3rd Annual
State of Consumer
Telehealth Benchmark
Survey Results

Teladoc™
HEALTH

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Executive Summary

Consumer telehealth is no longer in its infancy. The technology has shifted toward maturity as more health systems are introducing consumer telehealth services, and those that already have established telehealth programs in place are focusing on expanding the services they offer.

By 2021, 88 percent of health systems plan to have consumer telehealth programs in place; 64 percent already offer such services. The number of health systems with no plan to offer consumer telehealth has fallen in half in just three years.

With this growth in consumer telehealth, provider organizations are becoming more evolved in their approach to how they integrate telehealth and reimbursement. What once was an aspirational, exploratory pursuit is now more focused and driven by patient demand for convenience and access to care.

There were more respondents from acute care and specialty providers this year—that have historically been less likely to use telehealth compared to health systems—which reveals increases in consumer telehealth adoption, services offered and utilization.

Those are the major findings from the third annual State of Consumer Telehealth Benchmark Survey by Teladoc Health, in partnership with Becker's Healthcare. The report is based on 312 health system professionals surveyed in North America regarding their consumer telehealth plans for 2019 and beyond.

This report highlights what types of health systems are driving the growth in consumer telehealth services, why they are expanding, and how they are doing it.

About the Report

The third annual State of Consumer Telehealth Benchmark Survey was conducted by Becker's Healthcare in association with Teladoc Health.

Becker's surveyed hospital and health system leaders in November 2018 about their consumer telehealth program plans and collected 312 valid responses, which was 14 percent more than the previous year and a 74 percent increase from the inaugural survey in 2016.

Respondent demographic data is presented in Figure 1. Respondents were nearly evenly split among organizations with less than or more than 500 beds.

FIGURE 1:
Respondent Demographics
● 2018   ● 2017

Respondent Titles

- Executives: 27% / 30%
- Directors/Managers: 41% / 39%
- Other Telehealth Staff: 32% / 31%

Organization Types

- Health System: 64% / 70%
- Short-Term Acute: 24% / 12%
- Critical Access: 6% / 6%
- Pediatric: 5% / 4%

Organization Status

- Non-Profit: 66% / 64%
- For-Profit: 21% / 26%
- Government: 13% / 0%

Bed Sizes

- <100: 17% / 17%
- 100 > 500: 30% / 34%
- 500 > 1,500: 33% / 26%
- > 1,500: 20% / 23%
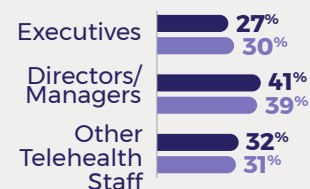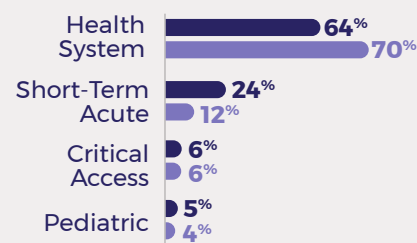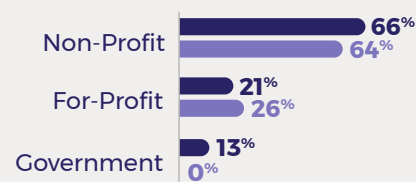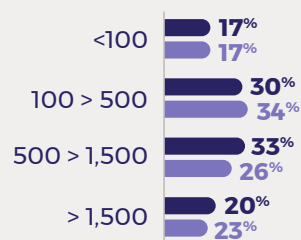
Key Finding: Consumer Telehealth Adoption is Expanding

