



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

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# Presenters



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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



**12.5m+**  
Unique  
Members



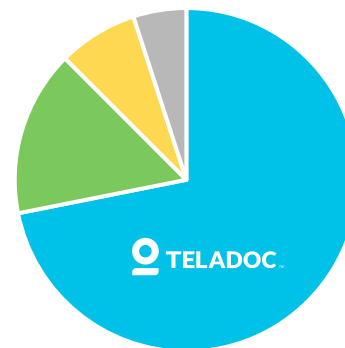
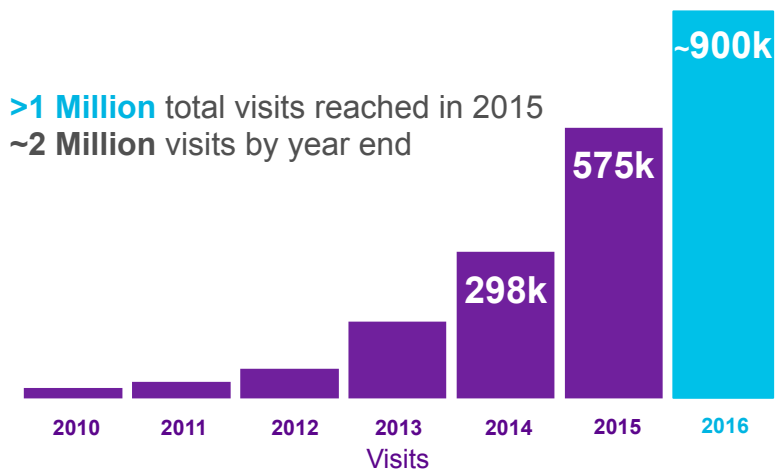
**771,824,419**  
API  
Transactions



**3,227**  
Visits/Day



**417m**  
Addressable  
Visits/Year



2x more  
visits than all  
competitors  
combined<sup>1</sup>

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

0

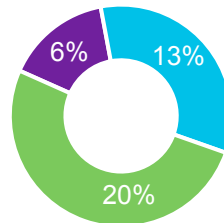
vs.

17\*

Malpractice claims per 1 Million **Teladoc** visits

Malpractice claims per 1 Million office visits. Average indemnity \$248,736/claim<sup>1</sup>

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



■ Teladoc ■ Office ■ ER



*“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.”*



\*Assumes 5.2% annual risk of malpractice claim for a family physician (The New England Journal of Medicine, Malpractice Risk According to Physician Specialty) & average of 89 office visits/week (American Academy of Family Physicians) 1. Washington State Office of the Insurance Commissioner 2015 Medical Malpractice Annual Report.

## LESSON 2: Patients Want Choice



Phone



Mobile App



Web



Video

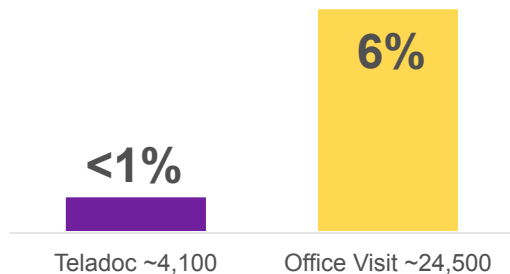
### How Members Request a Consult



**40%**  
Web/Mobile

**60%**  
Call Center

### Teladoc vs. Office Visit No-Show Comparison<sup>1</sup>



### Type of Consult Patients Choose\*



**30%**  
“Visualized” via video and/or  
uploaded HD Images

**70%**  
Telephonic

## Access, Choice and Convenience Lead to Utilization

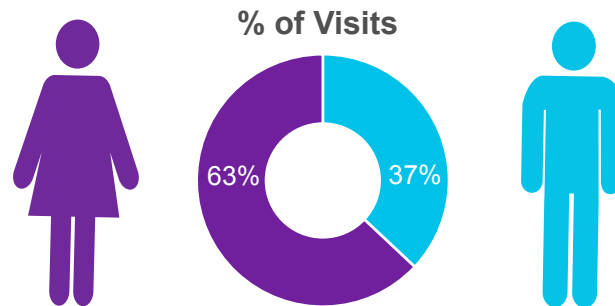
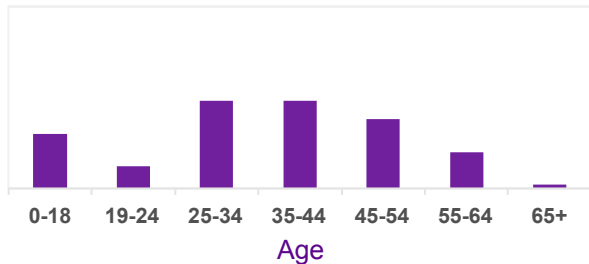
1. Based upon 575k visits and average no show rate for physician offices ranging from 5 to 8% (median of 5.5 percent) according to the Medical Group Management Association;

