The State of Consumer Telehealth: Insights from the 2017 Hospital and Health Systems Consumer Telehealth Survey



A comparison of telehealth adopters, planners and non adopters







State of Consumer Telehealth:

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Teladoc's second annual State of Consumer Telehealth Benchmark Survey,

in partnership with Becker's Healthcare, surveyed healthcare executives and key consumer telehealth stakeholders about their experiences with telehealth and priorities for the next two years. Respondents included for-profit and nonprofit organizations representing acute, academic and community hospitals and provider groups nationwide.

Survey respondents fell into three distinct groups: organizations with consumer telehealth in place; organizations implementing consumer telehealth in the next 24 months; and organizations not pursuing consumer telehealth.

This article briefly outlines general

characteristics of each group before parsing their major distinctions and identifying key learning points, including shifting utilization strategies among adopters, decreasing implementation barriers and preferred staffing models among new and experienced adopters.

Respondents to 2017 Survey

es

29.9% Executives

39.4% Directors and managers

30.7% Other

spital type

69.7% Health systems

12.0% Short-term acute

18.3% Other (critical access, pediatric, psychiatric, rehabilitation, long-term acute)

9.9% West

Organization status

30.7% East

- 63.5% Non-profit
- 25.5% For-profit
- 10.9% Unknown

Bed sizes

- 20.4% are greater than 1,500 beds
- 22.6% are between 500 and 1,500 beds
- 29.9% are between 100 and 500 beds
- 27.1% are less than 100 beds

58.8% Midwest

Group 1: Organizations with consumer telehealth programs

Health systems represent the greatest proportion — and fastest growing segment — of consumer telehealth adopters. Health systems accounted for nearly 80 percent of organizations with established telehealth programs. The number of health systems with programs in place is also substantial, representing 44 percent of surveyed systems. Organizations practicing consumer telehealth are gaining more experience. Most organizations (63 percent) had telehealth programs that were at least one year old. Experience may be contributing to increased momentum among providers. Having successfully launched consumer telehealth programs, a majority of experienced providers (63 percent) are now looking to expand their initiatives.

It's worth noting a sizable portion of organizations with consumer telehealth programs also engage in some form of risk. About 33 percent of providers with consumer telehealth initiatives reported taking on some form of risk for certain patient populations.

Other noteworthy attributes include the following:

 Use mostly their own providers to staff telehealth programs



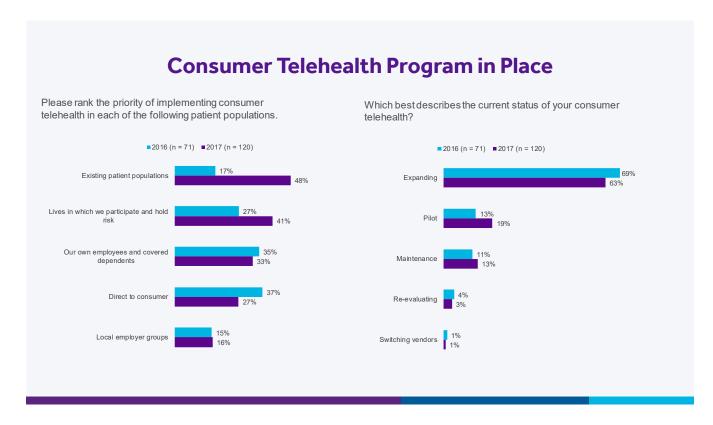
- Reimbursement reported as the top barrier to implementation and growth
- Satisfaction rated as mostdesirable trait in a telehealth partner