Organizations that offer telehealth services have quickly gone from a minority to a majority. At the end of 2018, 64 percent of health systems, acute care facilities, critical access hospitals, pediatric providers and other organizations were offering consumer telehealth services (see Figure 2). That was the first year a majority of organizations surveyed had programs in place, which represented a 74 percent increase from just two years ago and shows a 20 percent increase from the prior year.
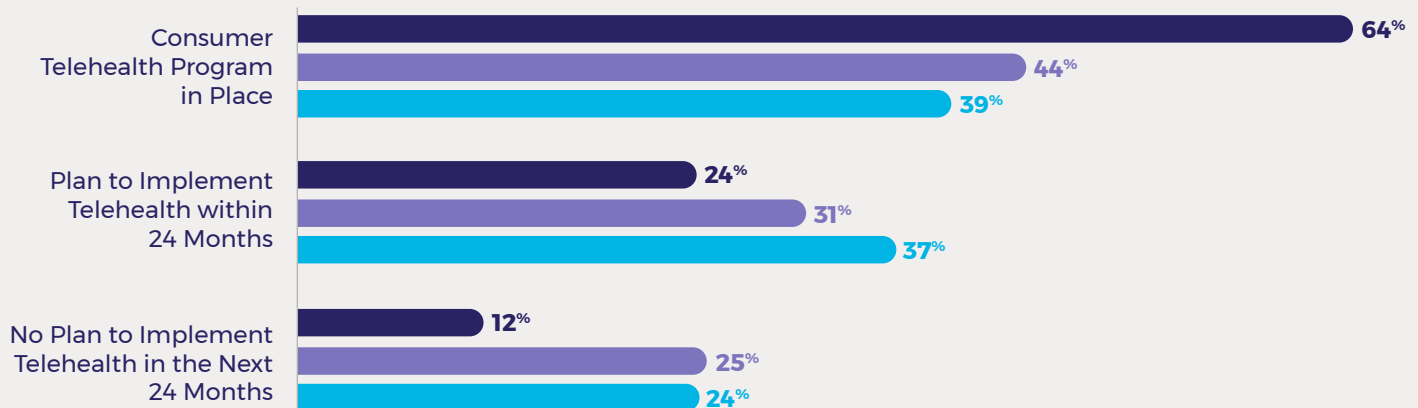
In addition, 59 percent of respondents reported that consumer telehealth was a high priority at their organization, which is the highest level recorded in the three-year history of this survey.

FIGURE 2: State of Telehealth Adoption

● 2018   ● 2017   ● 2016

Consumer Telehealth Program in Place
- 2018: 64%
- 2017: 44%
- 2016: 39%

Plan to Implement Telehealth within 24 Months
- 2018: 24%
- 2017: 31%
- 2016: 37%

No Plan to Implement Telehealth in the Next 24 Months
- 2018: 12%
- 2017: 25%
- 2016: 24%

Telehealth has momentum: Another 24 percent of organizations expect to offer consumer telehealth services by 2020. For another perspective, consider that today only 12 percent of health systems have no plan to offer consumer telehealth, which is half the level of just three years ago.

Recent adoption is not limited to small-scale pilots. Most organizations that currently offer consumer telehealth offer multiple services and have programs targeted to different patient populations, and 64 percent are expanding their programs.

More telling, 13 percent of consumer telehealth providers completed more than 10,000 consultations in 2018, a significant jump (44 basis points) from the 9 percent that attained that volume the previous year.
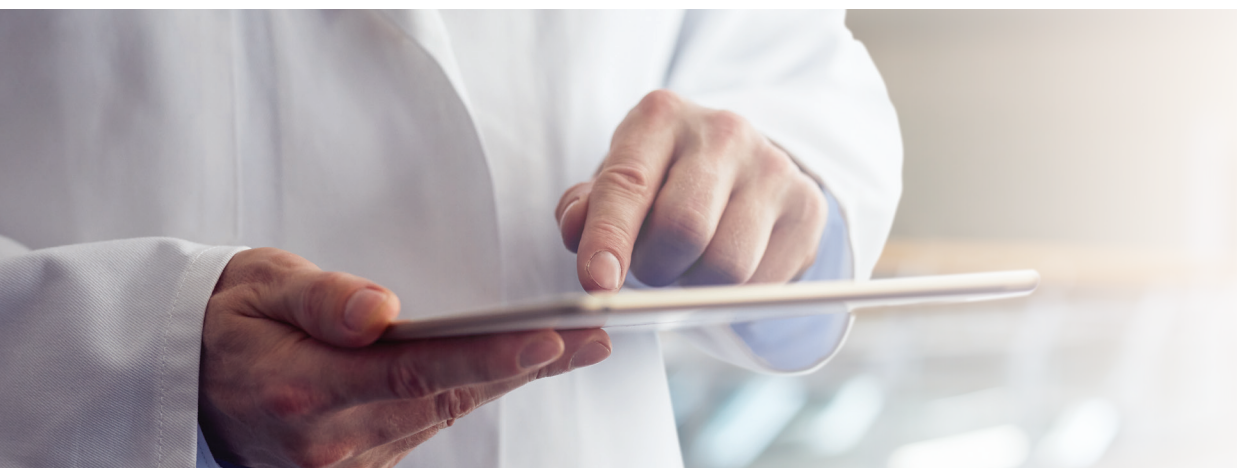
Key Finding: Populations Served and Services Offered are Both Expanding

