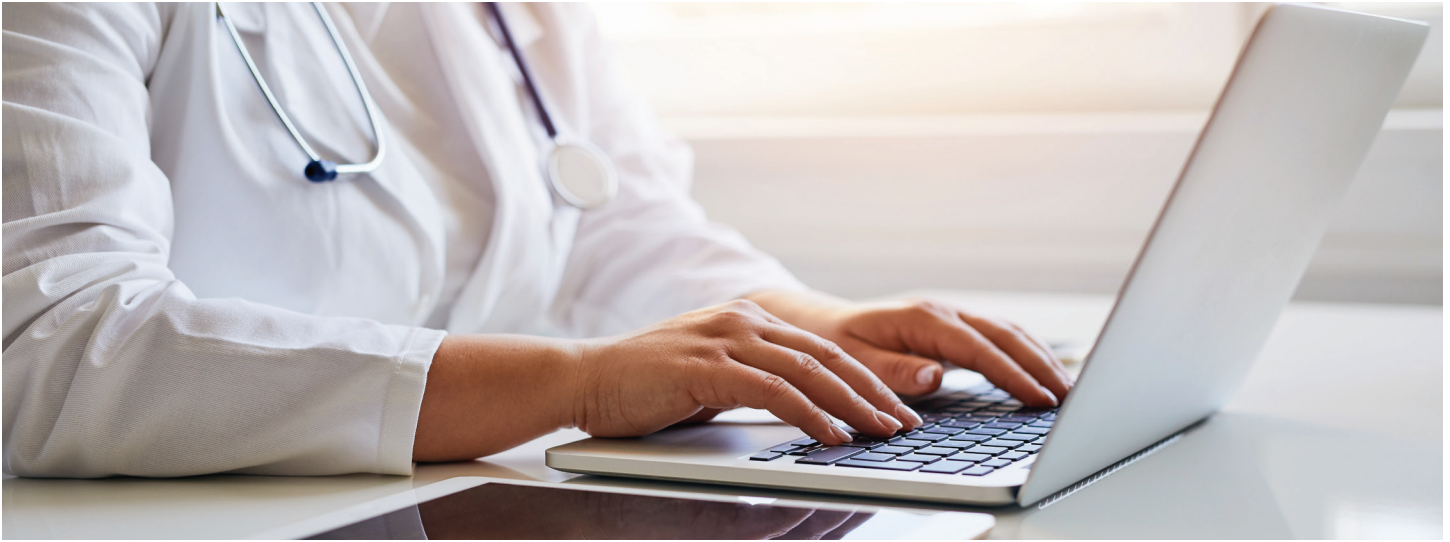




The Early Impact of COVID-19
on Specialty Practices

White Paper



Executive Summary

The COVID-19 pandemic significantly impacted community medical practices, yet many were able to adapt and leverage available resources within the first six weeks of the public health emergency. While the financial impact of the pandemic continues to weigh heavily on practices, many community-based practices were able to continue treating patients by deploying telehealth for visits and treating the most critical cases in the office after the implementation of new safety protocols. This rapid adoption of technology with updated operational procedures provided a safe site of care.

In early May 2020, a national survey conducted with practice administrators and managers looked at how their practices managed through the pandemic and their expectations for the future.

The Survey

The electronic survey queried and received feedback from community-based practices in oncology (30%), retinal/ophthalmology (23%), large specialty practices such as urology and rheumatology (16%), and other independent clinics and surgical centers (32%). A total of 160 practices participated, representing large and small practices from diverse geographic locations and varied community size, answering questions related to the impact of the pandemic on their business between the state-wide closures in mid-March and the end of April. The anonymous survey consisted of 14 questions aimed to measure the impact on key operational areas, patient care and efforts the practices took to manage through the public health emergency. The survey was conducted and reported by IntrinsiQ Specialty Solutions, a business unit of AmerisourceBergen. Data was collected from members of the ION and IPN GPO, and customers of Oncology Supply and Besse Medical, all business units of AmerisourceBergen.

