

Virtual Health Care | A Strategy to Ensure Value



A Path for Network Providers
January 2021

EXECUTIVE SUMMARY

01 | Wellmark will **extend payment parity** for virtual services **through at least June 30, 2021**.

02 | Wellmark has developed a post-COVID **virtual care strategy that incentivizes network providers to proactively build and scale virtual health offerings that deliver high value** to Wellmark members. The spirit of this strategy is to build value and effectiveness into virtual health operations from the ground up.

03 | Wellmark would propose to implement **phased criteria that provides payment for virtual health services that ensure safety, quality, appropriateness and clinical efficacy**. The criteria will be phased in over a 3-year time period.

04 | The criteria and enhanced payment are designed to **aid providers in scaling virtual health services** and support them to **invest in the operating model changes that will drive affordability and cost savings**.

VIRTUAL HEALTH CARE STRATEGIC QUESTIONS

Wellmark has asked the following questions in order to develop a perspective, strategy, and tactical plan for our approach to virtual health (VH).

What long-term virtual health strategy does Wellmark need to enable in the market for members, employers and providers?



Insight Needed to Inform Strategy

What has been the ***response, both nationally and locally, to virtual health's growing prevalence?***

What do Wellmark's ***member, employer, and provider stakeholders*** want from virtual health solutions? Where do they align and where do they diverge?

What ***value does investment in virtual health offer*** to Wellmark members?

NATIONAL MARKET PERSPECTIVE ON VIRTUAL HEALTH

Exacerbated by nationwide response to COVID-19, healthcare market stakeholders are shifting their perspective on virtual health.

Market Force	Nationwide Trend
Employers	80% of national employers believe virtual health will play a significant role in future care delivery ¹ ; employers are especially interested in mental health services and disease management.
Regulators	After rapidly adopting reduced restrictions during the COVID emergency, CMS, and State regulators are now under pressure to eliminate restrictions and legislate parity for virtual care.
Providers	Among those physicians surveyed in June and July who said they had conducted virtual consultations in the past three month, about half (52%) said they will likely continue to do so after COVID-19 mitigation measures have ended ² .
Plans	UnitedHealthcare and Oscar are heavily invested in virtual health capabilities. UHC has partnered with Amwell to create its own virtual app, and recently acquired AbleTo for behavioral health. Oscar is marketing a \$0 Virtual Primary Care product.
Technology	Total corporate funding for virtual health increased by 111% in Q1 of 2020 ³ , with a surge of companies such as Microsoft launching their own virtual health platforms ranging from apps to fully SMS-based engagement.
Consumer	64% of Americans indicate interest in receiving some care virtually. Millennials are generally enthusiastic proponents and represent a growing share of the workforce.

(1) Business Group on Health “2020 Large Employers Health Care Strategy and Plan Design Survey” (2) Decision Resources Groups “Taking the Pulse 2020 Physician Survey”, “What can health systems do to encourage physicians to embrace Virtual Health”;(3) Fierce Healthcare “Telemedicine companies see funding boom of \$788M in Q1” Becker Hospital Review, “ 8 findings on consumer telehealth preferences,”

LOCAL STAKEHOLDER ASSESSMENT

A series of interviews, focus groups and surveys were executed across stakeholder groups to understand evolving market needs for virtual health and inform future state strategy.

Assessment Activities for each Wellmark Stakeholder Group

 Providers	 Members	 Employers	 Brokers	 Regulatory & Community
Stakeholder Interviews with 7 Health Systems/ Provider Groups	Focus Groups with Wellmark Members Market Survey of Wellmark Members (1,160 members)	Stakeholder Interviews with 5 Employer Groups	Stakeholder Interviews with 4 Consultant Organizations	Stakeholder Interviews with Iowa Legislators

STAKEHOLDER FEEDBACK – EXPERIENCE TO DATE

Stakeholders reported broadly favorable views of virtual health services, despite being slow to embrace them historically. COVID-19 has amplified the focus on virtual health, pushing it forward as an emerging priority across stakeholder groups.

Wellmark Stakeholders

Historical Virtual Health Approach and Current Perspective



Members

The market continues to be dominated by in-person interactions and affords emerging member access to virtual care; however, COVID-19 coupled with an increasing desire for efficiency and convenience have sparked increased demand for virtual health options.



Employers

While most employers have historically offered virtual health benefits, they have not been a critical decision factor in employer plan selection. Since COVID-19, employers increasingly recognize the need for virtual health, and are increasingly considering it as a factor in plan selection.