Consumer telehealth programs are not just expanding in adoption and scale, but also in scope. As noted, 64 percent of telehealth providers are expanding. In three years, at least two-thirds of o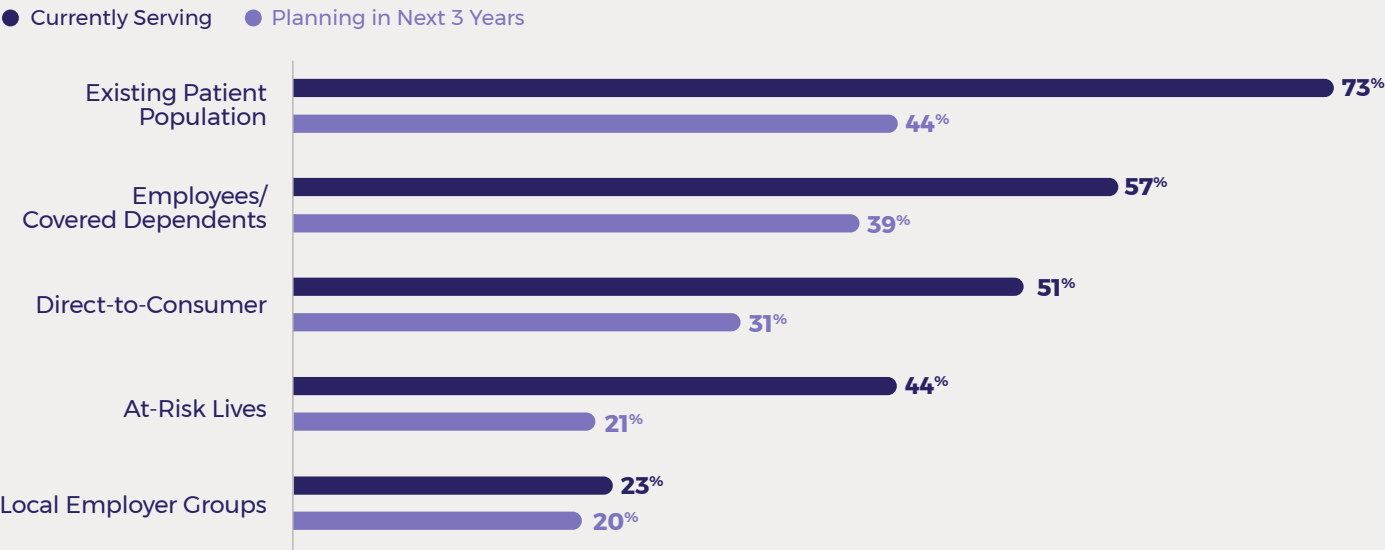rganizations that currently offer consumer telehealth services plan to have offerings for all five of the following demographic groups: their existing patient populations, consumers at large, lives in which they hold risk, local employer groups and their own employees.

The way these populations will be served is also changing, as providers are expecting to add services in many new clinical areas. Expanding access to care for existing patients has emerged as a top priority. More providers now have programs specifically for their own patient populations than have direct-to-consumer (DTC) programs for patients at large, although a majority have both (Figure 3).

FIGURE 3: Target Patient Populations

● Currently Serving   ● Planning in Next 3 Years

Population	Currently Serving	Planning in Next 3 Years
Existing Patient Population	73%	44%
Employees/ Covered Dependents	57%	39%
Direct-to-Consumer	51%	31%
At-Risk Lives	44%	21%
Local Employer Groups	23%	20%

With nearly three quarters of providers now serving their existing patients through telehealth, program expansion is focusing on other patient populations. Many organizations are planning to expand by contracting with local employer groups to provide services to employees.

Populations where the provider holds risk is another priority for the next three years, and expanding direct to consumer programs will continue to be a focus. Eight percent of respondents are even offering telehealth services internationally, and another 13 percent are considering it, with the U.K., Canada and China the leading markets of interest.

Figure 4 shows what providers are using consumer telehealth services for, and how much each of the individual leading services accounts for the providers' total telehealth consults. Consumer telehealth services are being used most commonly for chronic condition management (by 73 percent of respondents with existing programs), acute care (72 percent) and follow-up care (67 percent). Those are the only services offered by a majority of providers.

The data suggests that organizations with telehealth programs are actively providing multiple telehealth services. For example, while most providers have chronic condition management services in place, those engagements accounted for no more than 20 percent of total telehealth consults for 64 percent of the providers that offer them. Acute care is responsible for the most telehealth consults among 2018 respondents.

