2017 State of Consumer Telehealth: Insights from Hospital Executives

#BeckersHR18  May 15, 2018
Presenter / Agenda

Alan Roga, MD, FACEP
President, Health Systems
aroga@teladoc.com

1. About Teladoc
2. Survey Overview
3. Key Findings
4. Success Factors
5. Q & A

The contents of this document are protected by the copyright laws of the United States. This document is provided for the recipient’s sole, personal use; copying and publication are expressly prohibited. The methods and results described herein are the valuable intellectual property of Teladoc, Inc. All rights not expressly granted herein are reserved by Teladoc, Inc.
Teladoc: The market leader

NYSE:TDOC

23M MEMBERS

3,100+ PROVIDERS

10,000+ CLIENTS

5,000+ VISITS / DAY

10 MIN RESPONSE
Hospital & Health Systems solution

- DEDICATED BUSINESS UNIT
  - Workflow / Data Integration
  - Engagement Marketing
  - Commercialization

- LICENSABLE TECHNOLOGY
  - Teladoc for Health Systems

- OPERATIONAL SUPPORT
  - Private-labeled Software
  - End-to-end Operations
  - Provider Network

Teladoc’s telehealth technology platform and licensable software solution has earned the exclusive endorsement of the American Hospital Association.
Serving leading customers

10,000+ clients, including Fortune 1000 companies, hospitals and health plans
The Second Annual State of Consumer Telehealth Benchmark Survey by Teladoc

75% of U.S. hospitals have or will be offering telehealth by 2019.
Respondent profile

274 Survey Respondents

- Titles
  - 30% Executives
  - 39% Director/Manager
  - 31% Other

- Hospital Type
  - 70% – Health Systems
  - 12% – Short-term Acute
  - 18% – Other

- Organization Status
  - 64% – Non-profit
  - 26% – For-profit
  - 10% – Unknown

- Bed Size
  - 27% – <100 Beds
  - 30% – 100-500 Beds
  - 23% – 500-1,500 Beds
  - 20% – >1,500

Responses by Region

- 10% West
- 59% Midwest
- 31% East

Majority respondents executive/director level and hospitals > 100 Beds
Summary of key findings on consumer telehealth

- 94% of hospitals rate as a top strategic initiative
- 3X shift to servicing existing patient populations
- Significant reduction in direct to consumer initiatives
- Hospitals are migrating to using own providers
- EHR integration as a barrier is decreasing
- Physician buy-in is critical to program success
- Claims and in-network referrals are most desired features
- Marketing support recognized as key success factor

75% of hospitals have/will be implementing by 2019

63% that have programs are expanding
Key market changes from 2016 to 2017

2016 FINDINGS

1. 82% of hospitals rate telehealth as a top strategic initiative
2. 3X shift to servicing existing patient populations
3. Significant reduction in direct to consumer initiatives
4. Hospitals are migrating to using own providers
5. EHR integration as a barrier is decreasing
6. Physician buy-in is critical to program success
7. Claims and in-network referrals are most desired features
8. Marketing support recognized as key success factor

2017 FINDINGS

1. 82% of hospitals and health systems rate consumer telehealth as a high priority initiative
2. Main goals are increasing access, care coordination, and managing at-risk populations
3. Key drivers for implementing telehealth are at-risk contracts and competitive market
4. Most telehealth programs start with primary care focus using vendor's provider network
5. Reimbursement and integration are challenges hospitals cite with consumer telehealth
6. Critical to align telehealth initiatives to organizational goals
7. Satisfaction, software, and support capabilities are key when considering a telehealth partner
8. Marketing support is being recognized

© 2018 Teladoc, Inc. All rights reserved.
75% of hospitals have or will be implementing telehealth by 2019

**LONGEVITY**

- 6% – Just launched
- 31% – Less than a year
- 45% – 1 - 3 Years
- 18% – Over 3 Years

82% of programs in place < 3 years

**PRIORITY**

- 1% – 1 Lowest
- 5% – 2
- 38% – 3
- 48% – 4
- 8% – 5 Highest

94% rate as a top initiative

**GOALS**

- 60% – Improve care
- 38% – Reduce wait times
- 33% – Manage at-risk
- 30% – Chronic conditions
- 28% – Post discharge

Increase access to care is top goal

© 2018 Teladoc, Inc. All rights reserved.
63% of systems with programs in place are expanding