Providers

Providers see value in virtual health as a method of care delivery; however, lack of support for payment and coverage has limited provider willingness to make the long-term investments required to realize efficiencies. This leaves future provider adoption uncertain.



Community

Investments in broadband access and subsequent virtual health services for rural communities have been limited.



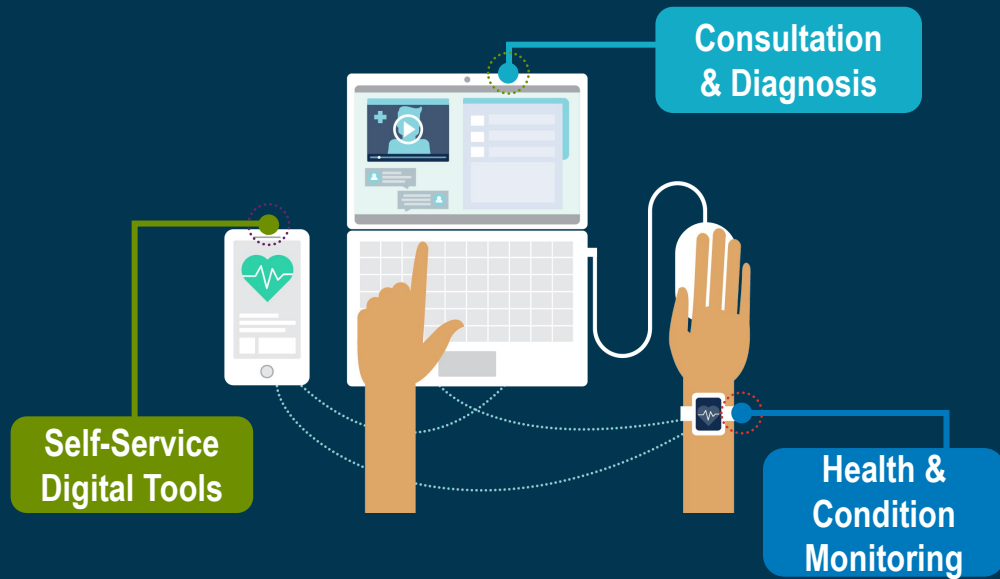
Regulatory

Iowa and South Dakota legislators have had virtual health initiatives on their radar, with a focus on mental health access, but faced difficulty in the past proving downstream value of virtual care delivery.

VIRTUAL HEALTH VALUE DRIVERS

Growing demand for virtual health services has pushed both payers and providers to build virtual capabilities in a manner that delivers value.

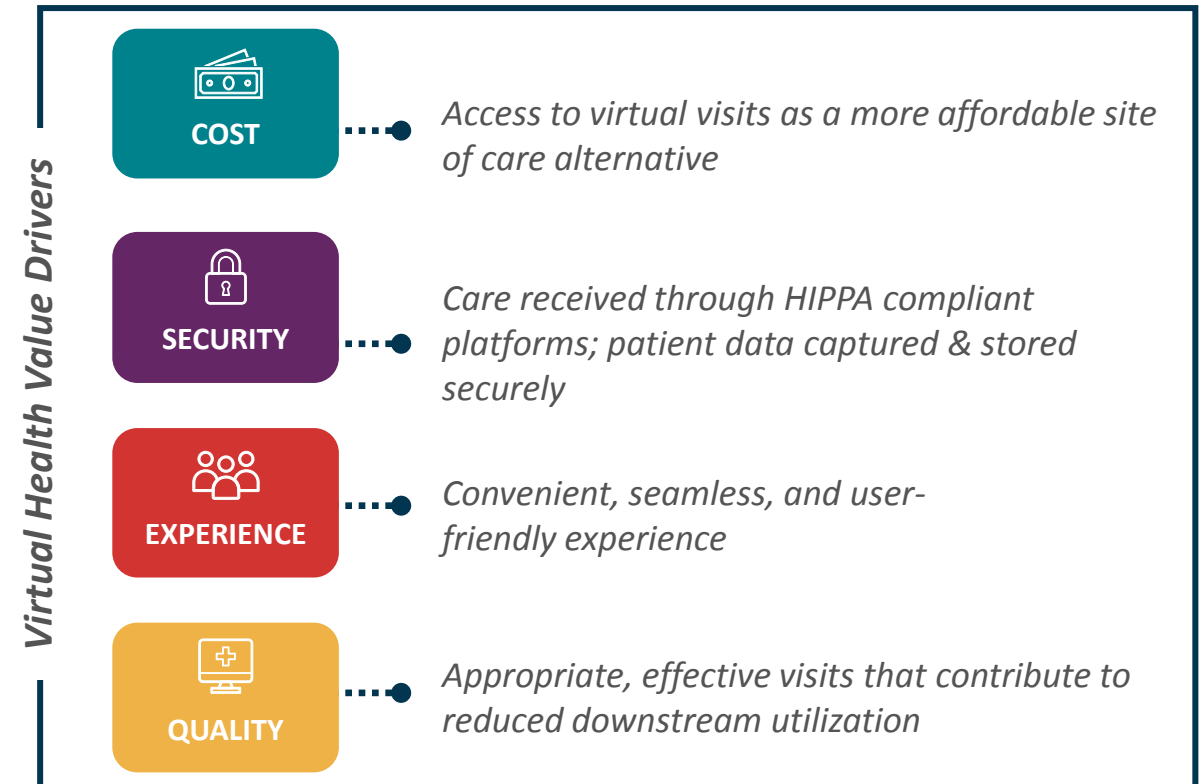
Virtual health modalities will play a critical role in the future of healthcare delivery.