FIGURE 4:
Telehealth Consult Type and Volume

Type of consumer telehealth consults completed over the last 12 months

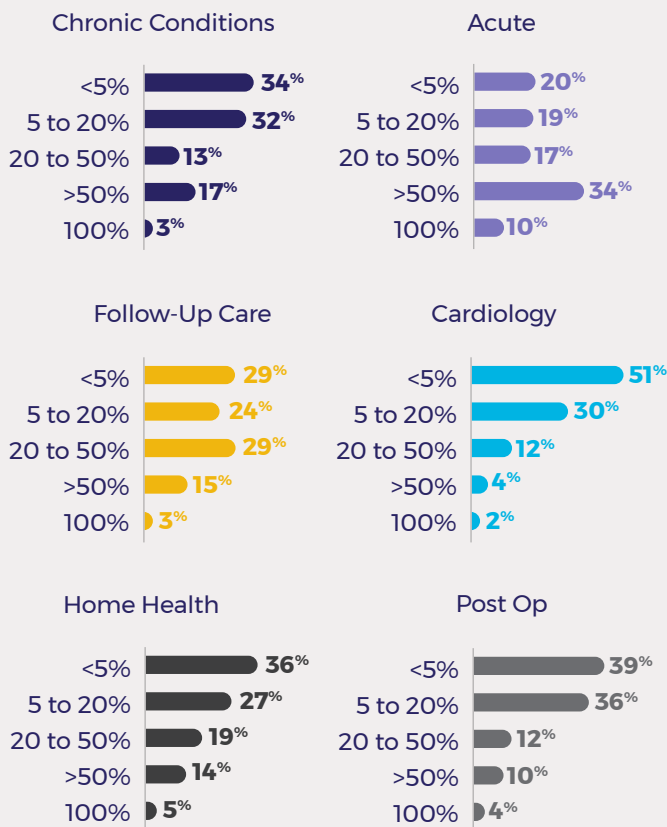|	
Chronic Conditions	73%
Acute	72%
Follow-Up Care	67%
Cardiology	45%
Home Health	43%
Post Op	42%
Oncology	33%
Other	23%
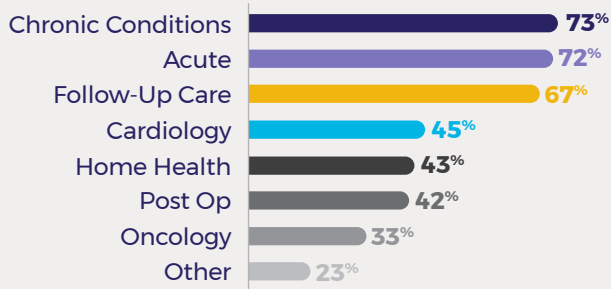
Percentage of telehealth consults completed over the last 12 months

Chronic Conditions
<5%	34%
5 to 20%	32%
20 to 50%	13%
>50%	17%
100%	3%

Acute
<5%	20%
5 to 20%	19%
20 to 50%	17%
>50%	34%
100%	10%

Follow-Up Care
<5%	29%
5 to 20%	24%
20 to 50%	29%
>50%	15%
100%	3%

Cardiology
<5%	51%
5 to 20%	30%
20 to 50%	12%
>50%	4%
100%	2%

Home Health
<5%	36%
5 to 20%	27%
20 to 50%	19%
>50%	14%
100%	5%

Post Op
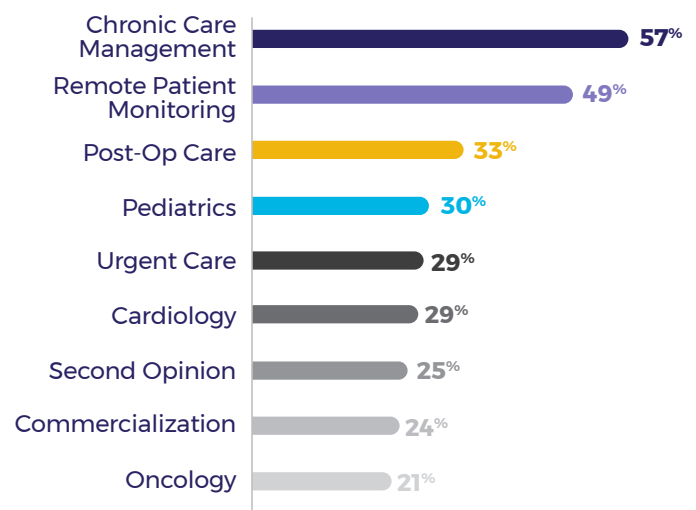|	
<5%	39%
5 to 20%	36%
20 to 50%	12%
>50%	10%
100%	4%

Chronic condition management was not only the leading use case for consumer telehealth in 2018, it also is the area where most organizations are planning to expand their telehealth services going forward (Figure 5). At 57 percent, chronic condition management is the only type of consultation a majority of respondents are planning to expand.