\*Data excludes consults in states where regulations do not allow use of video

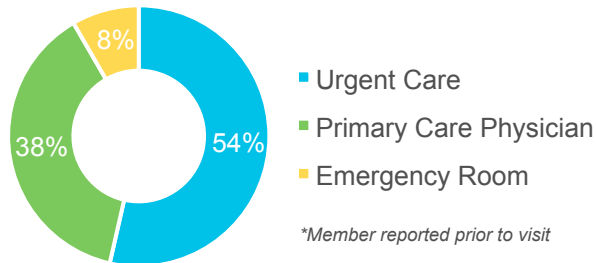
# LESSON 3: The Typical Patient is a 36-Year-Old Female Often With a Comorbidity

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

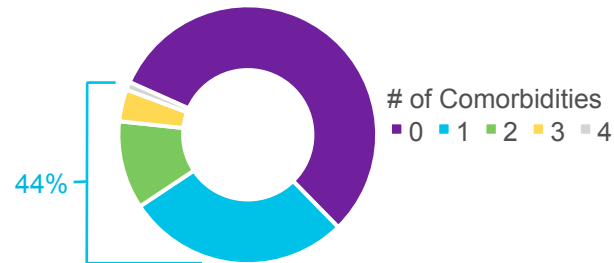
**Average Age 36.2**



**Alternate Place of Treatment\***



**44% Reported One or More Comorbidities**



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

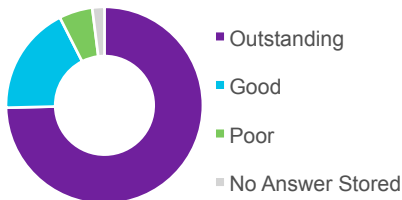


**95%**<sup>1</sup>

Patient Satisfaction

**82%** Industry Standard<sup>3</sup>

**How Would You Rate Service Overall?**

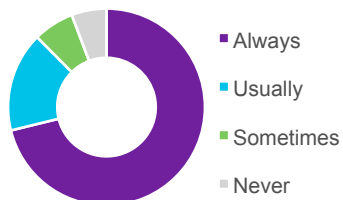


**86%**<sup>2</sup>

Easier Access to Care

**64%** Industry Standard<sup>3</sup>

**The Service Made it Easier to Get Care**

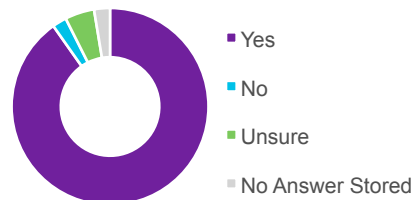


**90%**

Would Use Again



**Would You Use the Service Again?**

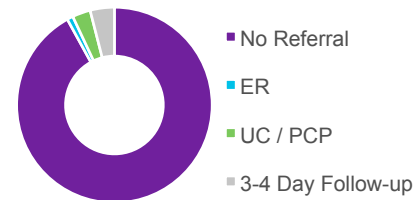


**92%**

Resolution Rate



**Physician Referral Rates<sup>4</sup>**



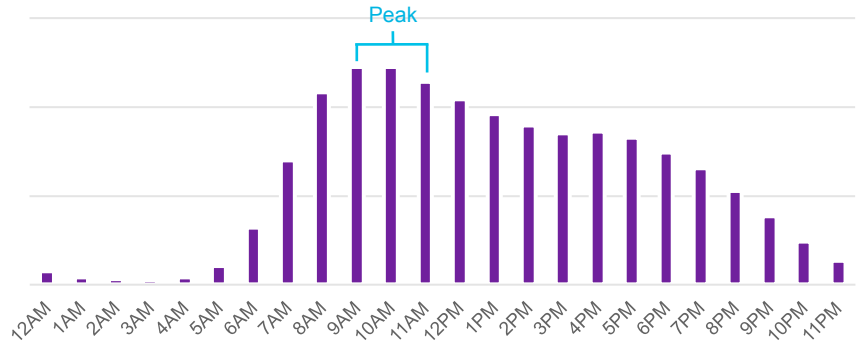
Teladoc Patient Satisfaction Survey 2015: 1. Patient satisfaction rate combines outstanding and good responses. 2. Access to care rate combines always and usually responses.;