What is Virtual Health?

A set of tools that provide an alternative point of healthcare access for consumers for (1) care delivery and (2) enhanced digital engagement.

*Post-COVID, Wellmark is committed to promoting virtual health experiences that deliver **VALUE** to healthcare consumers through access to safe, affordable, convenient and effective virtual care.*



ENABLING LOCAL PROVIDER SOLUTIONS

The cornerstone of Wellmark's strategy will be to enable local providers to deliver high quality virtual care. An incentive driven, criteria-based reimbursement model for providers will ensure that consumers have accessible, convenient, and effective virtual care experiences.

Enable Local Providers to Deliver High Value Virtual Care Adhering to Phased Criteria

Year 1:
BASELINE
REQUIREMENTS

Baseline **safety & consumer experience** guardrails

Year 2:
INTERMEDIATE
STANDARDS

Additional customer **experience** standards & appropriateness metrics

Year 3:
ADVANCED
STANDARDS

Metrics are focused on **performance and clinical efficacy**

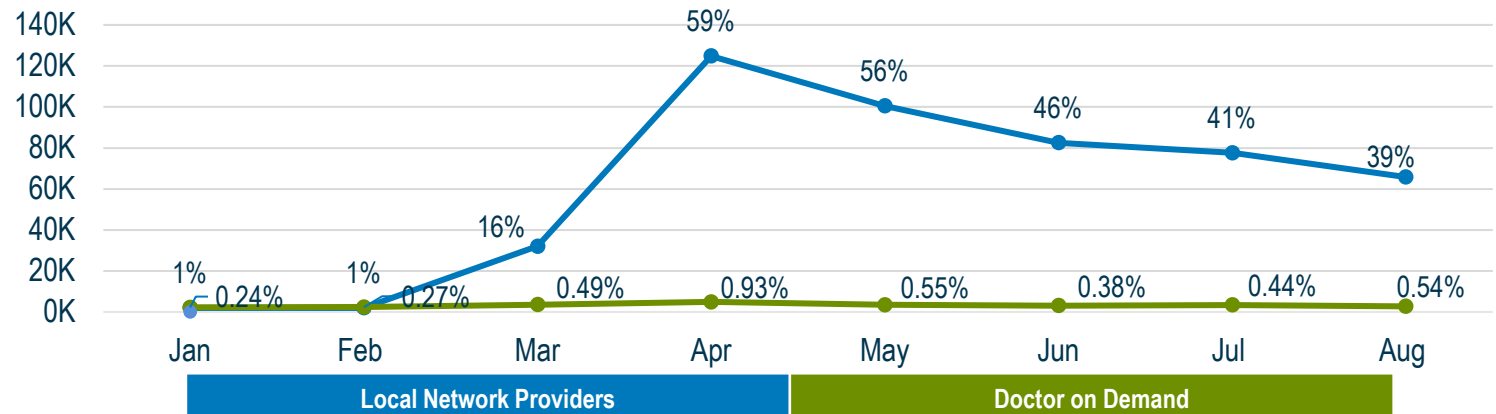
Establish Virtual Health as an Affordable Option



Wellmark will continuously monitor local provider performance across markets to ensure value is being delivered and addressing market demand.