Nearly half of organizations also want to expand their ability to remotely manage patients. Doing so would support improved chronic condition management and other forms of care. That includes follow-up care, which is widely utilized but accounts for a relatively low percentage of total consults for most organizations that offer it (Figure 4).

The types of telehealth consults completed shows providers are growing their services scope beyond a handful of clinical areas. The scale of their telehealth programs is also growing. As telehealth continues to mature, large-scale programs have become more common: 13 percent of organizations with telehealth programs completed more than 10,000 consults in 2018, which is more than double two years prior.

FIGURE 5:
Telehealth Offering Expansion Priorities

Type of consumer telehealth programs systems are looking to add in the next 12 to 24 months

Chronic Care Management	57%
Remote Patient Monitoring	49%
Post-Op Care	33%
Pediatrics	30%
Urgent Care	29%
Cardiology	29%
Second Opinion	25%
Commercialization	24%
Oncology	21%

Key Finding: The Compensation Climate is Changing

In 2018 there was substantial progress against one of the persistent obstacles to telehealth programs—compensation. Sixty percent of organizations received commercial reimbursement for telehealth services in 2018, which represented a dramatic year-over-year increase.

In fact, there were documented rises in all forms of reimbursement surveyed (Figure 6), however the increase in commercial reimbursement was the most substantial. It is also significant that 59 percent of providers are now receiving payment directly from patients as part of self-pay programs.

Increasing revenue has never been a widely used measure of success for most consumer telehealth providers, and

in 2018 it was relatively less important: 16 percent of respondents said revenue was one of their success metrics, which was down from 21 percent the year before, even though more organizations want to increase their telehealth revenue.

What went unchanged is that 25 percent of organizations are not seeking reimbursement for the telehealth services they provide. This subset may view telehealth as one aspect in a spectrum of care and thus believe it should not be billed or compensated separately. That is one of several indicators that providers are trying to align telehealth with their organizational goals, which represents a mature approach to providing telehealth services.

