Telehealth and Clinical Quality
The relentless pursuit of better

April 2014
Agenda

1. Why Telehealth?
2. What is Telehealth and How Does it Work?
3. Physician Quality, Network and Continuity of Care
4. The RAND Corporation Studies Telehealth: results
5. Utilization and ROI
Telehealth and Healthcare Crisis

What are the issues in healthcare today?

National shortage of PCP’s

- 78% of physicians believe there is a nationwide shortage of PCPs, and 49% of physicians state they will reduce patient load or stop practicing

Coverage expansion

- National healthcare coverage is expected to cover approximately 30M members who are currently uninsured

Medical cost and Misuse of ER

- 85% of Americans who went to the ER said they couldn’t wait to see their regular medical provider.
- 79.7% of adults who visited the ER did so due to the lack of access to other providers.
- 50+% of ER visits are for non-emergency issues

Cost shift to consumer

- Employers are rapidly shifting more cost to members through HDHP plans. Teladoc provides a lower cost alternative for common primary care services.

Provider risk arrangements

- As providers manage more risk, telehealth is a better alternative to ER and urgent care visits.
- Some hospitals are exploring kiosks in ER waiting rooms to manage patient flow.

3. American College of Emergency Physicians Emergency Care Poll 2012
The need for telehealth: PCP shortage

The demand in the number of yearly PCP visits due to population increase and expanded coverage will drive the need for more PCPs.

The impact of doctor shortage nationally

Wait times:

Average appointment wait times (in days)

Seattle: 16
Portland: 19.4
Minneapolis: 19.2
Detroit: 17.8
Denver: 26.6
Los Angeles: 12.2
San Diego: 16.2

45.4 Boston
16.8 New York
20.6 Philadelphia
17.8 Washington D.C.
14 Atlanta
10 Dallas
14 Houston
13.6 Miami

Average appointment wait times (in days) for five medical specialties included in the Merritt Hawkins Survey 2013

Family Practice wait time was 18.5 days on average
Providing solutions for three of the biggest issues in healthcare: The Triple Aim

1. Timely access
2. Quality care
3. Lower cost

Member satisfaction is one of the many benefits of addressing these issues.
“...rising healthcare costs and a shortage of primary care providers make it likely that telehealth services will play an increasingly important role in health care delivery.”
The member experience, friendly and convenient.

We make it easy for members to use Teladoc

- **Step 1.** Medical history
- **Step 2.** Request consult
- **Step 3.** Talk with a physician
- **Step 4.** Resolve the issue
- **Step 5.** Continuity of care
- **Step 6.** Member Satisfaction

Provide medical history (MHD) online or by phone.

*The MHD is HIPAA-compliant.*
Physician will call member after reviewing medical history

Step 1.
Medical history

Step 2.
Request consult

Step 3.
Talk with a physician

Step 4.
Resolve the issue

Step 5.
Continuity of care

Step 6.
Member Satisfaction

Teladoc can help with:

- Sinus Problems
- Urinary Tract Infection
- Pink Eye
- Bronchitis
- Upper Respiratory Infection
- Nasal Congestion
- Allergies
- Flu
- Cough
- Ear Infection
- Dermatology
- Behavioral Health

Simply log on or call Teladoc, 24/7, to request a telephone or video consult (desktop or mobile).

Average doctor callback time: 17 minutes
Consult with a physician by phone or video

Members can access Teladoc through multiple channels

Step 1. Medical history
Step 2. Request consult
Step 3. Talk with a physician
Step 4. Resolve the issue
Step 5. Continuity of care
Step 6. Member Satisfaction

A board-certified physician provides a consultation over the phone or through video.

Additional access point now available via HealthSpot onsite kiosk.

No time limit to the consult
The most convenience combined with highest quality care

<table>
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<td>Step 5. Continuity of care</td>
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<tr>
<td>Step 6. Member Satisfaction</td>
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### Ensuring appropriate prescription management

- Electronic prescribing (SureScripts), if medically necessary
- Faster resolution results in better outcomes
- No DEA controlled substances, psychiatric medications or lifestyle drugs
- Generic drugs substituted automatically

If a prescription is necessary, it is electronically sent to the member’s pharmacy of choice.

**91% issues resolved with one contact**
How does it impact Continuity of Care?

**Step 1. Medical history**

**Step 2. Request consult**

**Step 3. Talk with a physician**

**Step 4. Resolve the issue**

**Step 5. Continuity of care**

**Step 6. Member Satisfaction**

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**Teladoc doesn’t replace the patient’s PCP**

Teladoc refers patients to their PCP if necessary.

The physician documents results.

Consultation information is sent to the member’s primary care physician and health plan upon request.

**The consult becomes part of the member’s EHR.**
Telehealth drives better outcomes

A secure Message Center helps drive outcomes and satisfaction

At the end of every call, the doctor checks to make sure all questions are answered. The Message Center enables our physicians to send additional information to the patient and the patient can ask the physician follow up questions

95% member satisfaction
What are we doing in mobile?

Today’s members demand mobility. We provide better member access...on any device, any time.
### How do we assure high quality care?