2020 Wellmark Virtual Health Utilization

Utilization of virtual health services throughout the COVID-19 pandemic reveals a much more dramatic increase in utilization of virtual services provided by **Local Network Providers** than **Doctor on Demand**



Percentages represent the **percentage of virtual (either local or DOD) claims out of total professional claims.**

PHASED CRITERIA FOR DISCUSSION

FEEDBACK

In an effort to pressure test the design, logistics, and timing of the program laid out from a provider perspective, we invite feedback across the following areas:



METRICS

Are the criteria/metrics reasonable and appropriate?



TIMEFRAME

Is the program's timeframe aligned to your organization's expectations for virtual health expansion?



MEASUREMENT

How might your organization track and measure this criteria to attest to compliance?



OPERATIONAL EFFICIENCIES

How has your organization contemplated operating model adjustments to achieve efficiencies through VH?

OPPORTUNITIES FOR PROVIDERS

Providers meeting the criteria will continue to receive extended payment while scaling virtual health offerings, with guidance and support to ensure those offerings provide safety, convenience, and clinical effectiveness for patients.

EXPECTATIONS

The proposed approach is designed to offer benefits and support to strategically aligned providers as they conduct the following in support of expansion of virtual health:

- 1) Deliver *expanded care access and optionality* to patients through virtual service offerings**
- 2) Deliver *high-quality virtual care and enhanced patient experiences***
- 3) Invest in *operating model transformation* that yields VH operating efficiencies and cost savings**

BENEFITS AND SUPPORT

The proposed approach will provide the following benefits to support these providers as they achieve expectations outlined on the left:



EXTENDED PAYMENT

Wellmark will provide extended payment to qualifying providers in recognition that, until operational efficiencies are achieved, cost of delivery for VH services is similar to cost of in-office delivery



TIME

The program extends over at least a 3-year timeframe giving a runway for providers to scale their virtual health offerings and make operating model adjustments