FIGURE 6: Sources of Reimbursement for Consumer Telehealth Services
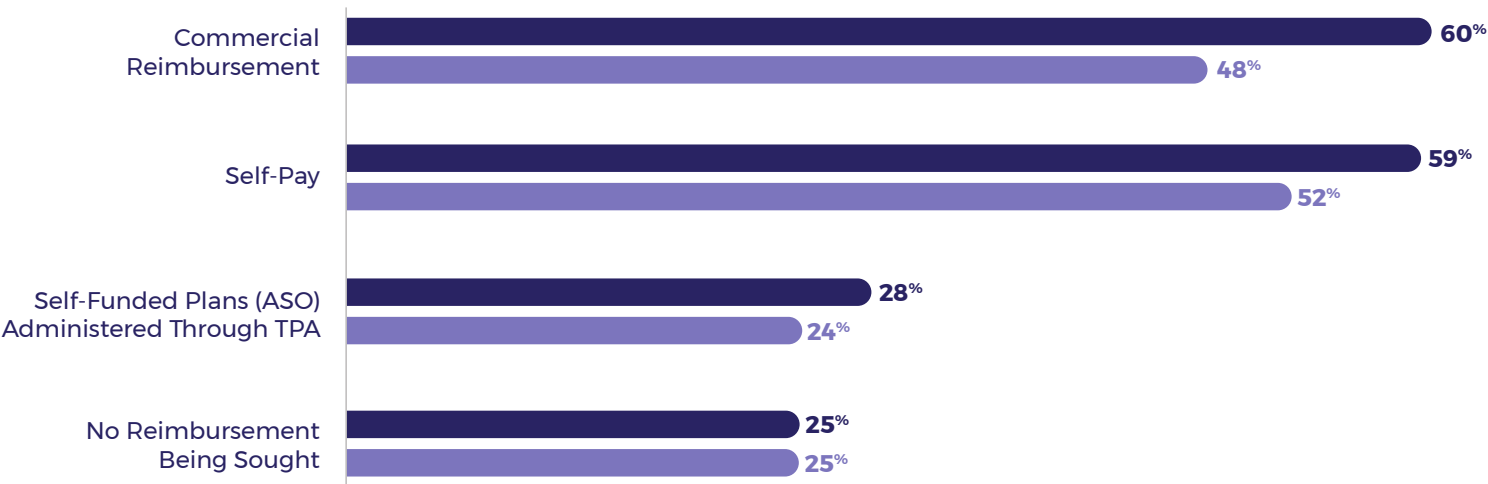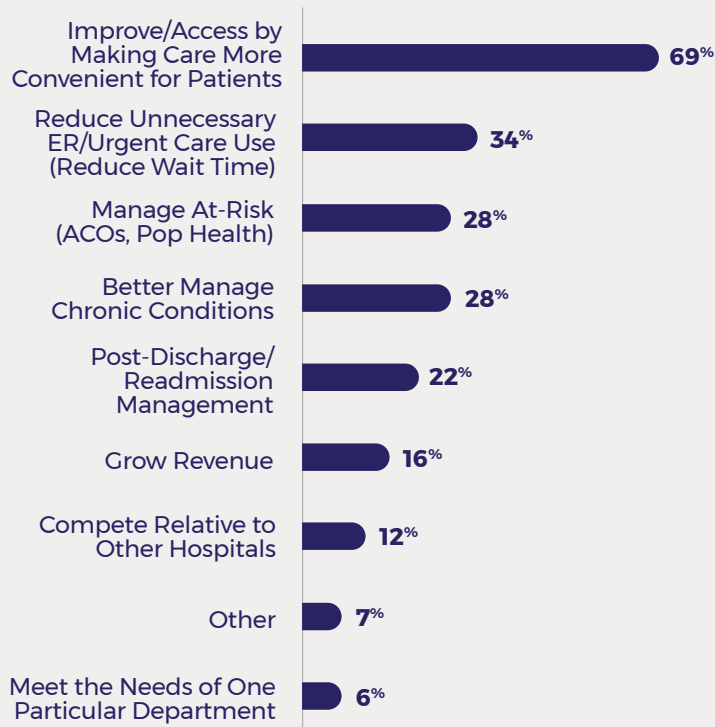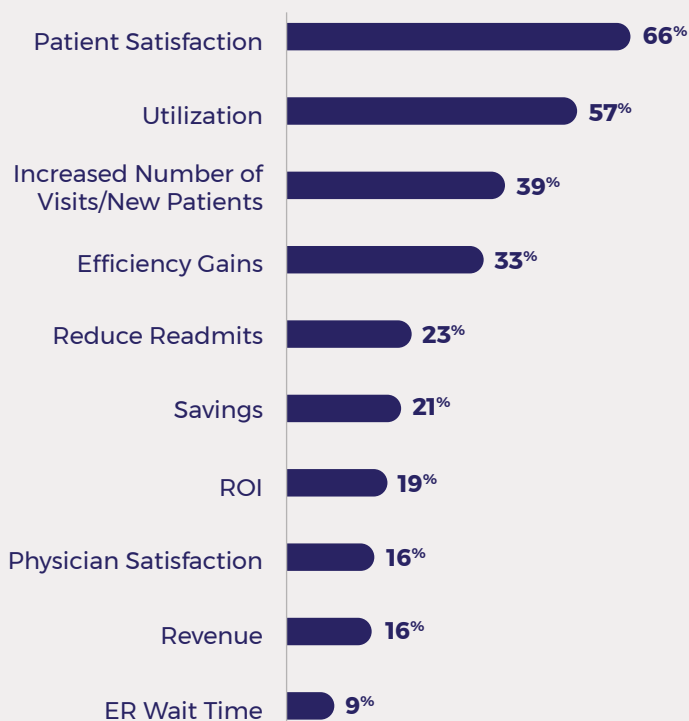
● 2018   ● 2017

Source	2018	2017
Commercial Reimbursement	60%	48%
Self-Pay	59%	52%
Self-Funded Plans (ASO) Administered Through TPA	28%	24%
No Reimbursement Being Sought	25%	25%

FIGURE 7:
Organizational Goals for Consumer Telehealth*

Goal	Percentage
Improve/Access by Making Care More Convenient for Patients	69%
Reduce Unnecessary ER/Urgent Care Use (Reduce Wait Time)	34%
Manage At-Risk (ACOs, Pop Health)	28%
Better Manage Chronic Conditions	28%
Post-Discharge/Readmission Management	22%
Grow Revenue	16%
Compete Relative to Other Hospitals	12%
Other	7%
Meet the Needs of One Particular Department	6%

Results include only those who marked '5-Highest'

FIGURE 8:
Success Metrics Used by Telehealth Providers

Metric	Percentage
Patient Satisfaction	66%
Utilization	57%
Increased Number of Visits/New Patients	39%
Efficiency Gains	33%
Reduce Readmits	23%
Savings	21%
ROI	19%
Physician Satisfaction	16%
Revenue	16%
ER Wait Time	9%

Key Finding: Telehealth Programs and Approaches are Maturing

There are numerous signs that organizations are taking a broader, more mature approach to consumer telehealth programs: Leading organizational goals and success metrics are shifting from tactical to more strategic, patient-focused ones; organizations are reporting fewer barriers to implementing and managing telehealth programs (which suggests they know how to overcome the common challenges); and organizations are pursuing a higher level of integration between their telehealth solution and the enterprise electronic health record system (suggesting telehealth is not viewed as a peripheral service but rather a core element for continuity of care).