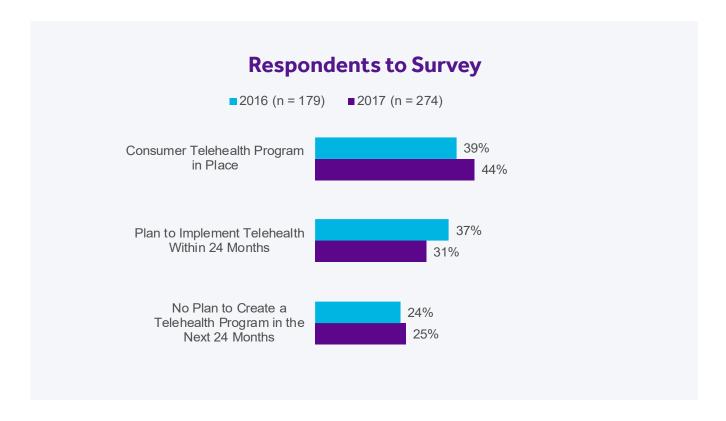
"It's worth noting a sizable portion of organizations with consumer telehealth programs also engage in some form of risk."

Group 2: Organizations implementing or planning to implement consumer telehealth in the next 24 months

Organizations planning to implement consumer telehealth have some distinct characteristics. For one, health systems represent the majority (69 percent) of organizations planning to implement telehealth within the next 24 months, followed by alternate provider types (20 percent) which include critical access, pediatric, psychiatric, rehabilitation and long-term acute facilities.

A notable portion of organizations pursuing consumer telehealth are also pursuing risk. About 27 percent of respondents with plans to implement telehealth also reported engaging in some type of risk for certain patients. Compared to organizations with telehealth programs in place, organizations planning consumer telehealth initiatives placed less strategic emphasis on telehealth. The majority of organizations planning programs rated it a priority of "medium" importance.





Other noteworthy attributes include the following:

- Staffing models will involve a combination of employed physicians and a vendor's network physicians
- Reimbursement reported as the top barrier to implementation
- Software rated as the No. 1 attribute in a telehealth partner

Group 3: No plans to implement consumer telehealth in the next 24 months

One-quarter of respondents said they are not offering consumer telehealth and have no plans to do so in the next 24 months.

Non-adopters tend to be smaller care facilities; 70 percent of non adopter organizations have 500 beds or fewer.

They are also more likely to be shortterm, specialty care facilities. Short-term acute settings accounted for 24 percent of respondents not pursuing telehealth. Other noteworthy attributes include the following:

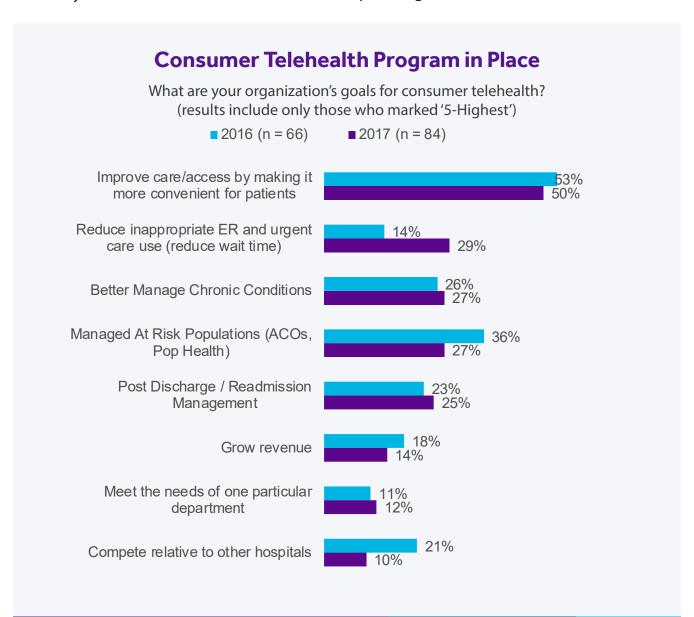
- Rated consumer telehealth as a low strategic priority compared to other issues.
- Non adopters cited price and complexity as the greatest deterrents to implementation.

Comparing adopters, planners and non adopters: 5 Insights into consumer telehealth trends

Comparing the three user groups — adopters, those planning on adopting telehealth, and non adopters — reveals trends across the consumer telehealth market. Here are the five most-striking takeaways:

Insight #1: Hospitals and health systems place the greatest strategic priority on consumer telehealth

The perceived strategic urgency to adopt telehealth differed between organizations with consumer telehealth programs, organizations planning programs and organizations not pursuing telehealth.