The survey represents early data from community-based practices and draws a parallel with data extracted from an oncology EMR platform, where new patient visits dropped nearly 40% in the first few weeks of the pandemic and cancelled appointments or no-shows reached 80% .¹

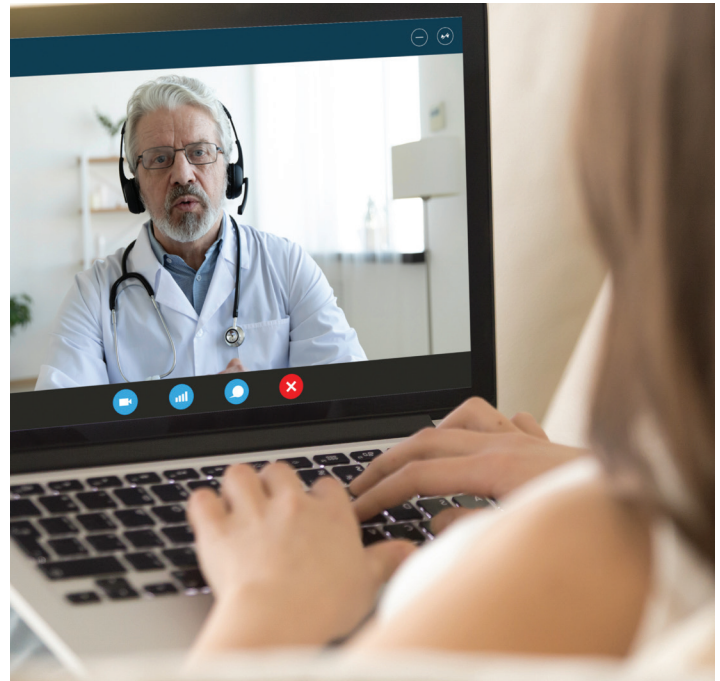
Shelter-in-Place, Telehealth and the Financial Impact on Practices

On March 13, the United States declared a national health emergency around the coronavirus (COVID-19) pandemic. States issued shelter-in place orders and community-based specialty practices faced the challenge of finding ways to continue treating their patients, many at a higher risk than the rest of the population.

As practices were forced to create new distancing protocols and office cleaning procedures, as well as acquire additional PPE for staff, 79% of community-based practices reported that they were able to quickly implement telehealth services to minimize patient care disruptions. The conversion to phone or video appointments addressed risks of exposure to the virus. *(Telehealth was not deployed as efficiently in vision specialties as it could not replace the in-person appointment with the necessary specialized equipment.)*

What many were not able to compensate for was the more than 50% reduction in total patient volume as seen in data from the survey. Much of that decrease is attributed to a lack of new patient encounters, particularly as screening appointments for cancers of the cervix, colon, and breast were down between 86% and 94% in March, compared to data from the previous three years.² And as hospital and ambulatory care centers closed their facilities to diagnostic and surgical procedures, other specialty patients delayed their health care.

With government programs providing an equalized payment during the pandemic for telehealth appointments versus in-office visits, the adoption of technology showed more benefit than risk for many providers. Regulations around practicing across state lines and the types of technology used for appointments were also relaxed, but those changes are expected to expire in post-pandemic operations.



As a part of the survey, practices noted that the continuation of telehealth capabilities at reasonable reimbursement rates was ranked the highest change needed throughout the pandemic. The American College of Physicians confirmed this in a June letter written to Seema Verma, administrator for the Centers for Medicare and Medicaid Services. “It is clear that the policy changes provided by CMS to allow for increased access to and use of telehealth functionality and virtual care have played a pivotal role in mitigating the effects of the COVID-19 pandemic while providing a source of much needed revenue for physician practices across the country.”³ There is uncertainty to how patients and practices can respond after the public health emergency, however practices and providers do not want a quick reversal of policy.

Even as states begin a phased re-opening, many providers will contend with new operational procedures – social distancing which requires additional scheduling and visit time, post-visit cleaning protocols and the uncertainty of patients’ willingness to return to the office – all which can contribute negatively to a practice’s bottom line.

Federal Resources to Offset Financial Impact

More than 70% of the practices participating in the survey reported that they took advantage of at least one of the federal programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These programs included accessing the Paycheck Protection Program (PPP) to help with payroll and other operational expenses under a forgiven loan, depending on if terms were met (66% of the respondents participated in this program). In addition, almost 50% of the practices participated in the initial provider relief fund, but only approximately 20% of practices took advantage of the Economic Injury Disaster Loan and Small Business Loan programs during this six-week timeframe.

And while the programs helped with the daily stresses of financing, more than 50% of the community practices (regardless of specialty) were uncertain if the federal stimulus packages will last the next six to nine months. Many health professionals are concerned that a second wave of COVID-19 sometime in late fall of 2020 may place an additional strain on both practices and patients.