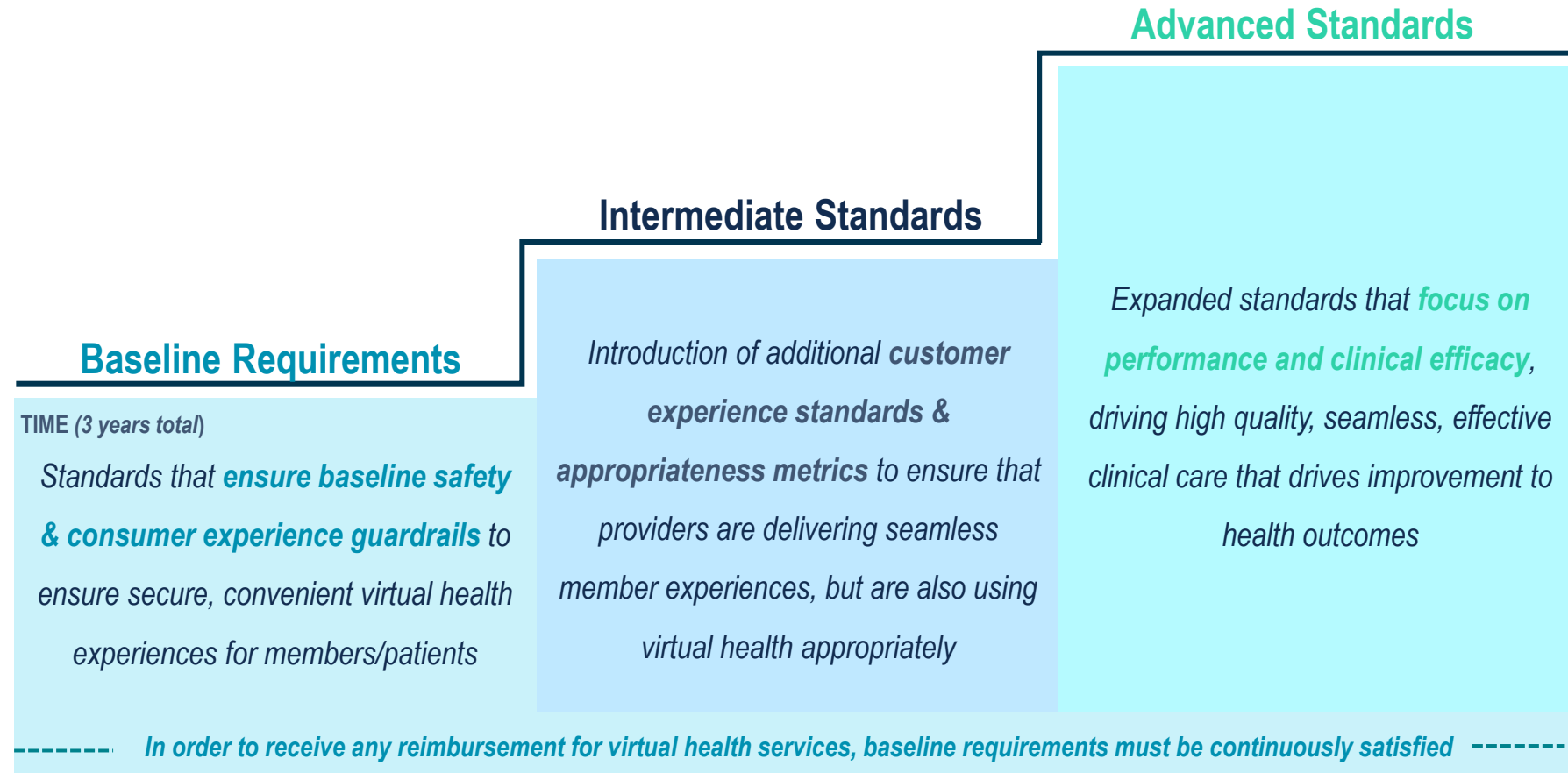
GUIDANCE

Proposed criteria provide specific guidance to ensure virtual health programs that promote high-quality patient care that is clinically appropriate and cost effective

WELLMARK'S VIRTUAL CARE STRATEGY

Phased Criteria Framework

The framework will encompass 3 phases of increasing requirements and standards implemented over a minimum of 3 years. Providers who successfully meet the standards in each phase will continue to receive extended payment.



BASELINE CRITERIA

For an introductory 12 months, contracting entities meeting this criteria will also receive full extended payment.

Ref	Domain	Criteria Description	Data Collection Method	Measurement Period	Appeal Available
1	Privacy / Security	All virtual visits are delivered through HIPAA compliant technology and platform	Attestation	N/A	N/A
2	Privacy / Security	Contracting entity's liability insurance covers telehealth services	Attestation	N/A	N/A
3	Consumer Experience	Contracting entity's website clearly states hours of operation for virtual health services	Attestation	N/A	N/A
4	Consumer Experience	Contracting entity's website clearly indicates the specific practitioners who offer virtual health visits	Attestation	N/A	N/A
5	Consumer Experience	Contracting entity offers online instructions to access virtual health services through designated platform	Attestation	N/A	N/A
6	Consumer Experience	Contracting entity offers online / mobile technology support for patients	Attestation	N/A	N/A
7	Consumer Experience	All contracting entity physicians administering virtual visits have undergone training on platform use and virtual patient evaluation	Attestation	N/A	N/A

INTERMEDIATE CRITERIA (*INCREMENTAL*)

Providers will be remeasured and expected to satisfy the below intermediate criteria in addition to baseline standards. Providers meeting all stated criteria will receive full extended payment.

Ref	Domain	Criteria Description	Data Collection Method	Measurement Period	Appeal Available
8	Consumer Experience	Patients have access to an online portal that provides visit details, test results and follow-up information	Attestation	N/A	N/A
9	Consumer Experience	Contracting entity offers virtual health appointment availability during 75% of total hours of in-office operation	Attestation	N/A	N/A
10	Consumer Experience	95% of practitioners under contracting entity have 3 or fewer complaints attributable to provider delivery of virtual visits, independent of platform/connectivity, within the prior 12 months	Source Verification	12 months prior to Intermediate	Yes
11	Appropriateness & Clinical Efficacy	Provider has not required remediation activity related to Fraud, Waste & Abuse for virtual health over the previous 12 months	Source Verification	12 months prior to Intermediate	Yes
12	Appropriateness & Clinical Efficacy	Excluding special circumstances, 95% of practitioners do not exceed the below quantity limits on a per-patient basis: <ul style="list-style-type: none"> Behavioral Health: 3 virtual visits per patient per week Speech Pathology: 3 virtual visits per patient per week Primary Care: 2 virtual visits per patient per week All other Specialties: 2 virtual visits per patient per week 	Source Verification	12 months prior to Intermediate	Yes

ADVANCED CRITERIA (*INCREMENTAL*)

Providers will be remeasured and expected to satisfy the below advanced criteria in addition to baseline & intermediate standards.
 Providers meeting all stated criteria will receive full extended payment.