**Better clinical quality comes from directly managing our own network.**

<table>
<thead>
<tr>
<th><strong>Board-certified</strong></th>
<th>Internal medicine, family practice, emergency medicine or pediatrics</th>
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</thead>
<tbody>
<tr>
<td><strong>State-licensed</strong></td>
<td>In their respective states</td>
</tr>
<tr>
<td><strong>Experienced</strong></td>
<td>An average of 15 years in practice, minimum of 5</td>
</tr>
<tr>
<td><strong>U.S. residents</strong></td>
<td>U.S. residents, living and working in the United States</td>
</tr>
<tr>
<td><strong>Primary Source Verification</strong></td>
<td>Verified through the National Practitioner Data Bank (NPDB) and the American Medical Association (AMA)</td>
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<tr>
<td><strong>Credentialing</strong></td>
<td>The first and only telehealth company in existence to have the provider credentialing program certified by NCQA</td>
</tr>
<tr>
<td><strong>Clinical quality assurance</strong></td>
<td>Credentialing, rigorous QA, maintenance of evidence-based protocols, adherence to 103 proprietary clinical practice guidelines for remote care</td>
</tr>
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**97%**

Teladoc physician satisfaction rate

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Ensuring quality
Teladoc physicians are constantly reviewed to ensure a high level of quality care.

- **100%** consults reviewed for the first 3 months or first 10 consults.
- **10%** consults reviewed thereafter.
- **2,500** charts reviewed throughout the previous month.
Continuity of Care through integration

Telehealth should support coordination and continuity of care.

- Integration with health plan clinical data systems, with bi-directional data exchange
- High degree of automation, standardization, and real-time processes: real-time eligibility and benefits adjudication, claims submission, and automated physician clinical support tools
- Integrated ePrescribing
- Timely reporting on patient encounters for comprehensive care management
- Ability to share a record of the consultation with PCPs and health systems
- Ability to integrate care alerts and messaging
A recent independent study by RAND of Teladoc’s 300K life CalPERS account demonstrates the power of our service.

25% of patients who did not have a telehealth service benefit actually went to the emergency room as their next best alternative for care.

6% of Teladoc visits resulted in a follow-up visit for the same or similar condition, in contrast to 13% of office visits and 20% of ED visits.

21% of Teladoc visits were made by patients who had not accessed health care in [the previous year].

Teladoc served patients with surprisingly diverse diagnoses… At retail clinics the top three categories of diagnoses represent 72% of their business. In contrast, the top three categories of diagnoses [for Teladoc] represent only 52% of Teladoc’s business.
Employer adoption of telehealth

Workplace telemedicine is a growing trend, and one that is gaining increasing attention.

“Health care delivery and treatment settings continue to evolve, leading to the acceleration of alternate network strategies, including high-performance networks, third-party providers and telemedicine.

For example, 17% [of employers] plan to offer telemedicine by 2013, and another 27% [of employers] are considering it for 2014 and 2015.”


Is the market embracing our model?

With 36X growth in the last 5 years, the numbers speak for themselves.
We serve leading Employers, Health Plans, and Health Systems
What you can save

A benefit of telehealth is redirecting ER and UC utilization to an affordable alternative.

If they hadn't gone to Teladoc, where would they have gone?

<table>
<thead>
<tr>
<th>Action</th>
<th>Average Cost</th>
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<tbody>
<tr>
<td>ER Visit</td>
<td>$1,477</td>
</tr>
<tr>
<td>Teladoc</td>
<td>$40</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>$163</td>
</tr>
<tr>
<td>Teladoc</td>
<td>$40</td>
</tr>
<tr>
<td>Specialist</td>
<td>$196</td>
</tr>
<tr>
<td>Teladoc</td>
<td>$40</td>
</tr>
<tr>
<td>PCP Visit</td>
<td>$131</td>
</tr>
<tr>
<td>Teladoc</td>
<td>$40</td>
</tr>
</tbody>
</table>

Based on Teladoc reporting. Actual savings may vary based on geography. Productivity savings based on U.S. Dept. of Labor data.

AVERAGE MEDICAL SAVINGS PER CONSULTATION: $198.36

4 HOURS OF LOST PRODUCTIVITY AT AN AVERAGE WAGE OF $21.74/HOUR: $86.96

Total savings/consultation: $285.32
How can plan design drive ROI?

Our data has proven that lower member copays drive much higher utilization (and, therefore, help reduce avoidable ER claims).

<table>
<thead>
<tr>
<th>Copay</th>
<th>Projected Utilization</th>
<th>ROI 4:1</th>
</tr>
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<tbody>
<tr>
<td>$0</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>$40</td>
<td>5%</td>
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</tbody>
</table>
# TELEHEALTH – Seize the Opportunity

## From Obscurity to Mainstream - The Growing Awareness of Telehealth:

### THE WALL STREET JOURNAL
- **12/23/2013**
  5 High-Tech Fixes for Patients
- **12/2/2013**
  NY Insurers Predict Spike in Health Exchange Use

### Forbes
- **12/28/2013**
  Top Health Trend for 2014: Telehealth to Grow More Than 50%; What role for regulation?
- **12/23/2013**
  Obamacare, Doctor Shortage to Spur $2 Billion Telehealth market

### USA TODAY
- **12/6/2013**
  Use of Telehealth Network can Boost Care, Study Says

### THE HUFFINGTON POST
- **11/6/2013**
  Telemedicine: An Innovation Whose Time Has Come
- **10/15/2013**
  Tune In, Turn On And Meet Your Doctor

### The Washington Post
- **8/23/2013**
  Talking Scales and Telemedicine: ACO Tools To Keep Patients Out Of The Hospital

### The New York Times
- **12/4/2013**
  No, There Won’t Be a Doctor Shortage

### Los Angeles Times
- **8/23/2013**
  Online Doctor Visits Offer Convenience and Often Lower Costs

### The Boston Globe
- **12/6/2013**
  Want to See a Doctor at Your Home? There’s an App for that.
Any questions?

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