

 OUR TAKE

The Impact of Covid-19 on Primary Care Operations and Viability

A review of the current landscape and projections for the future

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Executive summary

While the novel coronavirus has placed a spotlight on hospitals, the crisis is also disrupting operations at upstream care sites like primary care practices. Clinics of all sizes have had to contend with volume losses, workflow changes, pressure to rapidly adopt or expand telehealth services, and long-term sustainability concerns.

In this report, we examine the short-term and projected long-term effects of on primary care practices and provide guidance for leaders as they plan for an uncertain future.

Primary care: Fast facts

- Approximately 223,000 physicians, 68,000 nurse practitioners, and 36,000 physician assistants practice primary care
- An estimated 56% of physicians are owners of a primary care practice, 15% are employees of a physician-owned practice, and 26% are employees of a non-physician owned practice
- Of the practices not owned by physicians, an estimated 52% are owned by health plans and 42% by hospitals or health systems

Impact on volumes

Dramatic volume losses, coupled with economic difficulties, have placed enormous financial strain on primary care providers (PCPs) throughout the country. Across practices, **volumes are down between 35%¹ and 75%², with smaller, independent practices often feeling losses more acutely**—primarily due to lack of capital and outside funding sources, as well as challenges transitioning to telehealth.³

In a late-March survey⁴ of more than 700 PCPs, **three in five reported uncertainty about their ability to remain open over the next month**, whether owing to staff illness (49%), lack of personal protective equipment (PPE) (44%), or low volumes of reimbursable work (35%). In fact, 20% of primary care practices predict either temporary or permanent closure within the coming month.⁵

While loans through the U.S. Small Business Administration (SBA) initially held potential for struggling small practices, the administrative protocols were reportedly onerous and the initial \$350 billion allocated was exhausted⁶ within two weeks—limiting the impact of these loans on practices’ financial sustainability.

But it’s not just small practices that are suffering. Larger, hospital-affiliated practices have also experienced significant volume drops. However, these practices are more likely to have access to capital and be able to convert in-person volumes into telehealth volumes. They’re also better able to flex to support the larger health care ecosystem—for example, strategically⁷ closing specific sites to consolidate resources and PPE, and redeploying staff to other sites of care.

Estimated volume reduction across practices

35-75%

Source: (1) "Patient volumes down 35% for independent providers + 4 more survey findings," [Becker's Hospital Review](#), April 7, 2020. (2) "COVID-19 hits some health care workers with pay cuts and layoffs," [NPR](#), April 2, 2020. (3) "Primary care doctors' revenue down 70% as COVID-19 threatens to close offices," [WHEC Pittsford](#), April 7, 2020. (4) "Primary care & COVID-19: Week 3 survey," [the Primary Care Collaborative](#), April 1, 2020. (5) "Primary care & COVID-19: Week 5 survey," [the Primary Care Collaborative](#), April 17, 2020. (6) "Small business loan fund from coronavirus stimulus runs out," [Axios](#), April 16, 2020. (7) "Kaiser Permanente temporarily closing 11 clinics to prepare for coronavirus surge," [KGW8 Portland](#), March 18, 2020.

SHORT-TERM IMPACT

Short-term impact on primary care operations

Rapid transition to virtual visits

In the wake of these challenges, **telehealth has proven the primary lever for salvaging appointments and reducing the financial impact of volume losses.**

Blue Cross Blue Shield (BCBS) of Massachusetts reported¹ a 5,100% increase in telehealth visits across different sites of care compared to March 2019, with the insurer processing more than 180,000 telehealth claims since expanding coverage for virtual care during the Covid-19 pandemic.

This is primarily the result of health systems quickly building, scaling, or partnering to provide telehealth services. For example, **UC San Diego Health²** now conducts more than half of its primary care visits via telehealth—up from 6% pre-Covid-19. Similarly, **New York University’s (NYU) Langone Medical Center** went from 20 clinicians to 1,300 new providers on its virtual care platform within a week.³ Equipped with an iPhone or iPad, NYU Langone providers are now able to virtually consult with patients on both Covid-related issues and previously established appointments. In late-March, **providers completed more than 5,500 virtual visits in a single day.**

For smaller, independent practices, the transition to telehealth has been slower, though still significant. In a recent survey⁴ by the Primary Care Collaborative (PCC) from mid-April, **34% of providers reported using video visits** for the majority of their appointments and **48% reported using phone calls** for the majority of their appointments. Three weeks prior, those percentages were 6% and 17%, respectively.⁵

