



Virtual healthcare in Canada:
The solution at our fingertips.

A 2019 virtual healthcare industry report.

 **TELUS**® Health



This report was created by the Medisys Health Group (MHG) in 2019 based on the most recent data available at the time. In 2018, MHG was acquired by TELUS Health; this edition reflects that partnership through its branding, but all statistics and conclusions are from the original report.



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Introduction

Welcome to Medisys Health Group's 2019 virtual healthcare industry report.

When it comes to virtual healthcare in Canada, a great divide exists between current demand for it (71%) and its current rate of adoption (9%).¹

Moreover, of the systemic problems Canadians face when interacting with public healthcare, virtual care — 24/7 access to medical professionals from anywhere in the world via a mobile device — is a tangible solution for most. Robust digital platforms are operating with remarkable results, yet only a small fraction of Canadians have access to them.

Herein lies a significant opportunity for those in Canada — namely employers, human resource directors and corporate benefits advisors — with the ability to affect powerful change through the adoption of virtual healthcare programs.

South of the border, the virtual healthcare picture is much brighter; consumer usage doubled between 2016 and 2017² and about half of workers now have access to virtual healthcare. In the United Kingdom, an early adopter of virtual care thanks to government-supported telehealth programs, penetration of tech-supported care is the highest per capita in the over 65 category of any global market.³

Fortunately, leading health technology experts predict that the digital healthcare revolution will experience marked growth this year, fueled by increased institutional interest in improving patient engagement and cutting costs.⁴

We agree, and are hopeful that 2019 will be Canada's year to embrace virtual care — the gravely-needed healthcare solution at our fingertips.



Dr. Sheldon Elman, Chairman and Founder, Medisys Health Group



Dr. Beth Donaldson, Medical Director and Family Physician, Copeman Healthcare, a division of Medisys Health Group



Terry Power, CEO, Medisys Health Group



By the numbers: the case for virtual care in Canada

- 20% of Canadians wait 7+ days to see their doctors
- 61% of family doctors say they can't accommodate urgent appointments
- 40,000 Canadians visit an ER every year just to renew prescriptions
- 68% of Canadians skip or avoid medical appointments due to barriers like long wait times
- Canadians take 2-6 days off per year for doctors visits; those with kids take double
- 70% of ER and clinic visits can be replaced by virtual consultations without any impact on care quality
- 69% of Canadians say they would use virtual healthcare when office visits are inconvenient
- 71% of Canadians want to trade some of their healthcare benefits for access to virtual care



Only **9%** of Canadian employers currently offer virtual care.

Background: failure to launch

Despite revolutionary transformation across most Canadian industries over the past decade as a result of technological innovation and adoption, such change has not reached Canada's public healthcare system — an industry that affects every Canadian.

Seven years ago the Conference Board of Canada published its concern about the nation's public care system in a report called *The Inconvenient Truths About Canadian Health Care*, noting its failure to effectively utilize innovative technologies and modern management tools to enhance efficiency.⁵

What marked technological improvements have we seen since then? In short: not enough.

At the August 2018 Canadian Medical Association Health Summit, Brian Brodie, Chair of the CMA's Board of Directors, warned: "We, the established stakeholders, the providers, the payers, and the policy makers, have been slow and a bit resistant to being disrupted...the whole principle of disruptive innovation says that if I keep doing what I've done before to get me here, it will ultimately lead to my demise. So I have to unlearn, and adapt to the changing world."

Unfortunately, barriers like long wait times and difficulty taking time off work for medical appointments continue to lead many Canadians to delay or avoid seeking medical care altogether, while many of the

4.5-million Canadian residents who don't have family doctors turn to crowded clinics or emergency rooms for routine issues.⁶

This is the reality of healthcare in Canada today, yet it is estimated that up to 70% of visits to ERs or clinics can be replaced by online consultations without any impact on the quality of care.⁷





The Canadian virtual healthcare study: results

The need for virtual healthcare may be clear, but are Canadians willing to trade some in-person visits with their physicians for on-screen consults? Are they ready to embrace digital care?

In late 2018, Medisys Health Group commissioned the Canadian Virtual Healthcare Study to assess attitudes toward tech-enabled health services, and the results speak for themselves:

2 in 3

Canadians would use virtual care if it was provided in their employee benefit plan

71%

of Canadians are willing to trade some of their current benefits for virtual care

67%

of millennials want virtual care access

69%

of parents and caregivers want virtual care access

70%

of those dealing with chronic health conditions want virtual care access

1 in 3

Canadians say they would co-pay for access to virtual care services



Unsurprisingly, study participants indicated that the biggest benefits of virtual care are access to care during late hours and weekends (67%), convenience (66%), avoiding increasing wait times at urgent care during late hours for minor health problems (62%), less time missed at work (47%), more regular visits with a healthcare professional (45%) and less stress (29%).

