



## How to Evaluate Telehealth ROI



Telehealth is one technological innovation that allows more access to healthcare for people in remote locations and underserved areas. For some provider organisations, [telehealth is a means to further optimise delivery of care](#) and improve patient satisfaction. But, as noted in a new study, telehealth entails upfront investments in technology, programme design, staffing and training – which are seen as barriers to adoption.

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The study, titled ["A Framework for Evaluating the Return on Investment of Telehealth"](#), by Manatt Health Strategies, provides useful insights as to how the return on investment should be assessed for nascent telehealth deployments. Noting that virtual care investments are "highly dependent on the institution's objectives, as well as the estimated financial impact of the telehealth programme," the report says the ROI will vary widely based on the size, nature, clinical capacity and payment model of the organisation.

Academic medical centres, according to the report, typically employ a highly specialised workforce that treats high-acuity patients across a wide range of clinical domains. In contrast, many community hospitals are smaller, have a more generalised workforce and may not provide comprehensive services at all hours of the day.

Therefore, care providers "should assess a potential telehealth programme's impact on value by evaluating the programme's impact on improving revenue, health outcomes and patient experience relative to cost," study authors point out. They also listed some key questions that health leaders and IT managers at each type of organisation should be asking themselves:

**Academic medical centres:** "Can we extend speciality and subspeciality expertise beyond our four walls via telehealth? Can we employ telehealth tools to improve care coordination, patient

engagement and ongoing health management? Can we offer a telehealth platform and services to hospitals, providers and patients outside our system?"

**Integrated health systems:** "Can we utilise telehealth services to reduce per-member health expenditures? Can we integrate virtual care across the continuum of healthcare delivery to increase capacity and grow membership? Can we leverage AI-driven triage tools to navigate patients to the most appropriate site or method of care?"

**Community hospitals:** "Can we offer additional speciality services and reduce avoidable transfers by partnering with local tertiary or quaternary hospitals for virtual consults? Can we improve provider satisfaction and [reduce burnout and turnover by providing virtual backup coverage in the ICU or ED](#)? Can we increase patient retention by offering direct-to-consumer telehealth services for low-acuity conditions?"

**Primary care clinics:** "Can we extend primary and preventive care to remote and vulnerable populations through telehealth services? Can we better connect our patients to behavioural health and speciality care through virtual visits while they are in rural clinics? Can we improve outcomes and reduce costs through remote monitoring of patients with chronic conditions?"

Additional factors that can affect telehealth ROI calculation are patient acuity mix, new-patient volume and patient retention levels, hardware and software costs, potential for cost savings, programme management requirements and staffing levels.

Since telehealth adoption is still in its nascent stages, providers "should anticipate that for the time being the most significant financial benefits from telehealth programmes are likely to be the result of changes to patient acuity levels and increases in new or retained patient volume, rather than the result of increases in reimbursement," the authors wrote.

They further said the proposed framework can be a useful guide for healthcare leaders in [evaluating the merits of implementing and scaling telehealth activities](#). However, as noted in the report, the framework does not account for the nonfinancial benefits derived from telehealth deployments such as increasing access to care, allowing patients to receive care in more convenient settings, and improving overall patient and provider satisfaction.

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