

2023 virtual care transformation index

5 ways employers are putting health within reach

Teladoc[®]
HEALTH



Introduction

Our workplaces look and operate much differently than they did just a few years ago. New generations entering the workforce, social change and the economy continue to shift how we work and live—and how we experience healthcare.

To remain competitive, today's employers are expected to build innovative, high-value benefits strategies within the context of some challenging market trends, including:

The need to **reduce health inequities**, which account for roughly \$42 billion in lost productivity annually; if unaddressed, this figure could grow to \$1 trillion or more by 2040.¹

A persistent **mental health crisis** among employees and their families—with an average six-week wait time for behavioral health services² and 60% of youth with mental health needs going untreated.³

Increasing demand for costly glucagon-like peptide 1 (GLP-1) drugs for the management of type 2 diabetes and obesity that are taking employer budgets by surprise and underscoring the need for a comprehensive approach to condition management.

The growing "health debt" resulting from the accumulated impact of pandemic-related changes in health behaviors such as missed preventive screenings, delayed treatment of existing diseases and bad health habits that will soon come due, especially for those with existing chronic conditions.

The state of virtual care transformation

Last year we introduced the Virtual Care Transformation Index, a first-of-its-kind framework that helps organizations assess and optimize their virtual care offerings and truly transform their benefits strategy.

The index—supported by insights from a 2021 survey of employers on how they were implementing virtual care—outlined five stages of virtual care innovation across dimensions such as program offerings, member experience, plan design, program performance and strategy.

This year, we again surveyed hundreds of human resource decision-makers at large and mid-size companies to understand their current and future plans for integrating virtual care into their benefits strategies.

Several insights emerged from our research, but one thing is certain—employers are committed to making sure health is always in reach.

According to the research, these are the five best practices employers are following to put health in reach of their entire workforce:

1

Elevating the role of virtual care delivery in benefits programs

2

Equitably meeting the health needs of an entire workforce

3

Leaning on virtual care to improve diabetes care and weight management

4

Extending mental health services to underserved populations

5

Accelerating a whole-person approach to care

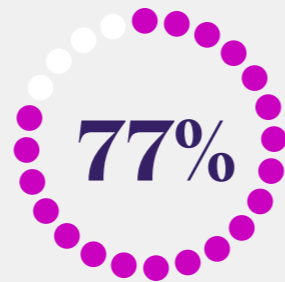


BEST PRACTICE 1:

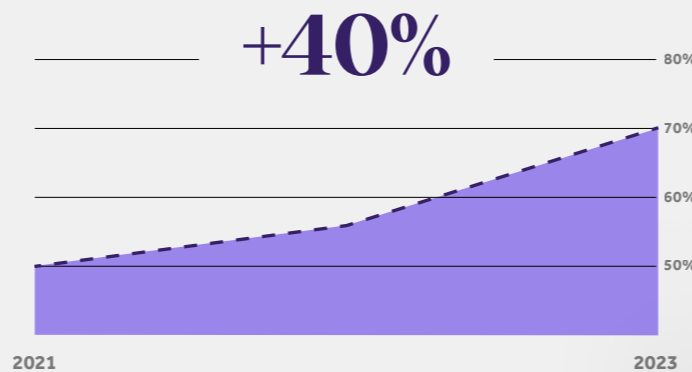
Elevating the role of virtual care delivery in benefits programs

Human resource professionals have signaled that virtual care is now an essential component of their benefits programs, shifting from an ancillary benefit offering to a strategic benefit design element. We also see a virtual-first paradigm emerging, in which employees first engage with a provider virtually and then follow up with a specialized service virtually or in person, as needed.

In our survey, nearly one in two employers report that virtual care is becoming 'central' to their benefits strategy, and **77% report they plan to increase their investment in virtual care over the next three years.**



The percentage of employers reporting they are more fully integrating **virtual care services into their benefits programs increased 40% over the past 18 months.**



Why it matters

When organizations plan for increased investment in the face of tough economic times, it's clear they're thinking about long-term value. After all, you work hard to attract and retain top talent, especially as younger generations enter the workforce. A benefits package that includes high-quality, affordable and easily accessible care for both mind and body can help keep employees feeling and working at their best and help build loyalty.