<table>
<thead>
<tr>
<th>PROGRAM STATUS</th>
<th>PATIENT POPULATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>63% – Expanding</strong></td>
<td><strong>48% – Existing patient populations</strong></td>
</tr>
<tr>
<td><strong>19% – Pilot</strong></td>
<td><strong>41% – Lives in which we participate and hold risk</strong></td>
</tr>
<tr>
<td><strong>13% – Maintenance</strong></td>
<td><strong>33% – Our own employees and covered dependents</strong></td>
</tr>
<tr>
<td><strong>3% – Re-evaluating</strong></td>
<td><strong>27% – Direct to consumer</strong></td>
</tr>
<tr>
<td><strong>1% – Switching vendors</strong></td>
<td><strong>16% – Local employer groups</strong></td>
</tr>
</tbody>
</table>

Three fold increased focus on existing patient populations
Organizational goals aligning with value drivers

**TOP TELEHEALTH GOALS**

**FINANCIAL**
- **38%** Reduce ER utilization
- **33%** Manage At-risk

**ACCESS**
- **60%** Improve Access
- **28%** Post-Discharge/Readmission

**GROWTH**
- **12%** Compete in Market
- **5%** Grow Revenue
Shift in focus to existing patient populations

CURRENT PATIENT POPULATIONS

- 68% – Existing patient populations
- 62% – Our own employees and covered dependents
- 52% – Direct to consumer
- 47% – Lives in which we participate and hold risk
- 31% – Local employer groups

SHIFT AFTER Y1

31%

- Increase in existing patients
- Decrease in DTC

Moving away from pure retail
Program volumes are increasing

Hospitals are shifting to staffing with their own providers

<table>
<thead>
<tr>
<th>HOSPITALS WITH &gt;10,000 ANNUAL TELEHEALTH VISITS</th>
<th>STAFFING WITH OWN PROVIDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% 6%</td>
<td>42% 57%</td>
</tr>
<tr>
<td>2016 2017</td>
<td>2016 2017</td>
</tr>
</tbody>
</table>

50% increase in hospitals with >10,000 visits

36% increase to own providers
Reimbursement remains a top challenge

EHR integration as a barrier decreased 62%

TOP BARRIERS

1. Reimbursement
2. Other priorities
3. Lack of physician resources
4. EHR integration
5. Physician reluctance
Program success factors

SUCCESS FACTORS

1. Secure physician buy-in 67%
2. Engage leadership 65%
3. Align with organization 63%
4. Operational support 54%
5. Drive adoption 45%

Physician buy-in is critical to program success
**Desired features in a consumer telehealth solution**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims submissions</td>
<td>65%</td>
</tr>
<tr>
<td>In-network referrals</td>
<td>57%</td>
</tr>
<tr>
<td>Imaging</td>
<td>43%</td>
</tr>
<tr>
<td>Wearables</td>
<td>43%</td>
</tr>
<tr>
<td>Peripheral devices</td>
<td>43%</td>
</tr>
<tr>
<td>Lab</td>
<td>39%</td>
</tr>
</tbody>
</table>
Highest rated telehealth vendor attributes

- **68%** SATISFACTION
- **59%** SOFTWARE
- **40%** OPERATIONAL SUPPORT
- **25%** MARKETING CAPABILITIES

Hospitals recognizing the importance of marketing
Comparisons of the different group attributes

<table>
<thead>
<tr>
<th></th>
<th>PROGRAM IN PLACE</th>
<th>IMPLEMENTING</th>
<th>NOT PLANNING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital type</td>
<td>Health system</td>
<td>Health system</td>
<td>Short-term acute</td>
</tr>
<tr>
<td>Hold Risk</td>
<td>33%</td>
<td>27%</td>
<td>Unknown</td>
</tr>
<tr>
<td>Strategic priority</td>
<td>High</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Top use case</td>
<td>Existing patients</td>
<td>Existing patients</td>
<td>Unknown</td>
</tr>
<tr>
<td>Current DTC focus</td>
<td>27%</td>
<td>83%</td>
<td>Unknown</td>
</tr>
<tr>
<td>Staffing model</td>
<td>Own providers</td>
<td>Combination</td>
<td>Unknown</td>
</tr>
<tr>
<td>Top barrier</td>
<td>Reimbursement</td>
<td>Reimbursement</td>
<td>Other priorities</td>
</tr>
<tr>
<td>Top partner attribute</td>
<td>Satisfaction</td>
<td>Software</td>
<td>Satisfaction</td>
</tr>
</tbody>
</table>
Q&A

#BeckersHR18

Alan Roga, MD, FACEP
President, Health Systems
aroqa@teladoc.com

Teladoc’s telehealth technology platform and licensable software solution has earned the exclusive endorsement of the American Hospital Association.