While many organizations began using telehealth tactically, for example to support the needs of a particular patient operation or department or to improve a specific performance metric (such as wait time), now organizations are taking a broader approach—by serving more populations and offering more services—while narrowing the program goals and success metrics that are considered important.

Patient satisfaction has clearly become recognized as the most important measure of telehealth success. Improving care and access by making it more convenient for patients is the only goal shared by a majority of organizations that currently provide consumer telehealth services (Figure 7). Similarly, patient satisfaction and utilization are the only two success metrics used by a majority of providers (Figure 8).
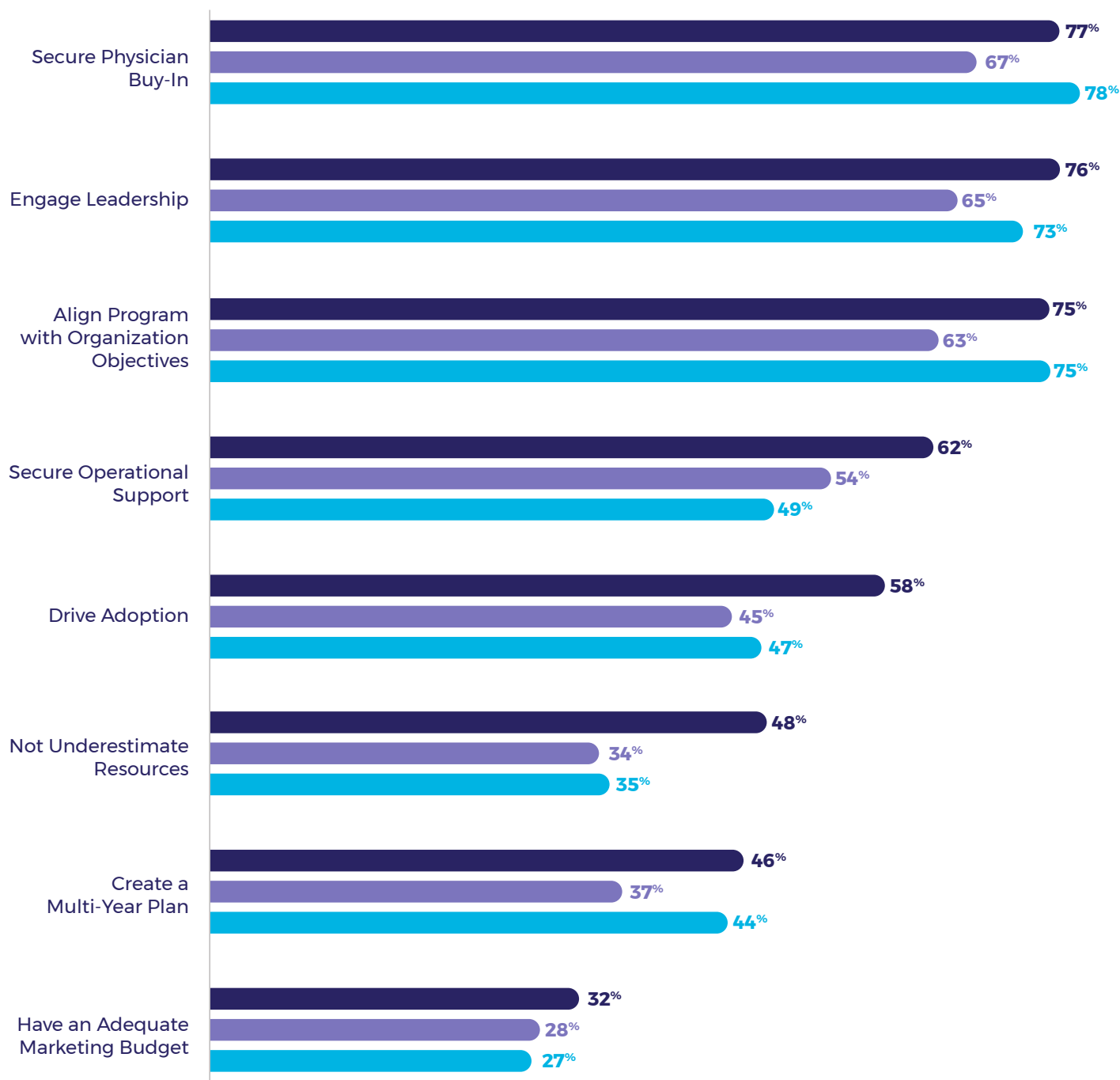
Note that patient satisfaction and care-related goals consistently rank ahead of financial ones, such as revenue and ROI.

