



New Research from Omada Health Demonstrates Significant Cost Savings of Virtual Physical Therapy

August 28, 2025

Compared to in-person physical therapy, claims data revealed lower healthcare utilization and spending for patients who used Omada's programs for musculoskeletal conditions

SAN FRANCISCO, Aug. 28, 2025 (GLOBE NEWSWIRE) -- [Omada Health](#) (Nasdaq: OMDA), the virtual between-visit healthcare provider, released new data¹ demonstrating that patients who used Omada's virtual physical therapy (PT) program to address musculoskeletal (MSK) conditions, Omada for Joint & Muscle Health, had lower utilization of total medical care and reduced MSK-related costs and encounters on average at 6 and 12 months compared to patients who used in-person PT (IP-PT). This study is believed to be one of the first peer-reviewed healthcare claims analyses to compare costs and utilization of virtual PT (V-PT) and IP-PT in treating MSK conditions while also accounting for the cost of the virtual program itself.

In the U.S., MSK conditions affect more than one in two adults and cost the healthcare system over \$420 billion in 2018—more than cost of diabetes, heart disease, or any other chronic condition.² While physical therapy is often the first line of defense for MSK-related conditions³ ahead of costlier and higher-risk interventions like surgery, patients can face multiple barriers to accessing and participating in timely physical therapist care—geographic barriers, provider availability, and coverage restrictions like coinsurance or limits on the number of visits.⁴ Delays in starting PT treatment can add to downstream costs associated with care—like imaging and pain management—and increase the cost burden on individuals, employers, and health plans alike.⁵

"Previous studies have shown that virtual physical therapy can reduce healthcare utilization and spending, but they have left out critical cost components," said Sarah Linke, PhD, MPH, Senior Director, Clinical & Translational Research, Omada Health. "Our findings demonstrate that Omada's human-led, virtual MSK program not only reduced direct service expenditures but also has the potential to be more cost-effective than in-person physical therapy over time, even after accounting for the cost of the program itself."

Omada's study used Identity Manager, HealthVerity's patient de-identification and identity resolution technology, and claims data from July 2019 to May 2023, sourced from [HealthVerity Marketplace](#)™, to compare V-PT patients in Omada for Joint & Muscle Health to a control group of patients enrolled in IP-PT to analyze healthcare utilization, cost savings, and return on investment (ROI) at 6 and 12 months post-treatment initiation. As a partner to digital health innovators, HealthVerity works with companies like Omada to validate impact using a large, privacy-protected real-world data ecosystem.

Omada's virtual MSK program was found to have a significant impact on all measures in the study when compared to controls, yielding a lower utilization of total medical care, driven in large part by a reduction in MSK-related costs and encounters. Median per-member-per-month savings were more than \$100 in the first six months, with median gross MSK savings per member over \$1,000 at both six and 12 months, reflecting a positive ROI (1.8x) at both six and 12 months.¹

These savings are significant as research has shown that employers spend \$353 billion annually on MSK-related treatments and conditions for their employees,⁶ which accounts for nearly 15% of their total medical costs.

"For employers and health plans, this study is a significant indicator of the value of virtual MSK programs with meaningful ROI in just the first year," said Wei-Li Shao, President, Omada Health. "Given that those with chronic MSK pain have been found to be almost twice as likely as those without to have cardiovascular disease,⁶ we are well-positioned as a virtual-first, cardiometabolic care provider to provide high-quality MSK care to employers and payers who are consistently looking for ways to consolidate their offerings."

Omada for Joint & Muscle Health has earned URAC for Telehealth accreditation, and provides treatments delivered by extensively trained, licensed physical therapists.

"We're proud to contribute to Omada's growing body of peer-reviewed studies and to the broader industry literature, leveraging claims data to demonstrate the potential for virtual care programs, like Omada for Joint & Muscle Health, to deliver care that can be more cost-effective than traditional, in-person PT," said Ian Livingstone, Senior Director, Data Insights & Analytics, HealthVerity. "These findings highlight how real-world data can uncover the true impact of digital interventions on both patient outcomes and value-based care."

Omada Health

Omada Health is a virtual-first healthcare provider that nurtures lifelong health, one day at a time. Omada care teams implement clinically-validated behavior change protocols for individuals living with diabetes, hypertension, prediabetes, and musculoskeletal issues. With more than a decade of experience and data, and 30 peer-reviewed publications that showcase its clinical and economic results, Omada is designed to help improve health outcomes and contain healthcare costs. Omada's scope exceeds 2,000 customers, including health plans, health systems, and employers ranging in size from small businesses to Fortune 500s.

The foundation of Omada's success is a strong, vibrant work culture, which helped earn the company the distinction of becoming an officially certified Great Place to Work®. An industry leader, Omada was the first virtual provider to join the Institute for Healthcare Improvement's Leadership Alliance, reflecting the aim to complement primary care providers for the benefit of members, and affirming its guarantee to every partner: Omada works differently.

Contacts

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Sources

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