Still, only 9% of Canadian employers currently offer virtual care services to their employees.

In another recent survey conducted by IPSOS, Canada's leading provider of public opinion research, 69% of Canadians surveyed indicated that they would use virtual healthcare in lieu of or to complement in-office visits.⁸

Click the media logos below to see news headlines about the Canadian Virtual Healthcare Study



The Canadian Virtual Healthcare Study, commissioned by Medisys Health Group and conducted in collaboration with Edelman through the LegerWeb Panel, was in field between August 28 and September 4, 2018, and surveyed 1,501 full-time and part-time employed Canadians with employee benefit plans, 18 years or older, and living outside of Manitoba and Saskatchewan. The survey was offered in English and French. Results have been reported with a margin of error of +/- 2.5% at a 95% confidence interval.

Virtual healthcare: the corporate advantage

Is virtual healthcare worth the investment for employers?

In today's competitive talent pool, understanding employees' motivations and expectations is critical to business success — and research shows that employees are looking for customizable, prevention-focused benefits programs that save time, achieve work-life balance and provide quick healthcare solutions for their families.

With average smartphone screen time increasing by 60% over the past three years⁹ and 72% of smartphone users currently monitoring their health through their phones¹⁰, it's not surprising that most Canadian employees want access to virtual care services to supplement in-person visits with their doctors.

But responsible companies also provide health benefits to protect the bottom line: each year, health-related employee absenteeism equates to an estimated \$16-billion or more in direct lost revenue to Canadian employers.¹¹ People take 2 - 6 days¹² off per year for physician-related visits (double that figure for Canadians with kids), and each five-minute visit takes approximately two hours of time from the workplace.

The financial benefits of virtual healthcare equate to thousands of dollars in savings per employee annually, thanks largely to reduced absenteeism.

Many employees also feel the need to make up for missed time by working nights and weekends, which can be a significant contributing factor to stress-related issues. Furthermore, it is estimated that 60% of absenteeism is stress-related, and the direct cost of stress to employers is roughly \$600 per employee or \$3.5-million annually for a typical large employer.¹³ Of course, we know that stressed-out, sleep-deprived employees also make poorer business decisions than those whose mental health is prioritized.

Ultimately, while companies are investing significant resources into providing health benefits to their workforces, there's a major gap between what's being offered and what employees want and need. According to a new Harvard Business School report, this disparity is resulting in "companies incur(ring) millions of dollars of hidden costs due to employee turnover, loss of institutional knowledge, and temporary hiring, in addition to substantial productivity costs such as absenteeism and presenteeism."¹⁴

Return on investment at a glance

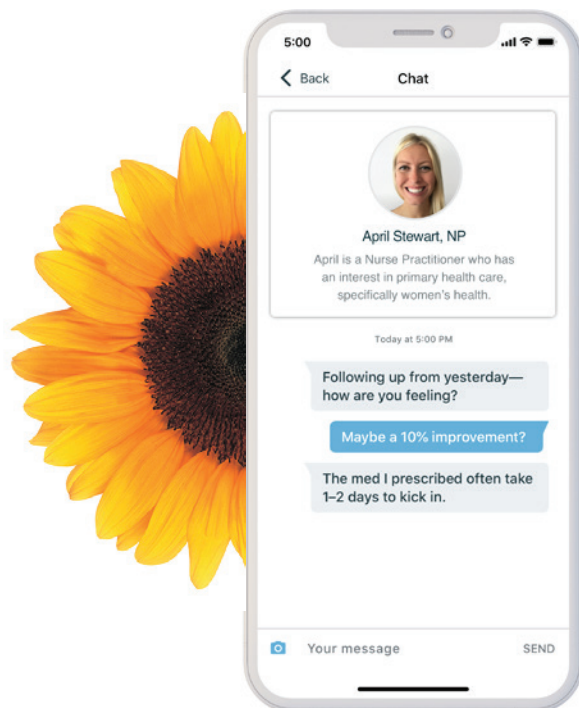
Data collected from our Akira by TELUS Health users is proving that virtual care can be rolled into most employee benefits offerings to influence ROI in a remarkably positive way.

