Telehealth: 1 million e-visits — and 10 lessons learned.

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Presenters

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Hashtag: #TalkTelehealth
Twitter handle: @Teladoc
LESSON 1: Telehealth is Safe & Effective
LESSON 2: Patients Want Choice
LESSON 3: The Typical Patient is a 36-Year-Old Female Often With a Comorbidity
LESSON 5: Patient Utilization is Highest During Weekdays & Morning Hours
LESSON 6: Teladoc Saved Clients $387M in 2015
LESSON 7: Prescribing Patterns are Similar to an Office Visit
LESSON 8: The Regulatory Environment has Significantly Improved
LESSON 9: A Direct to Consumer Program is a Long-Term Investment
LESSON 10: Don’t Get Stuck in the Parking Lot
Market Leadership & Dramatic Growth

- NYSE:TDOC
- NCQA-certified
- Most comprehensive telehealth suite available
- Scalable to 100M+ members
- Independently validated quality metrics and ROI
- Business unit and platform dedicated to health systems

>1 Million total visits reached in 2015
~2 Million visits by year end

12.5m+ Unique Members
771,824,419 API Transactions
3,227 Visits/Day
417m Addressable Visits/Year

1. Share based on total telehealth 2015 e-visits. Depicts share only among top four players. Calculated by dividing Teladoc 2015 total visits of 575K by the sum of all combined visits for Teladoc, MDLive, American Well and Doctor on Demand for calendar year 2015. Visit counts for competitors represent management estimates.
LESSON 1: Telehealth is Safe & Effective

- 0 Malpractice Claims
- 100% Consults Reviewed for New Physicians
- ✓✓✓ Independent Validation of Quality Metrics
- 100+ Proprietary Telehealth Guidelines
- 10% Charts Reviewed

Follow-up visit within 21 days after initial visit for similar condition:

0 Malpractice claims per 1 Million Teladoc visits vs. 17* Malpractice claims per 1 Million office visits. Average indemnity $248,736/claim

“Patients who used Teladoc were less likely to have a follow-up visit to any setting, compared to those who visited a physician’s office or emergency department.”


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LESSON 2: Patients Want Choice

How Members Request a Consult

- **40%** Web/Mobile
- **60%** Call Center

Type of Consult Patients Choose*

- **30%** "Visualized" via video and/or uploaded HD Images
- **70%** Telephonic

Teladoc vs. Office Visit No-Show Comparison¹

- **Teladoc ~4,100** (40%): <1%
- **Office Visit ~24,500** (60%): 6%

Access, Choice and Convenience Lead to Utilization

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1. Based upon 575k visits and average no show rate for physician offices ranging from 5 to 8% (median of 5.5 percent) according to the Medical Group Management Association; *Data excludes consults in states where regulations do not allow use of video

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LESSON 3: The Typical Patient is a 36-Year-Old Female Often With a Comorbidity

Demographic data from January – September 2015 382,787 Total Visits

Average Age 36.2

Alternate Place of Treatment*

- Urgent Care
- Primary Care Physician
- Emergency Room

*Member reported prior to visit

% of Visits

44% Reported One or More Comorbidities

# of Comorbidities

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LESSON 4: Patients Have a Great Experience & Would Use Again

Patient Satisfaction: 95%

Easier Access to Care: 86%

Would Use Again: 90%

Resolution Rate: 92%

Patient Satisfaction Rate: 82% (Industry Standard: 64%)

Access to Care Rate: 64% (Industry Standard: 33%)

Physician Referral Rates:
- No Referral
- ER
- UC / PCP
- 3-4 Day Follow-up

Teladoc Patient Satisfaction Survey 2015:

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LESSON 5: Patient Utilization is Highest During Weekdays & Morning Hours

Overutilization Has Not Been Observed

Demographic data from January – September 2015 382,787 Total Visits
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LESSON 6: Teladoc Saved Clients $387M in 2015