3. CAHPS 2014 Chartbook: What Patients Say About Their Health Care Providers and Medical Practices; 4. Based on an independent client study with 150,000+ Members as of 12/31/14

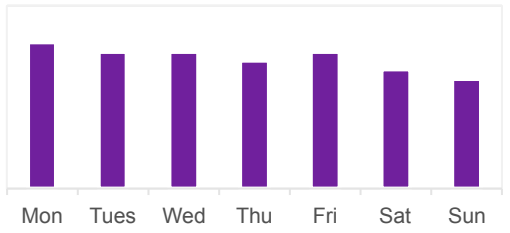


# LESSON 5: Patient Utilization is Highest During Weekdays & Morning Hours

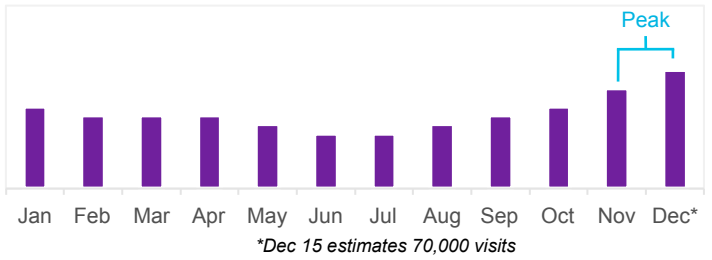
Visits by Hours



Visits by Day



Visits by Month



## 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\*  
(\*weighted average of \$191 savings vs. office visit & \$2,661 savings vs. ER visit)



**575k**

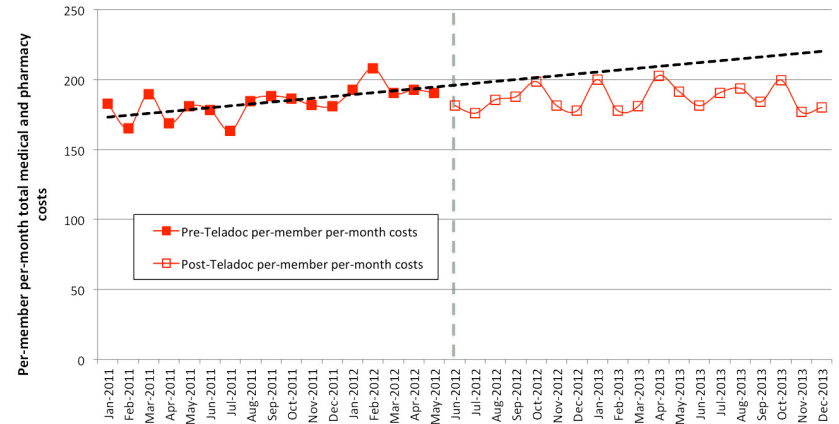
Teladoc visits in 2015



**\$387M**

in Teladoc savings to the healthcare market

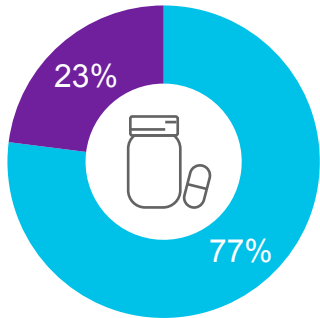
Outcome	Mean predicted value in post period	Mean observed value in post period	Difference (p-value)
Total spending (per member per month)	\$208.00	\$186.70	-\$21.30 (<0.01)
Office visits (per 1,000 members per month)	102.3	97.4	-4.9 (<0.01)
Emergency room visits (per 1,000 members per month)	57.4	55.3	-2.1 (0.02)
Hospitalizations (per 1,000 members per month)	9.5	8.7	-0.7 (<0.01)



**Veracity** HEALTHCARE ANALYTICS

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

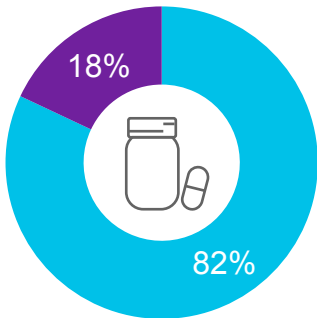
## LESSON 7: Prescribing Patterns are Similar to an Office Visit



