study from the National Academy of Medicine found that work environmental factors were primary contributors to the clinician burnout epidemic, factors that have become exacerbated with the stresses of COVID-19.

> "Multiple work system factors contribute to clinician burnout (e.g., high workload, administrative burden, poorly designed technologies). Work system transformation with meaningful, effective involvement of clinicians is necessary at multiple levels to tackle the critical problem of burnout.
>
> Health care organizations have a key role in this transformation; they need to adopt systems design principles to reduce clinician burnout and foster professional well-being."
>
> **TAKING ACTION AGAINST CLINICIAN BURNOUT**
> THE NATIONAL ACADEMY OF MEDICINE, 2019

This highlights how crucial it is that we, as healthcare companies, address the environmental system factors that we're putting our clinicians into as we're building programs.

BOOMER RETIREMENT

On top of clinician burnout, our industry is losing a large percentage of the clinical workforce to retirement. The vast majority of baby boomers have now hit retirement age, and due to the pandemic, many have chosen to retire early causing a steep decline in the number of clinicians actively practicing.

A recent Pew article cited census microdata showing a 140% increase in nurse retirement between March 2019 and March 2021.

In addition, more than two of every five active physicians in the U.S. will be 65 or older within the next decade — making their retirement decisions critical.

Meanwhile, the U.S. population aged 65 and older is projected to increase by 42.4% by 2034 — increasing senior care demands on our healthcare system at a time when clinician shortages are at their highest rates.

HIGH BARRIERS TO ENTRY

The scarcity of clinicians is only part of the equation. Complicating the issue of an increasingly limited supply of clinicians to serve our national patient population is two-fold: high barriers to entry and inefficient scalability.

If we take cues from industries that have tackled the issue of `supply scarcity,' like the ride-sharing industry, we can see the opportunity to turn around this market.

However, unlike the vast majority of gig economy workers, clinicians are highly skilled professionals — taking several years to train for their specialized roles. It's impossible to rapidly manufacture new clinicians to meet the needs of the market, unlike recruiting and training new drivers.

According to the Association of American Medical Colleges, it can take 7 to 15 years on average for a primary care physician candidate to complete undergraduate studies, medical school, residency, board certification, and licensing. If the U.S. market were able to move more candidates into the physician development pipeline, we would still be lagging to make up the clinician shortfall by one to two decades.

To combat clinician shortages and secure retention over the long term, companies must focus on building care delivery programs built for clinician efficiency, flexibility, and autonomy.

02

State Licensure Is Cumbersome on a National Level

Further exacerbating clinical workforce shortages are regulatory complexities imposed at the state level.

Today, there is no single `national license’ for clinicians to practice telehealth across all 50 states. Due to the independence of state medical boards, these regulations will be difficult to change.

This means clinicians must procure individual licenses for each state where they wish to provide care services. Even in a virtual care encounter, a clinician must be licensed in the state where the patient is located.

INEFFICIENT SCALABILITY

State licensure regulations make it difficult for companies to align clinical resources with patient demand on a macro level.

For example, a company wanting to deliver 24/7/365 care across all 50 states would require an on-call clinical workforce with licenses in all 50 states at any given point in time. The logistics of managing them, scheduling them, routing them patients, and then paying this workforce to wait for patient visits make this challenging and expensive — even at an enterprise scale.

ADDED ADMINISTRATIVE BURDENS

Hiring multi-state licensed clinicians can make this situation more manageable. However, while it’s possible to find clinicians with multiple state licenses, procuring and maintaining multiple licenses is a time-consuming, bureaucratic, and expensive process for both the clinician and companies — making these unicorns difficult to find and sustain.

What are the clinical staffing options for virtual care companies?

Source, hire, manage, and staff clinicians to cover every state's geography

or

Outsource an external clinician network to cover all geographies

or

Provide care to only the limited geographies that the business can reasonably manage

The key to operational success in virtual care is finding an efficient way to match state licensure with patient demand on a national scale, without assuming exorbitant costs.

03

A Mixed Clinical Workforce Reduces Cost but Increases Complexity

Having a mix of physicians and non-physician clinicians like nurse practitioners (NPs) and physician assistants (PAs) is key to creating an operationally efficient and cost-effective brick-and-mortar practice. This principle also holds as companies build out virtual care offerings.

BENEFITS OF DIVERSIFIED CLINICIAN TYPES

Operational Expense Savings

Like it or not, physicians are paid more than NPs and PAs and therefore more expensive to have on staff — even though they may have the same scope of practice depending on the treatment area and their state(s) of licensure.

Comparable Care Quality

A systematic review of care quality by the World Health Organization, among others, has shown there are no differences in the effectiveness of care between physicians, NPs, and PAs.