Expanding virtual care services—while ensuring that they complement in-person care offerings—can also improve long- and short-term costs by increasing preventive care, reducing urgent care use and empowering people to better manage their chronic conditions. Meanwhile, a thoughtful engagement strategy and personalized experience keep people engaged over time.



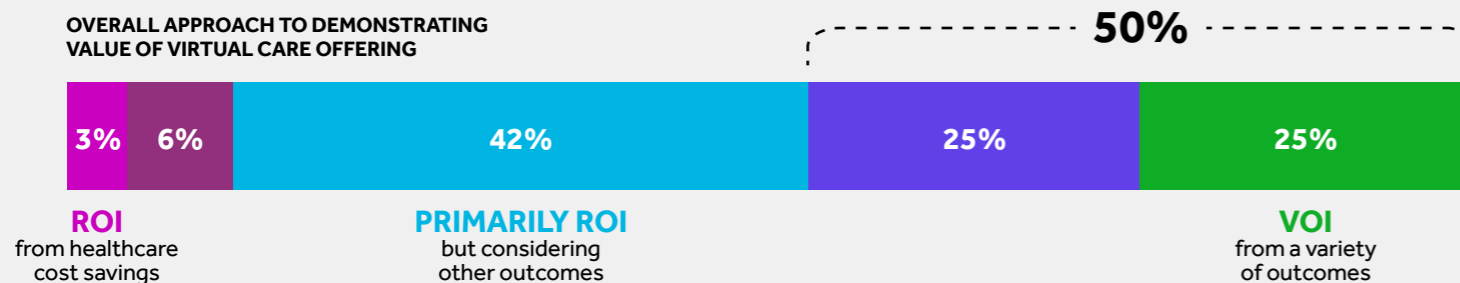
BEST PRACTICE 2:

Equitably meeting the health needs of an entire workforce

Leading employers are starting to think differently about how they measure the effectiveness of their virtual care programs. Half of the survey respondents reported that while they primarily rely on traditional return on investment (ROI) models to assess their success, they are considering a value of investment (VOI) paradigm that can include traditional success measures like healthcare cost savings and clinical outcome improvement, as well as measures such as recruitment, retention, productivity and equitable care. A quarter of survey respondents report that they have **fully transitioned** to a VOI model.

Employers are moving toward a new, broader value of investment approach

OVERALL APPROACH TO DEMONSTRATING VALUE OF VIRTUAL CARE OFFERING



Value of investment attributes

recruitment retention equity productivity
 healthcare cost savings clinical outcomes

Why it matters

Historically, healthcare cost savings and improved clinical outcomes have been the top indicators of program success. Although these measures remain a leading priority, employers are increasingly recognizing their responsibility to ensure everyone has an opportunity to be as healthy as possible.

80+% of the employers we surveyed in 2021 and 2023 reported "closing health disparity gaps" as very important to their organization.

Virtual care has the power to reduce many barriers to care. However, advancing health equity is more than just improved access. It's also about creating a more equitable experience that considers culture, preferences, abilities and socioeconomic circumstances to improve engagement, quality and outcomes. Primary care, delivered virtually, can play a pivotal role in creating more equitable healthcare experiences.

Spotlight on health equity

Clearly, closing health disparity gaps and improving health equity is a strategic priority for employers across the U.S. Yet almost half of survey respondents say it can be difficult to get data from their vendor partners to help evaluate if disparity gaps have in fact been closed.

Finding and engaging the people who need our services the most can have huge implications for our employer clients.

For example, we've found that nearly 60% of participants in our Primary360 solution say they have never before had a primary care provider relationship. Furthermore, almost 30% of those people were diagnosed with hypertension and diabetes in their initial Primary360 visit. Imagine the impact this early detection can have on these employees' downstream costs and quality of life.