A mid-sized company, for instance, can save up to 2,625 hours of productivity and \$174,000 annually with the addition of virtual healthcare, while an enterprise can save up to 9,844 hours and \$673,000 annually.

Potential savings by business category:

Company size	Average # employees	Cost savings	Cost savings (employees with families)	Time saved*
SMB	50	\$18,000	\$43,000	656 hours
Mid-size	200	\$73,000	\$174,000	2625 hours
Enterprise	750	\$294,000	\$673,000	9844 hours

*Time saved scenario does not account for employees with families, for whom doctors visits take up to twice as many hours annually



The above findings were derived from our ROI calculator, based on the following assumptions:

- 50% of employees who are offered virtual healthcare by their employers will take advantage of it
- Employees make an average of 7.5 doctors visits per year¹⁵ and the average visit to a doctor in Canada requires 3.5 hours¹⁶
- Average annual employee salary of \$65,000 was used

Virtual healthcare: the mental health advantage

As workplace stigmas around stress and mental health finally start to dissipate, organizations are recognizing the true impact of mental and emotional health on their workforce.

500,000+

Canadians miss work
each week due to
mental health issues

2/3

of those suffering
do not seek treatment

\$6.3 billion

in productivity is lost by Canadian
employers annually due to
mental health-related
absenteeism and presenteeism

#1

cause of disability
in Canada is mental
health issues

65 days

the average length
of a mental health-related
leave of absence

Despite the staggering statistics, out-of-pocket costs along with stigma, lack of time and poor flexibility continue to make it difficult for Canadians to prioritize mental and emotional health.¹⁷ Even with employee assistance programs or mental health professionals available to employees through benefits plans, many face challenges with scheduling and insecurities around the perceived stigma of seeking mental health support.

A 2019 survey by the International Foundation of Employee Benefit Plans¹⁸ found that 60% of North American workforces said their employees are facing more mental health and substance abuse issues than they were two years ago; while most employers (84%) reported using employee assistance programs, three-quarters said that only 10% of their employees or fewer actually made use of these programs.

Virtual mental healthcare services can alleviate that fear with convenient and private access to mental health professionals, which may encourage more employees to seek help where they wouldn't have otherwise.

An Ireland-based therapy program called SilverCloud, for example, has empowered six times more users to receive mental health care since combining virtual cognitive behavioral therapy (CBT) with in-person therapy.¹⁹ In the US, Westchester Medical Center in New York has seen a 30% reduction in missed patient appointments since implementing telepsychiatry.²⁰

Here in Canada, Akira by TELUS Health offers mental health solutions through its platform for virtual medical consults. We continue to enhance our mental health offering with virtual therapy and coaching, as well as mental health analysis tools for employers to better understand their workforce resilience.

Canadian employers offering virtual care have the power to help bring mental health out of the shadows, while also safeguarding the health of their businesses. As TELUS Health recently summarized, **“the long-term aim is to promote the use of virtual CBT as an early intervention, while employees are still at work, to prevent disability claims.”**²¹

In short, investing in employees' mental health through virtual care is not only prudent, but cost effective: “This is about diverting some of the traditional benefit dollars to deliver services in a different way, and more cost effectively,” says Marilee Mark, Group Benefits Strategist at Marilee Mark Consulting.²²



Barrier to adoption: loss of the “human touch”?

While the benefits of and Canadians’ appetite for care delivered virtually are evident, low adoption rates may be attributed in part to apprehension associated with the quality and scope of virtual healthcare — namely, the loss of the “human touch”.

There has been concern among patients and healthcare providers that virtual care will reduce or eliminate the valuable rapport developed during in-person visits, but multiple recent clinical studies have dispelled this myth.

In a 2015 report focussed on patients and physicians in British Columbia, 79% of patients who experienced a virtual visit reported the quality of care was identical to that of an in-person visit, and 91% stated the virtual appointment helped them deal with their health issue.²³

This January, the American Journal of Managed Care also published a multi-year study conducted by Massachusetts General Hospital (MGH), which determined that virtual consults can successfully replace office visits in many situations without compromising the quality of care and communication between patient and physician.²⁴

- 62% of responding patients reported the quality of virtual video visits was no different from that of office visits
- 21% thought virtual visits’ overall quality was better
- 68% of patients rated virtual video visits at 9 or 10 on a 10-point scale
- Clinicians reported that virtual video visits were superior to office visits for timely scheduling of patient appointments (71%) and for visit efficiency (53%)



What patients value most is uninterrupted time with their doctor, and they put up with all the other challenges required to come see us. With a telehealth visit, 95% of the time spent by the patient is face-to-face with the doctor, compared to less than 20% of a traditional visit, in which most time is spent traveling and waiting.