Practices also ranked several issues that were important to their survival in 2021, including: telehealth at a reasonable rate, avoidance of tax increases, ASP sequester relief and repeat of the small business relief program. (The rankings of the issues are noted in a graph.)

While community practices have not terminated employees with their rapid adoption of telehealth and access of federal stimulus packages (it is noted that the majority of practices in the study terminated less than 10% of employees), preparations need to be made for a resurgence of COVID-19 cases. The potential onset of a similar shut-down places their future fiscal stability into question.



Concern for Patients' Health

The restrictive measures put in place by government officials, like shelter in place to curb the virus, had a significant impact on patients' health. Patients could not go to offices for primary healthcare or be seen for regular screenings. Planned surgeries were cancelled, regular appointments were delayed until physician offices could establish a plan for telehealth, and in-office visits were cancelled until cleaning protocols were created, distancing procedures were established and offices acquired the necessary personal protective equipment for staff, and patients were made aware of new procedures for attending an in-office visit.

Patients delayed their healthcare - "Federal officials called for postponing non-covid-19 treatments when possible to free up health-care resources. These cancellations included surgeries, outpatient procedures and even preventive services," according to a recent article in the Washington Post, with 94 million Americans delaying their healthcare.⁴



Going for an in-person visit for early diagnosis or a radiation treatment or chemotherapy placed the patient with an uncomfortable choice – postponing care or taking the risk of being exposed to COVID-19.

The community-based specialty practices surveyed saw more than a 50% decrease in total practice volume and data shows that the decrease was driven by the decrease of new patient visits. With diagnoses being delayed and screenings non-existent, healthcare providers are worried that their patients may face tougher health challenges. The emotional and psychological aspects of the pandemic placed additional stress on patients, potentially causing exacerbation of diseases or simply a lack of seeking treatment. There have been many examples in the news where people have symptoms simulating stroke or cardiac arrest where the patients weighed going to an emergency room, or just letting their symptoms “clear” on their own.

In the study, more than 60% of the non-oncology practices believe patient outcomes will be moderately or significantly impacted over the next 12 months.

Over 75% of oncology practices expect at least a 10% reduction in overall survival, when quantified.

That perception was reaffirmed by a recent presentation given virtually during the 2020 ASCO Annual Meeting. “The decision to preserve hospital and clinical capacity was “necessary and important” as COVID-19 peaked this spring,” Norman E. “Ned” Sharpless, MD, director of the National Cancer institute (NCI) said. “But all this deferred care—it’s going to have costs for patients with cancer. It may mean more cancer suffering outcomes for our patients. What we don’t know yet is the scale of these bad outcomes.”

Each year, Sharpless noted, NCI works with the American Cancer Society and others to publish an annual report on the state of cancer, and the declining mortality rates have become an annual “shot in the arm” for cancer researchers. “My fear is that diminished cancer care will produce a negative impact on these cancer statistics of relevance to the public health. And we expect to see these trends play out over several years,” he said. “We cannot escape this reality.”⁵



Patient Access to Clinical Trials

The COVID-19 pandemic disrupted nearly 500 clinical trials since the beginning of March, and that number was expected to double before the pandemic is declared over. Sponsors and clinical research organizations (CRO) could not conduct trials without patient visits in medical offices or other healthcare facilities. CROs could not monitor those trials, protocols had to be amended to proceed and trials were halted or interrupted.

According to survey participants, oncology practices experienced lower declines in clinical trial enrollment, as 35% of the practices had less than a 30% decline in enrollment. But more than 60% of other community-based specialty practices saw more than a 50% decline in enrollment for their clinical trials.

This diminished access to specialty clinical trials may greatly impact those patients whose previous therapies have failed. While the FDA published new guidelines for clinical trials, many sponsors had to take into consideration the risk of exposure for those trial subjects.