Relative importance of virtual care program outcomes

**TOP PRIORITY:
Equitably meeting
the health needs
of the entire
population**

**Expanded access
to appropriate
care**

**Improved
employee
engagement
at work**

**Healthcare cost
savings/ROI**

**Clinical outcome
improvement**

**High program
participation/
service utilization
rates**

**Effective virtual
care program
operations**

**High member
satisfaction/
experience ratings**

Circle size equals relative level of importance



BEST PRACTICE 3:

Leaning on virtual care to improve diabetes care and weight management

When it comes to diabetes and weight management programs, three out of four employers report that the clinically appropriate prescribing of GLP-1 medications is a top priority. These organizations must balance strong employee demand—and the associated costs—for GLP-1 therapies while ensuring that people who need these medications have the appropriate care and support to ensure successful treatment.

~60%

of employers are concerned about the increasing demand for GLP-1 medications and of prescribing these medications without a comprehensive care plan

83%

agree that virtual care programs can help address those concerns



A personalized approach to diabetes and obesity—including access to a team of specialists—can offer greater long-term value to employers and all of the people in their workforce.

Why it matters

Dozens of vendors, touting a variety of approaches to care, have emerged to help employers address the growing need for diabetes management and weight management. Yet employers are wary of having to manage implementations across multiple vendors and may struggle to compare outcomes and results across different programs.

56% of respondents say their company is concerned about the long-term stability of start-up point solution vendors

52% say it's increasingly difficult to manage implementations from multiple point solution vendors

Many employers have discovered the power of a whole-person approach to care—which includes diabetes management, weight management and mental health support—to drive sustainable clinical outcomes across diverse populations. And of course, partnering with a single vendor for a wide range of chronic condition management programs is both easier to manage for employers and a better experience for employees.



BEST PRACTICE 4:

Extending mental health services to underserved populations

When it comes to delivering care virtually, employers report that mental health and primary care services are the most prevalent services in their benefits strategies and are the ones they would like to expand in the next three years.

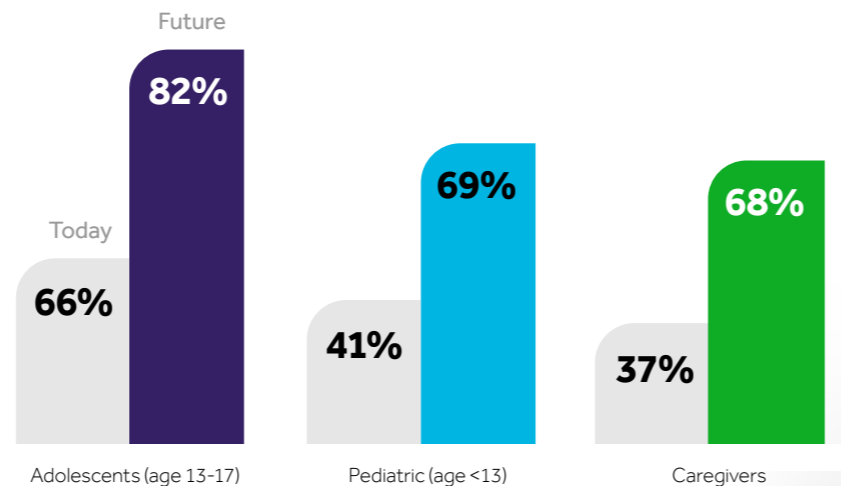
40%

of respondents want to expand virtual mental health services over the next three years

80+%

will focus that expansion on getting adolescent populations the care they need

Current and projected virtual mental health offerings by segment



⁴<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8801866>

⁵Dzubur E, et al. Effects of Program Enrollment in a Digital Multiple Health Behavior Change Intervention on Clinical Outcomes: A 12-month Study. Ann Behav Med (2022) 56(Supp 1): S1-S687. DS-8467

Why it matters

Research from the National Institutes of Health estimates that half of people with mental health needs also have a chronic medical condition⁴—which can compound the challenges of managing diabetes, heart health and weight. An integrated approach to physical and mental healthcare helps identify risks and interventions earlier, avoiding downstream losses in cost and productivity.

In fact, Teladoc Health internal data shows that people who enroll in our integrated chronic care and mental healthcare solutions achieve better outcomes than people who are enrolled in a single chronic care program.