Systems are learning: The lessons learned by current telehealth providers also indicate a deeper understanding and appreciation of what makes programs successful. More providers have realized the importance of driving telehealth adoption, properly estimating the resources required to run programs, and securing operational support. Though not the top lessons learned, they are among those that changed the most.

FIGURE 9: Leading Lessons Learned by Consumer Telehealth Providers

● 2018 ● 2017 ● 2016

Secure Physician Buy-In
- 2018: 77%
- 2017: 67%
- 2016: 78%

Engage Leadership
- 2018: 76%
- 2017: 65%
- 2016: 73%

Align Program with Organization Objectives
- 2018: 75%
- 2017: 63%
- 2016: 75%

Secure Operational Support
- 2018: 62%
- 2017: 54%
- 2016: 49%

Drive Adoption
- 2018: 58%
- 2017: 45%
- 2016: 47%

Not Underestimate Resources
- 2018: 48%
- 2017: 34%
- 2016: 35%

Create a Multi-Year Plan
- 2018: 46%
- 2017: 37%
- 2016: 44%

Have an Adequate Marketing Budget
- 2018: 32%
- 2017: 28%
- 2016: 27%

What the Planners Can Learn from the Doers

One way to consider consumer telehealth maturity is to examine the differences between organizations that are currently planning to introduce their first consumer services and those that already have experience managing programs. Current consumer telehealth providers tend to be more focused regarding their populations served, type of consultations provided and program expectations.

Here are some key differences between experienced organizations that currently offer consumer telehealth services and those that are planning to roll out their first programs within the next two years:

The broad goal of improving access to care and improving convenience for patients is more shared among experienced providers (it is their leading goal, cited by 69 percent) than planners (54 percent).

Planners are much less focused on specific patient populations: Most planners essentially plan to serve everyone from the start. Whereas experienced providers started with narrower programs and are expanding to additional populations.

None of the respondents that are currently planning to introduce consumer telehealth said they would pursue reimbursement from self-funded plans managed by a TPA. However, 28 percent of the organizations with current programs receive reimbursement through that stream, indicating they have a more sophisticated, multifaceted approach to reimbursement.

Current providers may also have more realistic reimbursement expectations: As noted, 60 percent of experienced providers now receive commercial reimbursement for consumer telehealth services, while 71 percent of organizations that are planning to introduce programs expect to receive such compensation.

Experienced organizations are much more likely to provide acute care through consumer telehealth (72 percent do so, while only 50 percent of planners will include acute care in their rollout), and use telehealth to try to reduce inappropriate visits to the emergency department (34 percent vs. 18 percent).

Only 3 percent of program planners foresee physician buy-in as an obstacle, which tied as their lowest-ranked obstacle. However, 14 percent of organizations that are currently providing consumer telehealth services say physician buy-in can be an obstacle, and securing physician buy-in was their top lesson learned.

59 percent of current providers staff their consumer telehealth programs with their own employees or those they contract directly; only 36 percent of planners will use that approach.

Organizations that have programs in place also attach more importance to the functionality of the telehealth software and, because they are pursuing deeper integration than those that are deploying their first systems, they are likely to place higher importance on the quality of vendor support.

Conclusion

When this survey was first taken in 2016 many organizations were planning to get involved with telehealth and were taking limited first steps by developing pilot programs and offering services to their own employees. Today, many health systems are managing multi-population programs for existing patients, employer groups, consumers at large and other populations, which are served with a rapidly expanding range of services, including acute care, chronic condition management, post-operative care, behavioral health, oncology, pediatrics and much more.

Organizations have also made progress on receiving reimbursement, and there are few widely encountered obstacles to expanding or introducing consumer telehealth programs.

Based on the 2018 State of Consumer Telehealth Benchmark Survey results, in 2019 we are likely to see more patients served through telehealth programs, more services offered, some international expansion, less separation between providers' telehealth platform and EHR system, and continued emphasis on using technology to expand access to care.

About Teladoc Health

A mission-driven organization, Teladoc Health, Inc. is successfully transforming how people access and experience healthcare, with a focus on high quality, lower costs, and improved outcomes around the world. The company's award-winning, integrated clinical solutions are inclusive of telehealth, expert medical opinions, AI and analytics, and licensable platform services. With more than 2,000 employees, the organization delivers care in 130 countries and in more than 30 languages, partnering with employers, hospitals and health systems, and insurers to transform care delivery. For more information, please visit teladochealth.com or follow @TeladocHealth on Twitter.

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