Ref	Domain	Criteria Description	Data Collection Method	Measurement Period	Appeal Available
13	Consumer Experience	Contracting entity solicits post-visit consumer satisfaction surveys for all virtual visits	Attestation	N/A	N/A
14	Consumer Experience	Contracting entity offers extended, after-hours virtual health appointment availability (i.e., from 5-7pm)	Attestation	N/A	N/A
15	Consumer Experience	Contracting entity offers digital appointment scheduling for virtual visits (i.e., patients do not need to make a phone call or submit an email to request a visit)	Attestation	N/A	N/A
<p><i>In addition to the above criteria, contracting entities will need to either enter a risk arrangement with Wellmark (16) OR adhere to downstream utilization parameters (17,18,19) listed below:</i></p>					
16	Appropriateness & Clinical Efficacy	Contracting entity is participating in risk bearing arrangement with Wellmark	Source Verification	N/A	N/A
<p>OR</p>					
17	Appropriateness & Clinical Efficacy	Virtual visits followed by downstream ED utilization within 7 days for related primary/secondary diagnosis does not exceed certain percentage (TBD) of total virtual visits	Source Verification	18 months prior to Advanced	Yes
18	Appropriateness & Clinical Efficacy	Virtual visits followed by downstream Urgent Care utilization within 7 days for related primary/secondary diagnosis does not exceed certain percentage (TBD) of total virtual visits	Source Verification	18 months prior to Advanced	Yes
19	Appropriateness & Clinical Efficacy	Virtual visits followed by downstream utilization of lab and imaging services within 7 days for related primary/secondary diagnosis does not exceed certain percentage (TBD) of total virtual visits	Source Verification	18 months prior to Advanced	Yes

TIMELINES BY PROVIDER COHORT

Providers will advance through criteria phases over 3 years, with the expectation that some operational efficiencies are realized by year 4. Critical access hospitals and independent providers will have the option of following an extended 4.5-year timeline.

Illustrative dates; specific timing is dependent on duration of COVID-19 State of Emergency

	Jan 2021	July 2021	Jan 2022	July 2022	Jan 2023	July 2023	Jan 2024	July 2024	Jan 2025	July 2025	Jan 2026
Standard Timeline <i>Required for Health Systems & Physician Groups</i>	COVID-19 Emergency <i>TBD</i>	Baseline Reimbursement Period 12 Months									
		Intermediate Criteria Measurement Period 12 Months		Intermediate Designation Period 12 Months							
			Advanced Criteria Measurement Period 18 Months			Advanced Designation Period 12 Months					
Extended Timeline <i>Available to Critical Access Hospitals & Independent Providers</i>	COVID-19 Emergency <i>TBD</i>	Baseline Reimbursement Period 18 Months									
			Intermediate Criteria Measurement Period 12 Months		Intermediate Designation Period 18 Months						
					Advanced Criteria Measurement Period 18 Months			Advanced Designation Period 18 Months			