$673
Teladoc savings per visit vs. alternative*

575k
Teladoc visits in 2015

$387M
in Teladoc savings to the healthcare market

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Mean predicted value in post period</th>
<th>Mean observed value in post period</th>
<th>Difference (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total spending (per member per month)</td>
<td>$208.00</td>
<td>$186.70</td>
<td>-$21.30 (&lt;0.01)</td>
</tr>
<tr>
<td>Office visits (per 1,000 members per month)</td>
<td>102.3</td>
<td>97.4</td>
<td>-4.9 (&lt;0.01)</td>
</tr>
<tr>
<td>Emergency room visits (per 1,000 members per month)</td>
<td>57.4</td>
<td>55.3</td>
<td>-2.1 (0.02)</td>
</tr>
<tr>
<td>Hospitalizations (per 1,000 members per month)</td>
<td>9.5</td>
<td>8.7</td>
<td>-0.7 (&lt;0.01)</td>
</tr>
</tbody>
</table>

*Weighted average is based on redirection rates determined using member utilization of bricks and mortar services: 75% OV; 20% ER; 5% do nothing

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Veracity HEALTHCARE ANALYTICS

LESSON 7: Prescribing Patterns are Similar to an Office Visit

Teladoc
77% result in an Rx\(^1\)

- Compliant with CDC antibiotic prescribing guidelines
- Overall prescribing rates at/below national average for similar diagnoses within bricks and mortar practices
- No prescribing of DEA controlled substances or life-style drugs

Office Visit
82% result in an Rx\(^2\)

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1. Teladoc data based on 294,723 out of 382,787 visits from January – September 2015.
2. CDC data based on general and family practice, internal medicine and pediatric specialties

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LESSON 8: The Regulatory Environment has Significantly Improved

20 states have made positive regulatory change over the past 18 months

Adhering to state regulations with technical capacity to support 100+ million members
### LESSON 9: A Direct to Consumer Program is a Long-Term Investment

#### Direct to Consumer Program (Industry & Client)
- Increase market share
- New patient acquisition/retention
- Hospital branded offering
- $49/visit as self-pay

#### Insured & At-risk Pools (Client)
- Reduce healthcare costs
- Redirection of ER and urgent care visits
- Extension of hospital services and benefits
- Payments (if any) are applied to plan

#### Positioning
- Minimum investment $700K/year
- $300K annual license
- $250k/year marketing budget
- Maintenance & enhancements

#### Costs
- $220K access and visit fees
- Includes marketing materials and training

#### Results
- 200-1000 patients
- $700-$3500 acquisition cost/patient

#### ROI
- 5:1 for employee population
- 7:1 for insured pool

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**Telehealth Applied to Financial Risk Pools can Produce Immediate Savings**
LESSON 10: Don’t Get Stuck in the Parking Lot

Adaptable Technology is Must-Have for Hospital Systems

I want you to provide a “solution” to my problems...Please don’t try to placate me by telling me you have my concern on the roadmap for the future or will place in the parking lot.

– Judd E. Hollander, MD, Vice Chair Finance and Health Enterprises, Thomas Jefferson University

Quote source: Telemedicine Magazine Fall 2015, My 2015 Telemedicine Wish List
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Teladoc Tackles the Big Issues in Healthcare

“Lead by direct-to-patient virtual care, telemedicine will evolve to become the glue that holds together care continuity across the continuum” — “Peter Kilbridge, MD, Senior Research Director, The Advisory Board Company

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<tr>
<th>ISSUES</th>
<th>TELADOC SOLUTION</th>
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<tbody>
<tr>
<td>More patients (30M uninsured)</td>
<td>Over 575K visits in 2015</td>
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<tr>
<td>Fewer PCP’s</td>
<td>24/7 access to providers</td>
</tr>
<tr>
<td>Longer wait times (avg. 19 days)</td>
<td>10 min median response time</td>
</tr>
<tr>
<td>Misuse of ER (no access to PCP)</td>
<td>92% patient resolution</td>
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<tr>
<td>Increasing costs</td>
<td>$673 average savings/claim</td>
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Q & A

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Thank you.