- Lee Schwamm, MD, director of the MGH Center for TeleHealth and MGH Comprehensive StrokeCenter, and executive vice chairman of the MGH Department of Neurology.



Stakeholder benefits to adoption

The physician perspective

Fact: Supplementing one patient visit per year with virtual healthcare may save primary care physicians an average of five minutes per appointment, freeing up 47.8 million hours across the primary care workforce²⁵ to see additional patients and accommodate urgent appointments.



Interview with: **Dr. Vivien Brown**,
Vice President, Medical Affairs,
Medisys Corporate Health

Q: As a leading Canadian physician with a full-time, in-office practice, what's your take on virtual care?

A: Increasing smartphone use coupled with ongoing supply and demand challenges within our healthcare system make it clear why Canadians want to supplement traditional doctor's office visits with virtual consults.

Common access barriers also lead many Canadians to delay or avoid seeking medical care altogether, which can be especially dangerous for patients suffering from serious or chronic conditions. We must also recognize the provision of virtual medicine to extend the reach of high quality care to underserved populations and remote communities where convenient access to specialists can be limited to begin with. Virtual care, however, has been shown to reduce wait times to see a specialist by 30% to 50%.

A recent study by Truven Health Analytics also showed that 70% of ER and clinic visits can be replaced by virtual consultations without any impact on quality of care, so the writing is on the wall: Canada needs this modern solution.

The employer perspective

Fact: Access to healthcare professionals through virtual care reduces health-related stress among employees; with stress contributing to an estimated 60% of work-related absenteeism, this is a relevant concern.²⁶



Interview with: **Josée Dixon**,
Senior Vice-President of Group
and Business Insurance,
Desjardins Insurance

Q: You are currently piloting the Akira by TELUS Health platform with 4,000 employees. What have you observed so far?

A: Our employees are especially pleased with how easy it is to get in touch with a medical professional, even late at night, to take care of a medical issue – whether it's for themselves, their spouse or their children. Employees have also been able to renew their prescriptions without having to waste hours in a walk-in clinic. It's been very positive so far.



Interview with: **Dr. Sheldon Elman**,
Chairman and Founder,
Medisys Health Group



Listen:

CBC News explores advantages of virtual healthcare for employers.



The employee perspective

Fact: 24/7 access to healthcare for employees and their families provides peace of mind and reduces stress, which plays a major role in workplace wellness, happiness and productivity.



Interview with: **Marie-Hélène Irvine**
BScPhm, ACPR, PharmD, RPh,
Medical Information Manager,
Amgen Canada Inc.

Q: How has virtual healthcare made a difference in your life, personally and professionally?

A: Akira by TELUS Health has made my life so much easier by allowing me to access quality health care in a matter of minutes from the comfort of my own home. I've personally used the service for a variety of health needs ranging from getting an ultrasound requisition, to getting a prescription, to having my children assessed for an infection. Akira by TELUS Health is so convenient and has saved me so much time! I've been able to avoid visits to urgent care and waiting for an appointment with my doctor.

Summary

The view that the best possible care is delivered by medical professionals in person is being upended in Canada.

“ As stakeholders, we must leverage the opportunities generated by our technology-enabled environment to optimize the delivery of healthcare to Canadians – and virtual healthcare is a vehicle for this change. ”

- Dr. Sheldon Elman, Executive Chairman, Medisys Health Group.

Effective virtual care has the power to:

- Remove ongoing access barriers to traditional care
- Reduce economic strain on the public system
- Dramatically improve treatment for those suffering from mental health challenges
- Protect the bottom line for employers
- Empower Canadians to become more engaged in their health

The Canadian Virtual Healthcare Study by Medisys Health Group determined that the majority of Canadian employees would use virtual care if they had access to it. This appetite to engage in healthcare on one's own terms translates to greater attention to personal health — and we know that improved health literacy has been shown to reduce the direct cost of healthcare by as much as 17%.²⁷

Fortunately, Canadian companies are increasingly considering the benefits of adding virtual care solutions like Akira by TELUS Health to their health benefits offerings, which is proof of this:

The old adage that health isn't valued until it's lost may not hold true with the advent of virtual healthcare.

Appendix

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For more information:
telushealth@telus.com