Unsurprisingly, organizations with telehealth programs already in place said telehealth was a top strategic priority. Organizations implementing telehealth in the next 24 months said it was a medium priority, and non adopters rated it as a low priority compared to other strategic concerns.

As noted in Teladoc's Second Annual Consumer Telehealth Survey Findings, health systems overall placed greater strategic priority on consumer telehealth than other types of healthcare providers; 94 percent of health systems surveyed rated it a top strategic initiative, up from 80 percent the year prior. Most health systems are also actively pursuing consumer telehealth, an analysis of groups 1 and 2 found.

Approximately three-quarters of hospital systems either currently have or are implementing consumer telehealth by 2019. In comparison, short-term acute facilities represented only 6 percent of organizations pursuing telehealth.

One-quarter of respondents said they are not offering consumer telehealth and have no plans to do so in the next 24 months. So who are the non adopters? This group features distinct demographic and strategic differences compared to organizations that are pursuing telehealth. For one, non adopters tend to be smaller care facilities; 70 percent of non adopter organizations have 500 beds or fewer. They are also likely to be short-term acute or alternative care settings,

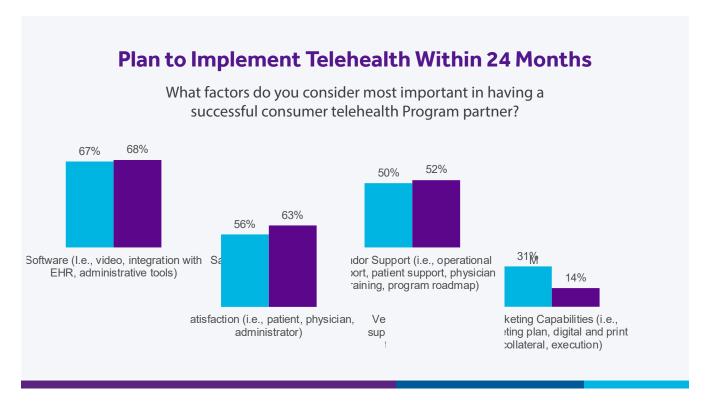
"Although hospitals, health systems and other providers are still interested in using consumer telehealth to reach new patients, their strategic priorities are changing in 2018 and beyond."

including critical access, psychiatric, rehab or long-term care. Short-term acute and alternative care represented 45 percent of non adopters.

Insight #2: Decreasing focus on reaching direct to consumer populations

Although hospitals, health systems and other providers are still interested in using consumer telehealth to reach new

patients, their strategic priorities are changing in 2018 and beyond. Specifically, organizations currently pursuing or practicing consumer telehealth are shifting their focus away from direct to consumer initiatives to instead target existing patient populations and lives in which they hold risk. Both groups 1 and 2 cited existing patient populations as their No. 1 priority for consumer telehealth programs in 2018, followed by lives in which they hold risk.





This suggests telehealth use will be more focused on outcomes and population health rather than as a tool to attract new patients or business from employer health plans, according to Teladoc.

The shift in priorities is more marked among organizations that already have programs in place. Just 27 percent of these organizations are currently focusing on direct to consumer telehealth initiatives compared to 83 percent of organizations in the process of implementing or planning to implement telehealth programs.

Still, that providers are trending away from direct to consumer telehealth is clear across both more experienced adopters and

organizations in the planning stages. Fewer telehealth programs overall will target direct to consumer patients in the next year. The number of programs prioritizing this patient group fell 10 percent from 2016 to 2017 — the largest priority decline of any patient category.

Insight #3: Staffing models may be trending toward greater outsourcing for future rollouts

Distinct staffing trends emerged from the survey results. Specifically, organizations with telehealth programs in place approach staffing differently than organizations implementing or planning their consumer telehealth programs. Experienced organizations are more

likely to use their own physicians to staff consumer telehealth programs. Fifty-seven percent of respondents at organizations that already offer telehealth services say their programs are staffed entirely with their own care providers.

