

COVID-19 AFFECTS ACCESS TO MENTAL & BEHAVIORAL HEALTH

ZIEGLER HEALTHCARE CORPORATE FINANCE

COVID-19 Confirms Importance of Technology's Role in Improving Access and Outcomes for Individuals Seeking Engagement to Treat Mental and Behavioral Health

The current Coronavirus pandemic has spotlighted the need for and benefits of technology and tech-enabled healthcare solutions as tools to provide better access to mental and behavioral healthcare where no or limited access existed before.

While adoption of technology and tech-enabled solutions across behavioral health has experienced increased utilization over the years, the accelerated pace of adoption and the projected need for these solutions over the long-term, caused by the impact of COVID-19, will continue into the future. This increase will be driven by the number of individuals impacted by loss of a loved one, self-isolation, loss of a job and financial security and PTSD of frontline healthcare workers experienced during this pandemic.

In the United States, a lack of adequate funding, staffing and appropriate access points have historically been the drivers behind the inability to effectively engage and treat individuals impacted by behavioral, substance use disorders and mental health conditions. Thankfully, in the last several years, we have seen a significant amount of strategic and institutional investments in pure-play technology and technology-enabled service solutions focused on patient engagement and activation. According to Rock Health, in 2019 over \$7.4 billion was invested in digital health companies, making 2019 the second best year for digital health companies since 2011.

Often times, the success of a behavioral or mental healthcare program is measured by how well it meets where the patient is in their journey. Patient "buy-in" is critical to increased utilization, compliance and outcomes. But the success of recent investments and acquisitions of behavioral health technology platforms are also contingent on meeting all constituents (e.g., payors, providers and patients) on where they are in their journey of technology adoption and integration to improve care and outcomes. While COVID-19 has highlighted the benefits these solutions provide, the measurements of success will also be subject to additional scrutiny. See below two company specific examples and themes, by constituent, Ziegler has seen successful platforms address in their technology solution set:

Several companies could be listed, but below are two companies addressing needs of all constituents through technology and tech-enabled engagement:

- **ForeFront TeleCare:** Founded with the premise to deliver high-quality behavioral telehealth to seniors and other vulnerable adults in rural communities across the United States. The Company recently launched Phase 3 of #RuralHealthSTRONG COVID-19 to offer free peer-to-peer counselling sessions to thousands of frontline healthcare workers across hundreds of rural health facilities.
- **Mindoula:** The Company's platform which includes proprietary psychometrics, predictive analytics, and the Mindoula Messenger mobile engagement app, has made the company a market leader in hospital readmissions reduction, collaborative care, care coordination for those with serious mental illness and medical comorbidities, interpersonal violence reduction, measurement-based psychiatry and tele-psychiatry, care network optimization, and Emergency Department overlay services.

Payors

New technologies provide an unprecedented level of data and insight into the care of mental and behavioral health patients. This has been an ongoing challenge for payors as they look for proof of successful and sustainable outcomes beyond subjective metrics of success. This new insight helps payors identify the most effective and impactful care setting and type of engagement for patients, leading to improvements in clinical and financial outcomes. Technology also serves as a conduit for member engagement and helps to manage care at an earlier stage, reducing the downstream cost of care.

Providers

Technology provides better connectivity and communication. For example, businesses providing data analytics, patient data and data aggregation solutions are gaining investor attention for their ability to better assimilate, aggregate, track and share patient data among a patient's broader care team. This connectivity offers unprecedented

ZIEGLER

One North Wacker Drive | Suite 2000
Chicago, IL 60606

CONTACT US

800 366 8899
askziegler@ziegler.com



insight into the patients' full treatment and allows streamlined and efficient collaboration between providers. This collaboration also allows providers to proactively engage with patients at an earlier stage, such as at the primary care level, to improve outcomes and reduce the downstream cost of higher acuity care associated with a reactive later-stage approach to patient engagement. Lastly, technology allows for providers to work with patients they otherwise would not be able to help caused geographical and staffing constraints.

Patients

Patients will see a marked benefit in their care as behavioral and mental health technology and tech-enabled solutions become accessible and more consumer friendly. One of the greatest challenges to effective care has long been the ratio of care providers to patients, creating a bottleneck in brick and mortar access to care. By utilizing the offerings provided through telebehavioral and technology-driven patient engagement solutions, physical settings such as home-based isolation, skilled nursing facilities, hospitals, correctional facilities and community health centers can alleviate that bottleneck.

Additionally, these facilities can offer expanded access to mental and behavioral health services from a distance, expanding access points. Finally, technology solutions also provide patients with ultimate control over how they want to engage with their care. This consumer-driven choice is important, as some patients prefer the anonymity of a technology or text-only interaction while others prefer more personal interaction with a care provider via a virtual visit.

Pure-play technology and tech-enabled companies are transforming the way care is provided to better address behavioral and mental health needs. By improving access to care, offering data management solutions and providing additional engagement tools, payors, providers and patients are already experiencing the benefits of technology through improved engagement and outcomes. As the industry and its applied technologies continues to expand, so too will improved patient care, making the path to management or recovery of behavioral and mental health issues more seamless, effective and efficient than ever before.



CHRIS ROGERS

Managing Director

Chris Rogers joined Ziegler in 2014 as a managing director in the Healthcare Corporate Finance Practice. He provides advisory services to healthcare companies across multiple sectors that provide unique service models or technology solutions to improve access and outcomes through better engagement with providers, patients and payors. Ziegler is a privately held, national boutique investment bank, capital markets and proprietary investments firm. It has a unique focus on healthcare, senior living and education sectors, as well as general municipal and structured finance.

Tel: 615 982 7550

Cell: 615 829 1185

crogers@ziegler.com

This publication is designed to provide accurate information regarding the subject matter covered. It is provided for informational purposes only with the understanding that the material contained herein does not constitute legal, accounting, tax, or other professional advice.