Leveraging non-physician clinicians makes sense from both an economic and clinical quality standpoint, but there's a catch. To meet the regulatory compliance requirements for the appropriate NP/PA scope of practice across all 50 states, comprehensive virtual clinician networks must also include physicians for clinical oversight and collaboration.

CLINICAL OVERSIGHT AND SCOPE OF PRACTICE LIMITATIONS

NPs and PAs have a tremendous amount of regulatory restrictions associated with their ability to deliver care. Most states have restrictive rules that require the oversight of a delegated physician to provide collaborative supervision for these clinicians. Depending on the state, these supervision requirements can vary by geographical distance between the NP/PA and physician, frequency of their interactions, and the scope of oversight.

In states like Texas, California, and Florida, this often involves a contract or agreement with a physician that can cost the nurse practitioner or their employer upwards of several thousand dollars per month. In addition to out-of-pocket costs, there are geographic limitations.

States like Georgia require NPs to practice within specific geographic boundaries of the supervising physician.

Companies engaging clinicians with physician collaborators also must report to the state boards that the supervision requirements are in good standing, which requires dedicated resources to track and maintain.

It can also be challenging for non-physician clinicians and companies to find physician collaborators. There are currently no networks or convenient resources for NPs and PAs to access to help establish a relationship with a potential delegating physician. This means they often must rely on outreach via friends, family, and personal networks, which is challenging and unscalable at best.

Achieving the right balance of clinicians can have positive impacts on the bottom line, but often the associated operational challenges complicate the upside — making it unviable for most companies to leverage.

04

Forecasting Variability Is the Norm

Accurately projecting patient demand may be the most arduous and economically challenging task facing virtual care programs. Forecasts are rarely fixed or predictable in the world of telehealth.

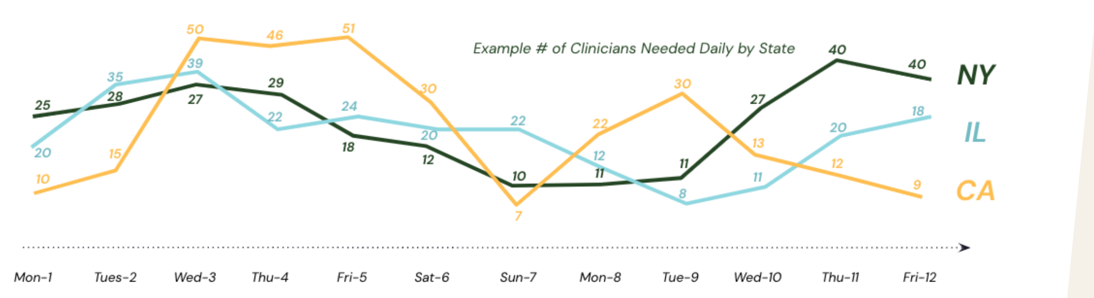
The importance of fully preparing for the complexities of clinical staffing inherent in digital care models can't be underestimated. To meet consumer needs for near-instant care without undue economic burden, innovators must grapple with the intricacies associated with precision staff modeling.

This concept is critical for any company looking to deploy a nationwide virtual care service or a service covering multiple state geographies.

PATIENT DEMAND FLUCTUATIONS

State-by-state telehealth regulations add additional layers of complexity to delivering nationwide patient care, as each clinician must be licensed in the state in which the patient resides (generally speaking, though there are exceptions).

On any given day, you could be overstaffed in California but understaffed in New York, and due to the regulatory puzzle of state licensing, you can't easily shift your available clinician workforce to meet patient demands on a shifting day-to-day basis.



To accurately forecast patient demand, you'd need to consider:

- Geographic variables such as weather variations and allergy hotspots
- Seasonality spikes due to cold and flu
- Seasonality dips due to competing conditions
- Patient demographic utilization
- Increasing competition
- Unpredictable anomalies such as disease outbreaks or national disasters
- Economic shifts

Predictive analytics based on historical data can help, but even the most advanced technologies today can't account for demand variabilities across weeks, days of the week, even down to the time of day — the precision needed for on-demand virtual care.

LOAD BALANCING IN VIRTUAL CARE

The solution for virtual care companies lies in the computing concept of load balancing. Load balancing helps organizations scale services by distributing a set of tasks or workloads over a set of resources to make the overall process more efficient.

Under Staffing

Increases patient wait time & frustration. Risk of loss to competitors.

Optimize Your Staffing Model

Over Staffing

Cuts into margin due to fixed overhead.

Applied to virtual care, this concept is best exemplified in a "pay only for the clinicians you need" approach to clinical staffing.