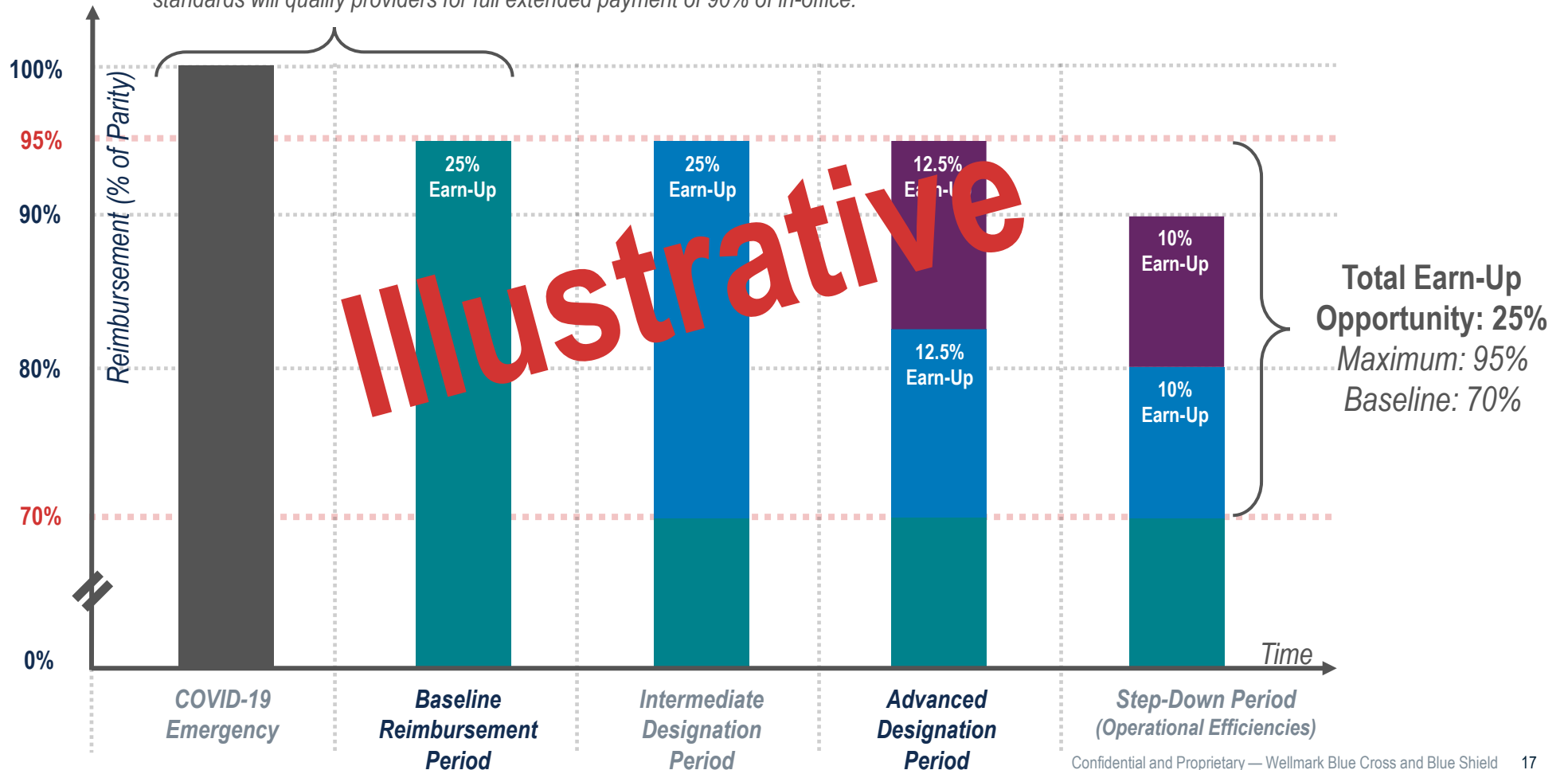
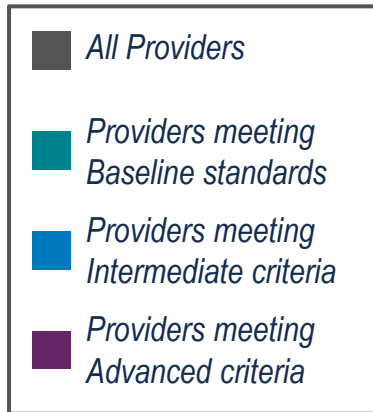
MEDICAL CARE REIMBURSEMENT LEVELS OVER TIME

Medical providers who advance within set designation time periods will have the opportunity to earn-up to an additional 25% of in-office visits in reimbursement. Providers who don't achieve baseline requirements at any stage will receive no reimbursement.

Minimize COVID-19 Burden

To support providers both during and through recovery from the impact of the COVID-19 emergency, Wellmark will extend current reimbursement levels through at least June 30, 2021, followed by an introductory period wherein satisfaction of baseline reimbursement standards will qualify providers for full extended payment of 90% of in-office.

LEGEND:



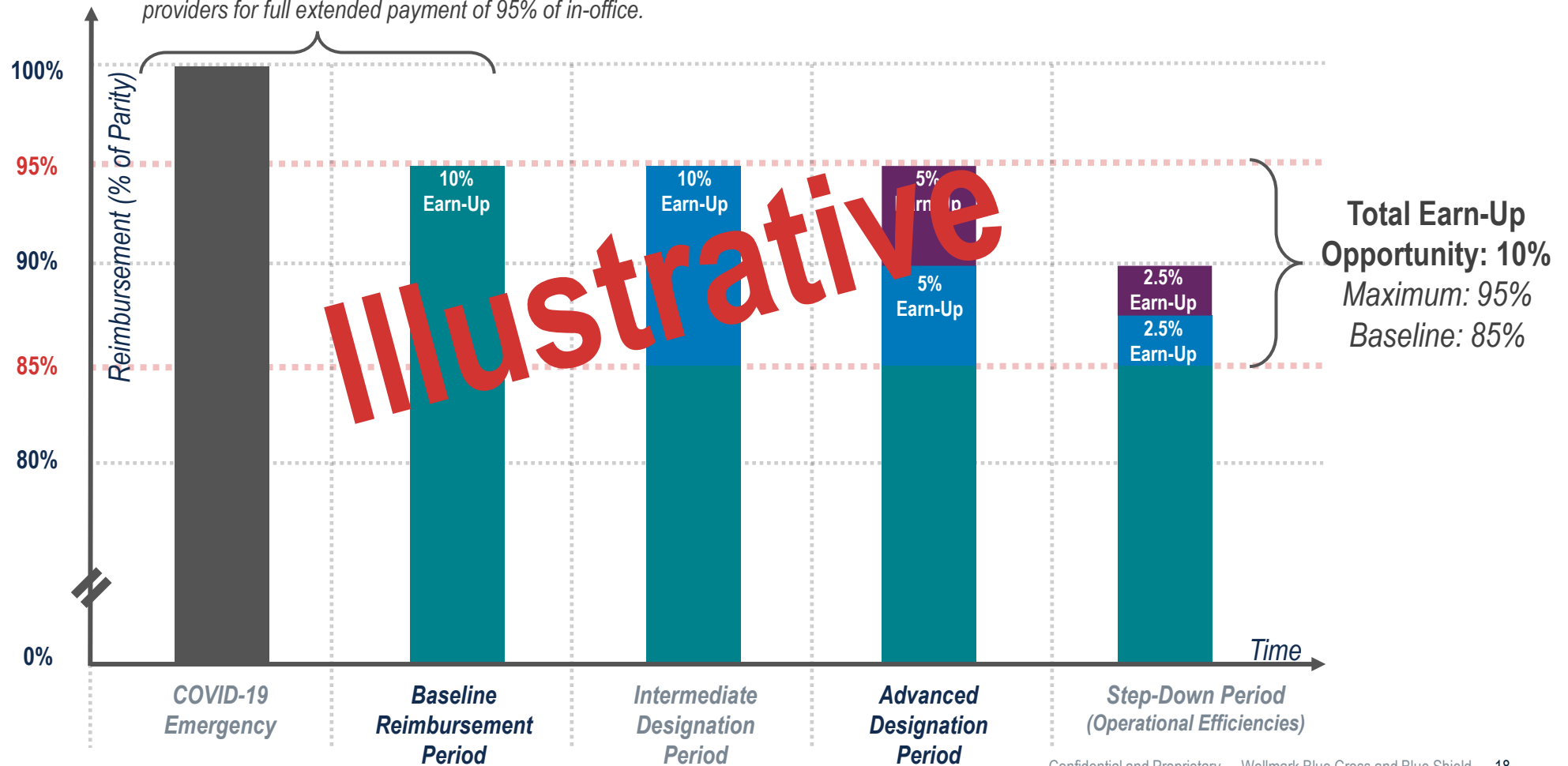
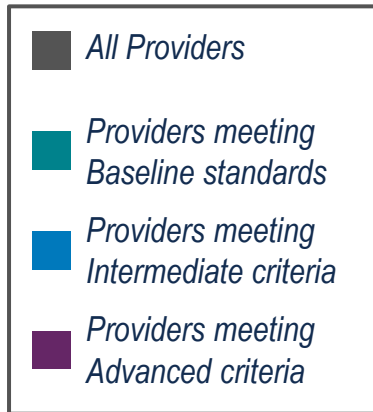
BEHAVIORAL HEALTH REIMBURSEMENT LEVELS OVER TIME

Behavioral health providers who advance within set designation time periods will have the opportunity to earn-up to an additional 10% in reimbursement levels. Providers who don't achieve baseline requirements at any stage will receive no reimbursement.

Minimize COVID-19 Burden

To support providers both during and through recovery from the impact of the COVID-19 emergency, Wellmark will extend current reimbursement levels through at least June 30, 2021, followed by an introductory period wherein satisfaction of baseline reimbursement standards will qualify providers for full extended payment of 95% of in-office.

LEGEND:



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