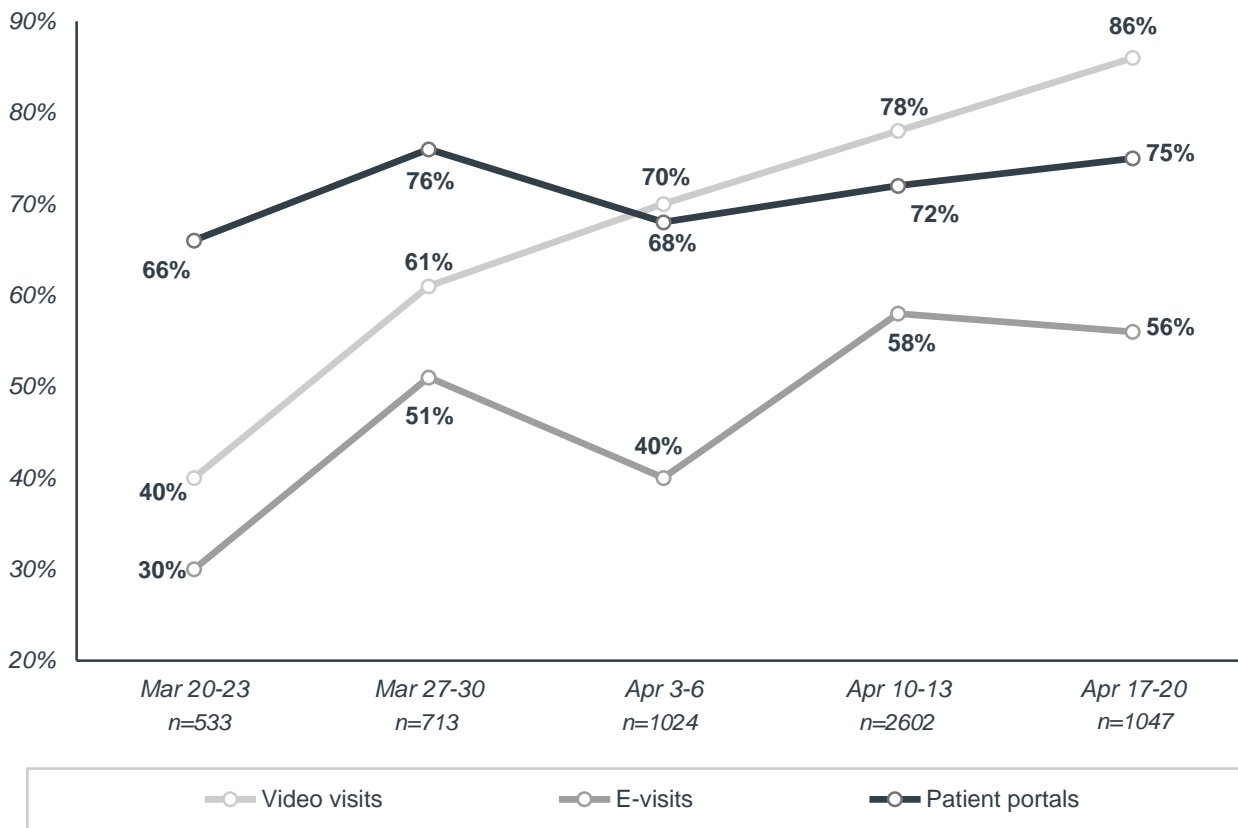


Source: (1) "BCBS of Massachusetts telehealth visits spiked 5,100% in March: 3 notes," [Becker's Hospital Review](#), April 13, 2020. (2) Cunningham, P. "Coronavirus means Americans are finally embracing virtual health care," [The Washington Post](#), April 8, 2020. (3) Drees, J. "NYU Langone rapidly expands virtual care amid 'explosion' of COVID-19 in New York," [Becker's Hospital Review](#), March 31, 2020. (4) "Primary care & COVID-19: Week 5 survey," [the Primary Care Collaborative](#), April 17, 2020. (5) "Primary care & COVID-19: Week 2 survey," [the Primary Care Collaborative](#), March 26, 2020.

SHORT-TERM IMPACT

Primary care practices reporting use of telehealth modalities

Trends from the PCC COVID-19 Primary Care Survey



SHORT-TERM IMPACT

Workflow changes to accommodate patients without telehealth access

Regardless of practice size or affiliation, some consumers will be unable to access telehealth due to technology limitations. According to one survey,¹ **65% of clinicians report having patients who cannot use virtual care options other than phone visits** because they lack access to computers, tablets, smartphone devices, or the internet.

For those patients or for other vulnerable groups, some practices are continuing to offer in-person visits—instead focusing their transformation efforts on scheduling and deployment models. For example, some practices have designated specific clinics or appointment hours for Covid-related concerns. Others, like **Southwest Medical Associates**,² have turned to mobile clinics as a way to provide medical care for specific populations, such as newborns.