Sample results include

1.5%

AVERAGE ADDITIONAL WEIGHT LOSS OVER A WEIGHT MANAGEMENT PROGRAM ALONE

9.6mmHg

AVERAGE ADDITIONAL REDUCTION IN SYSTOLIC BLOOD PRESSURE OVER A HYPERTENSION PROGRAM ALONE

0.5%

AVERAGE ADDITIONAL A1C REDUCTION OVER A DIABETES PROGRAM ALONE⁵



BEST PRACTICE 5:

Accelerating a whole-person approach to care

When employers were asked to rate the importance of a whole-person virtual care strategy, nearly 90% said it was “very” or “extremely” important. In fact, 55%* of employers say they implemented a whole-person virtual care strategy in their benefits program.

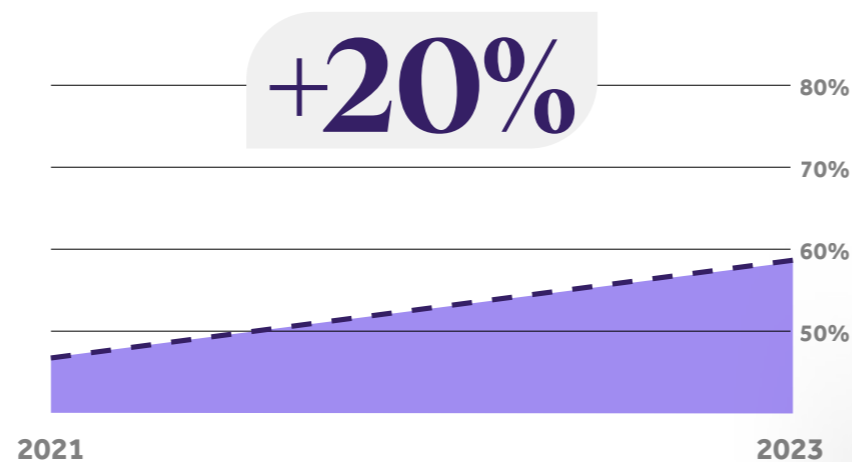
95%

of employers agree that whole-person care can...

improve the healthcare experience for employees

help build a better benefits package

This year's results show a 20% increase in the number of employers who report being at the more advanced stages of virtual care transformation.



*Reported being at a stage 4 or 5 in the virtual care transformation index

Why it matters

We know that consumers overwhelmingly prefer a unified experience for managing their physical and mental health. Meanwhile, employers clearly see the business value of whole-person virtual care solutions that address a full spectrum of healthcare needs. Respondents cite the power of whole-person care to build a better benefits package, improve the healthcare experience and address top cost and quality of life drivers.

How do employers define whole-person care?

- “ Looking at employees as a whole rather than a specific problem or situation in isolation.
- “ When creating actual, beneficial treatment plans, whole-person care includes both the body and the mind.

Verbatim from 2023 survey respondents



Addressing today's—and anticipating tomorrow's—needs

Access to high-quality healthcare is one of the most valuable benefits an employer can offer its employees and their families. Meanwhile, the need to contain costs underscores the importance of offering a full range of mental and physical care for diverse populations. According to our annual survey, five key practices have emerged for addressing these challenges:

- Elevating the role of virtual care delivery in benefits programs
- Equitably meeting the health needs of an entire workforce through improved healthcare experiences
- Leaning on virtual care to improve diabetes care and weight management
- Extending mental health services to a wider range of populations
- Accelerating a whole-person approach to care

Today's employers are ready for transformation, as they recognize the need to evolve how they care for the people they serve while remaining competitive. Let's develop a strategy for getting there, together, and help ensure that health is always within reach.

*Mean was 10,000 employees

Survey methodology

326 survey respondents from U.S.-based employers with 2,500+ employees*

- ✓ Work full time as a human resource professional
- ✓ Sole/shared decision-maker of employee healthcare benefits

Online survey using a third-party panel

Data collection June 13 – 28, 2023

LEARN MORE: TeladocHealth.com

About Teladoc Health: Teladoc Health is on a mission to empower all people everywhere to live their healthiest lives. As the world leader in whole-person virtual care, the company leverages its 20+ years of expertise and data-driven insights to meet the growing needs of consumers and healthcare professionals across the full care continuum.

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