“People could be waiting a lifetime for a therapy that will be stalled or delayed,” says Pamela Gavin, chief strategy officer at the National Organization for Rare Disorders.⁶

National Specialty Practice Survey Results: March – April 2020

National specialty practices evaluated major aspects of the COVID-19 pandemic and their effect on their businesses:

Financial Impact

- More than 50% of practices saw a 50+% reduction in total practice volume, driven by a reduction of new patient encounters. This figure included vision and other specialty practices
 - Oncology practices saw a nearly 30% decline in new patient visits
- The greatest impact was seen in non-oncology infusions and medical and diagnostic procedures in the practices have the capability to provide those services



Patient Impact

- Nearly 60% of all practices (with the exception of vision) deployed telehealth services to their patients within 10 days, and another 20-30% (except vision) deployed within 11-30 days of the public health emergency
- At least 50% of clinical research practices saw a 30% reduction in subject enrollment and ongoing study visits
- More than 60% of non-oncology practices believe patient outcomes will be moderately or significantly impacted over the next 12 months
- Over 75% of oncology practices expect at least a 10% reduction in overall survival, when quantified
- In non-oncology practices, most practices believed that patient outcomes will be impacted at least mildly ranging to significantly impacted. Less than 20% on average did not choose to make a guess, but no practices believed there would be no impact on patients



Employee Impact

- The majority of practices furloughed less than 10% of employees, and at least 50% recognized staff for their efforts, regardless of specialty



Resources Utilized

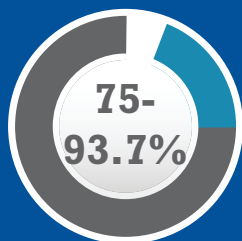
- More than 70% of practices participated in at least one of the federal programs
 - Between 55-75% participated in the Paycheck Protection Program
 - Over 40-60% of practices sought funds from the Initial Provider Relief Fund
 - Over 30% to nearly 50% of all practices participated in the Medicare Accelerated Payment Program
 - Fewer than 30% overall sought an Economic Injury Disaster Loan
 - Between 15-20% of practices sought a Small Business Loan
- More than 50% of practices (regardless of specialty) are uncertain if federal stimulus packages will last the next six to nine months. And nearly 40% of the practices believed the Federal Stimulus Package would not be enough for the next six to nine months.



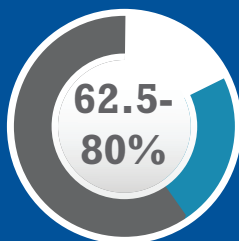
Issues Necessary for a Specialty Practice's Survival in 2021

Survey participants were asked to rank the programs and legislative issues that might continue to impact their practices if the health crisis was ongoing. These issues were ranked on a sliding scale of 0.0 (least important) to 4.0 (most important). The percentage of participants' response ranges (separated by specialty) appears in the center of each graph.

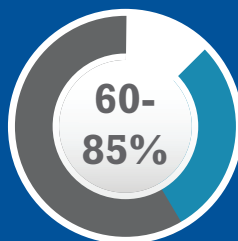
While the financial impacts were significant, many providers have noted that encouraging patients to oversee their healthcare with regular screenings and testing to manage chronic conditions was a top priority



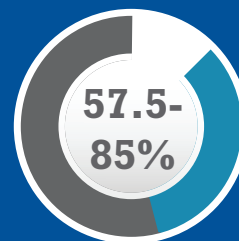
Telehealth at a reasonable reimbursement: **3.0-3.75**, with Vision entering **2.5 points**



Avoidance of tax increases: **2.5 – 3.2**



ASP sequester relief: **2.4 – 3.4**



Repeat small business relief program: **2.3 – 3.4**

These issues were ranked on importance to the practice at a rank from 0.0 – 4.0 (most important)

Summary

While community-based specialists were unexpectedly impacted in the first few weeks of the COVID-19 pandemic, it is evident that they were also some of the most well-equipped to pivot in the situation to care for their patients, by using both federal funds and operational enhancements. With the lack of new patient referrals, the specialty practices appeared to have the least disruption. This resiliency illustrates the need for community-based practices in the treatment of critically ill patients.

1. https://cancerletter.com/articles/20200501_1/
2. <https://www.statnews.com/2020/05/04/cancer-screenings-drop-coronavirus-pandemic-epic/>
3. https://www.acponline.org/acp_policy/letters/acp_letter_to_cms_regarding_extending_telehealth_policy_changes_after_the_phe_june_2020.pdf
4. <https://www.washingtonpost.com/nation/2020/06/01/americans-are-delaying-medical-care-its-devastating-health-care-providers/?arc404=true>
5. <https://www.ajmc.com/conferences/asco-2020/ncis-sharpless-covid19-could-halt-streak-of-us-cancer-mortality-gains>
6. <https://www.npr.org/sections/health-shots/2020/04/11/832210606/coronavirus-pandemic-brings-hundreds-of-u-s-clinical-trials-to-a-halt>