Reduction in well care and chronic condition management visits

Even with the shift to telehealth, preventive care and ongoing chronic disease management have taken a backseat to Covid-19-related concerns. By late-March, **90% of surveyed PCPs reported³ limited access to wellness and chronic care visits, with 1 in 5 no longer doing *any* routine care**, including well care, chronic care, and non-Covid acute visits. By early April, 59% reported no longer scheduling preventive appointments and only **7%** reported them as a high priority for their practices.

Source: (1) "Primary care & COVID-19: Week 5 survey," [the Primary Care Collaborative](#), April 17, 2020. (2) "Good day Las Vegas," [KLAS-TV](#), April 9, 2020. (3) "Primary care & COVID-19: Week 3 survey," [the Primary Care Collaborative](#), April 1, 2020.

PROJECTED LONG-TERM IMPACT

Projected long-term impact on the primary care landscape

We anticipate that the Covid-19 pandemic will have long-term impacts on practice consolidation, patient health status, the transition to telehealth, and the success of new-in-kind primary care market entrants.

Consolidation

Closure and acquisition will be the unfortunate reality for many independent practices that are unable to survive volume losses for more than a few months.

Patient health status

Patients will have significant unmet preventive care and chronic care management needs—increasing the overall complexity of provider panels. This will be driven by behavior changes among both patients and providers during the Covid-19 outbreak. Many patients will avoid seeking care for health needs other than Covid-19, and providers will scale back preventive and ongoing care visits to reduce Covid-19 spread and free up capacity for urgent and Covid-19-related visits.

Telehealth

Long-term adoption of telehealth depends primarily on whether reimbursement and regulatory changes are sustained post-pandemic. Providers will need adequate incentives to continue using these technologies long-term and invest in their practices' telehealth platforms. Payers will need adequate fraud protection and assurance that telehealth visits will replace some in-person visits, rather than simply adding additional visits.

PROJECTED LONG-TERM IMPACT

Primary Care Market Entrants

New market entrants will also become greater competitive threats to traditional primary care providers—largely because of their extensive telehealth capabilities and focus on holistic care management and reducing the total cost of care. For example, ChenMed¹ and Oak Street Health² have been able to capitalize on their existing telehealth infrastructure to rapidly shift more than 90% of their appointments from in-person to virtual. They are also providing non-clinical services such as grocery delivery and are delivering iPads to those who lack the technology needed for video visits.

Source: (1) "Physician practices modify operations to cope with COVID-19," [Modern Healthcare](#), March 17, 2020. (2) "Oak Street Health makes changes to support senior patients amid COVID-19 outbreak," [WKBN-27](#), April 3, 2020.

Guidance for the future

We anticipate that the effects of the Covid-19 pandemic will persist long after hospital demand surges pass. To prepare for the future, we recommend that primary care leaders invest in building their telehealth infrastructure, identifying unmet care needs—especially among high-risk patients, and establishing better cross-continuum coordination processes. Specific strategies include:

Investing in telehealth infrastructure

- Build or strengthen telehealth infrastructure to offer virtual visits long-term
- Equip practices with the necessary technology for virtual appointments (e.g., computers, tablets, integrated EMR¹ platforms)
- Educate patients and providers on the benefits and capabilities of telehealth, as well as best practices for use

Using data to better manage patient care needs


- Proactively identify and engage with high-risk patients to ensure their health needs are being managed in the absence of routine, in-person appointments
- Identify patients with unmet preventive care needs and find creative ways of supplying needed services (e.g., drive-through vaccination services)
- Assess opportunities to provide non-clinical support to high-risk patients to improve care plan adherence and outcomes


Coordinating with other community providers

- Partner with local health systems, pharmacies, and other sites of care to coordinate care delivery, testing, triage, and supply sharing processes
- Communicate with local and state officials to develop a phased approach to resuming in-person operations

1. Electronic medical records.

Related resources

 RESOURCE
Your Top Resources for Covid-19 Readiness
[advisory.com/research/covid-19](https://www.advisory.com/research/covid-19)

 RESEARCH BRIEFING
Consumer Preferences for a Primary Care Clinic
[advisory.com/newclinic](https://www.advisory.com/newclinic)

 RESEARCH REPORT
The Future of Primary Care
<https://www.advisory.com/research/health-care-advisory-board/research-reports/2020/future-of-primary-care>

 RESOURCE
3 Imperatives to Leverage Telehealth Against Covid-19
<https://www.advisory.com/research/health-care-it-advisor/resources/2020/3-imperatives-to-leverage-telehealth-against-covid-19>

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