On the other hand, organizations implementing or planning consumer telehealth programs are more likely to use vendors or service partners for staffing support. A majority of organizations that know how their upcoming programs will be staffed are planning to contract for care providers, either through their telehealth vendor or another staffing source. A hybrid staffing model involving both employed and sourced physicians will be a dominate characteristic among this group. How organizations structure and manage their consumer telehealth programs also differed between groups 1 and 2. Organizations implementing or planning to implement programs are 10 percent less likely to fully support their programs

internally compared to organizations with programs in place. For this reason, Teladoc predicts future rollouts will feature more subcontracted services than the programs in place now.

Insight #4: Barriers to telehealth success are falling

Nearly all the leading obstacles to telehealth adoption are considered less of a barrier in 2018 than they were the year before. However, the obstacles themselves remain largely the same, with reimbursement heading up the top of the list for adopters and planners. Non adopters, in contrast, rated competing priorities as the greatest barrier.

Organizations that are planning their consumer telehealth rollouts expressed more concern about potential obstacles than those that already have programs in place. Still, both groups cited reimbursement as their greatest barrier to success in the next year, followed by competing priorities.

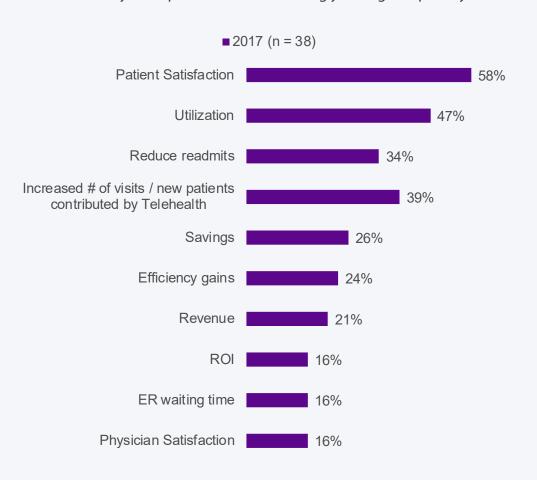
"...organizationswithtelehealthprogramsinplaceapproachstaffing differently than organizations implementing or planning their consumer telehealth programs."

Lack of sufficient physician resources was the third-greatest obstacle among organizations with programs in place, compared to "too many unknowns" among organizations planning program rollouts.

Reimbursement concerns have traditionally been a top inhibitor to telehealth adoption, according to data from Teladoc. However, fewer organizations with programs in place said it was an obstacle in 2017 (23 percent) than did in 2016 (26 percent).

Plan to Implement Telehealth Within 24 Months

How do you define success in your consumer telehealth program? Please rank your top 3 metrics with 1 being your highest priority metric.



Although both adopters and planners said reimbursement is a concern, future reimbursement methods account for a major difference between organizations with programs and those planning programs. Nearly three-quarters of organizations that plan to introduce programs in the next two years will not seek reimbursement for at least some of their consumer telehealth services, compared to 25 percent of organizations with established programs. The fact that nearly three quarters of new telehealth programs will offer patients some free telehealth services suggests providers expect to benefit in other ways than financially, such as by improving population wellness and thereby reducing risk, according to Teladoc.

Insight #5: 3 keys to success from organizations with programs in place

Organizations with current consumer telehealth programs shared their greatest "lessons learned" from their experiences in telehealth thus far. Physician buy-in (67 percent), leadership engagement (65 percent) and organizational alignment (63 percent) comprised the top three lessons. The results were consistent with the previous benchmark survey and represent fundamentals to program success, according to Teladoc.

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Conclusion

By comparing general characteristics across three different adopter groups, we can identify several key trends in consumer telehealth. For one, the momentum behind consumer telehealth remains steady as healthcare organizations nationwide continue to pursue and expand existing programs. We can also see the consumer telehealth movement is particularly robust among large hospitals and health systems, as nearly 75 percent plan to have consumer programs in place within two years.

And most importantly, as providers gain experience in consumer telehealth, their priorities have shifted away from direct to consumer populations toward use cases that feature existing patients and at-risk populations. This is also true for organizations planning implementations in the next coming years.



About Teladoc

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