### Teladoc

**77%** result in an Rx<sup>1</sup>

- 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<sup>2</sup>



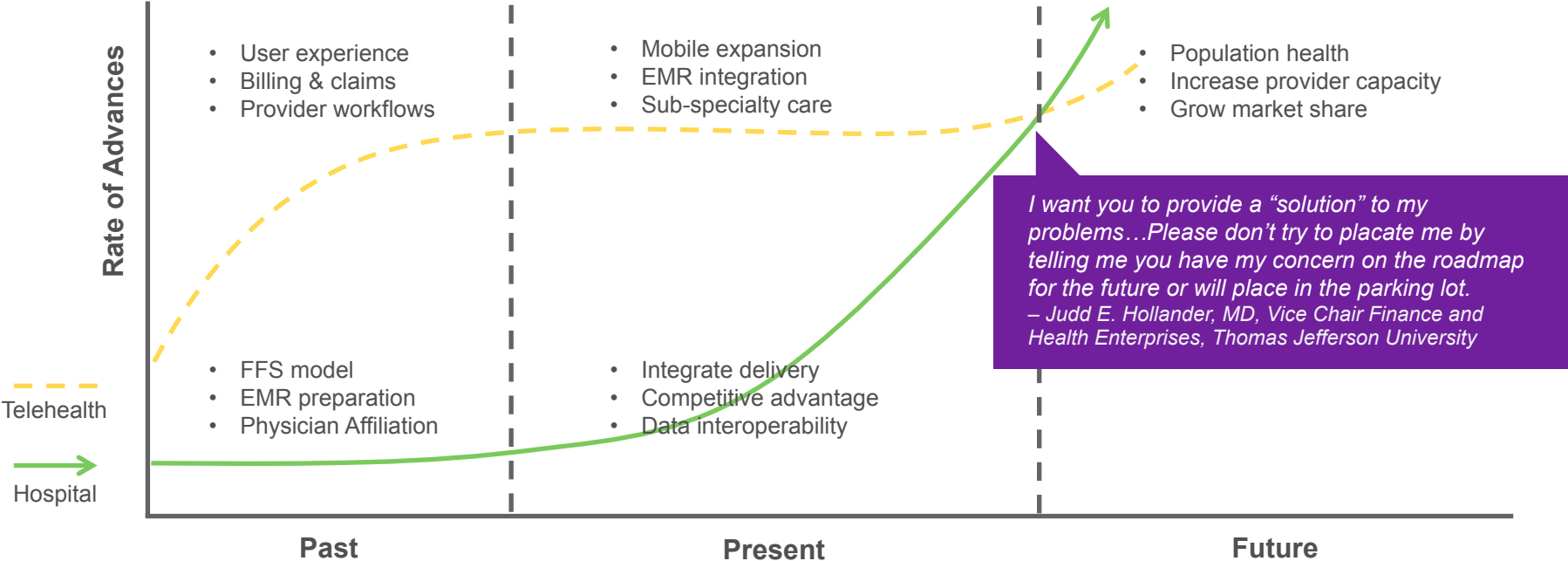
## LESSON 9: A Direct to Consumer Program is a Long-Term Investment

	Direct to Consumer Program (Industry & Client)	Insured & At-risk Pools (Client)
<b>Positioning</b>	<ul style="list-style-type: none"> <li>Increase market share</li> <li>New patient acquisition/retention</li> <li>Hospital branded offering</li> <li>\$49/visit as self-pay</li> </ul>	<ul style="list-style-type: none"> <li>Reduce healthcare costs</li> <li>Redirection of ER and urgent care visits</li> <li>Extension of hospital services and benefits</li> <li>Payments (if any) are applied to plan</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>Minimum investment \$700K/year</li> <li>\$300K annual license</li> <li>\$250k/year marketing budget</li> <li>Maintenance &amp; enhancements</li> </ul>	<ul style="list-style-type: none"> <li>\$220K access and visit fees</li> <li>Includes marketing materials and training</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>200-1000 patients</li> <li>\$700-\$3500 acquisition cost/patient</li> </ul>	<ul style="list-style-type: none"> <li>\$220K employee benefit plan savings</li> <li>\$503K savings in ER redirection for insured population</li> </ul>
<b>ROI</b>	<ul style="list-style-type: none"> <li>Market share &amp; brand recognition</li> <li>Difficult to quantify</li> </ul>	<ul style="list-style-type: none"> <li>5:1 for employee population</li> <li>7:1 for insured pool</li> </ul>

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



## 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*

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

# Q & A



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Thank you.