In practice, this looks like a network of clinicians balanced across multiple virtual care partners — allowing companies to take advantage of economies of scale, and clinicians to access a steady stream of virtual care consults without downtime.

Variable cost models allow you to precisely meet patient demand, while also saving money along the way as your costs transition from fixed to variable based on actual need.

To avoid exorbitant economic costs, companies must employ load balancing concepts to solve the patient demand-clinician supply puzzle.

05

Management of Opportunity Costs Is Critical

The downside of missing target forecasts is opportunity costs, which can have a significant impact on the business, both financially and on the future patient pipeline.

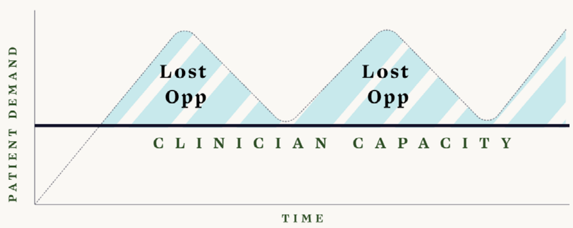
To coordinate virtual care delivery, you must match the right clinician with the right license to the right patient at the right time, based on where the patient is located. Technology can help automate this matching, though the economic challenge lies in the variability of patient demand.

OVERSTAFFING TELEHEALTH CLINICIANS

STAFFING TOO MANY CLINICIANS WITHOUT PATIENT DEMAND WASTES MONEY.

Here you have an ***overstaffing*** issue: clinicians standing by for consults, who must get paid for their time, without accruing any revenue for completed consults. When the sunk cost of clinical staffing isn't offset by revenue, the bottom line is damaged and pressure increases to make up for the shortfall.

UNDERSTAFFING TELEHEALTH CLINICIANS



DEMAND WITHOUT CLINICIANS IS LOST REVENUE - AND ULTIMATELY A LOST PATIENT.

This is an ***understaffing*** issue: patients requesting care that is not available via a trained and ready clinician. In most cases, they will seek out other avenues to receive that care, which could be from your competitors.

Often patients and consumers will turn to alternative telehealth providers, or even brick-and-mortar urgent care clinics to receive more immediate care. As a result of this poor brand experience and misaligned expectations, the impact for you is lost revenue, and more significantly, a lost patient.

Convenience and relative immediacy are cornerstones of the virtual care value proposition, and when care becomes inconvenient via long wait times, this modality is no longer advantageous.

To deliver a satisfactory patient experience, companies must meet patient demand in a timely fashion — while balancing the operational cost of clinician staffing — and continue to achieve this balance each day for successful business economics.

CLOSE

Delivering Virtual Care With Wheel

Wheel enables emerging and established enterprises to deliver virtual care at scale – without committing the capital and resources to build and maintain it themselves. Access the clinicians, technology, and partnership that visionary companies rely on for world-class care.

WHEEL HELPS SOLVE THESE CRITICAL CHALLENGES:

Clinician Scarcity

Wheel has shifted the traditional one-to-one clinician working model to a one-to-many model. That means one clinician can work across multiple virtual care companies, leveraging their license and expertise where they are needed most from day-to-day and even hour-to-hour.

Wheel leverages economies of scale by accessing a comprehensive clinician network with coverage across states and clinical specialties.

State Licensure

Wheel's nationwide network of tech-enabled clinicians spans all 50 states, with clinical coverage for even the most cumbersome states. Our credentialing and licensing team also handles licensure management, renewals, and reminders.

Wheel provides access to a nationwide network of clinicians without the administrative burden and resource demands of managing credentialing and licensure yourself.

Optimized Clinician Mix

In addition to managing the complicated oversight of collaborative supervision from state to state, Wheel's proprietary technology matches the right clinician with the right license to the right patient, every time.

Wheel helps you save on operating expenses with a judicious mix of physicians and nurse practitioners matched precisely to the patients you serve.

Variable Patient Demand

Wheel's white-labeled clinician network flexibly adapts in real-time, dynamically supporting surges in patient demand due to seasonality or unanticipated spikes — while charging companies only for the consults their patients need.

Wheel delivers care at a fraction of the cost of doing it yourself, with a variable cost model and 24/7/365 access to clinicians in all 50 states.

Management of Opportunity Costs

The Wheel platform is completely modular for flexible care journeys and seamless patient experiences. Companies can launch fast and save resources with low-code integrations, while easily adding new services, modalities, and geographies as they grow.

As your business evolves, so does our solution. Pay only for the care you need, and easily integrate additional clinical services and technology features as you scale.

Scale your virtual care program and get the competitive edge, with Wheel.

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