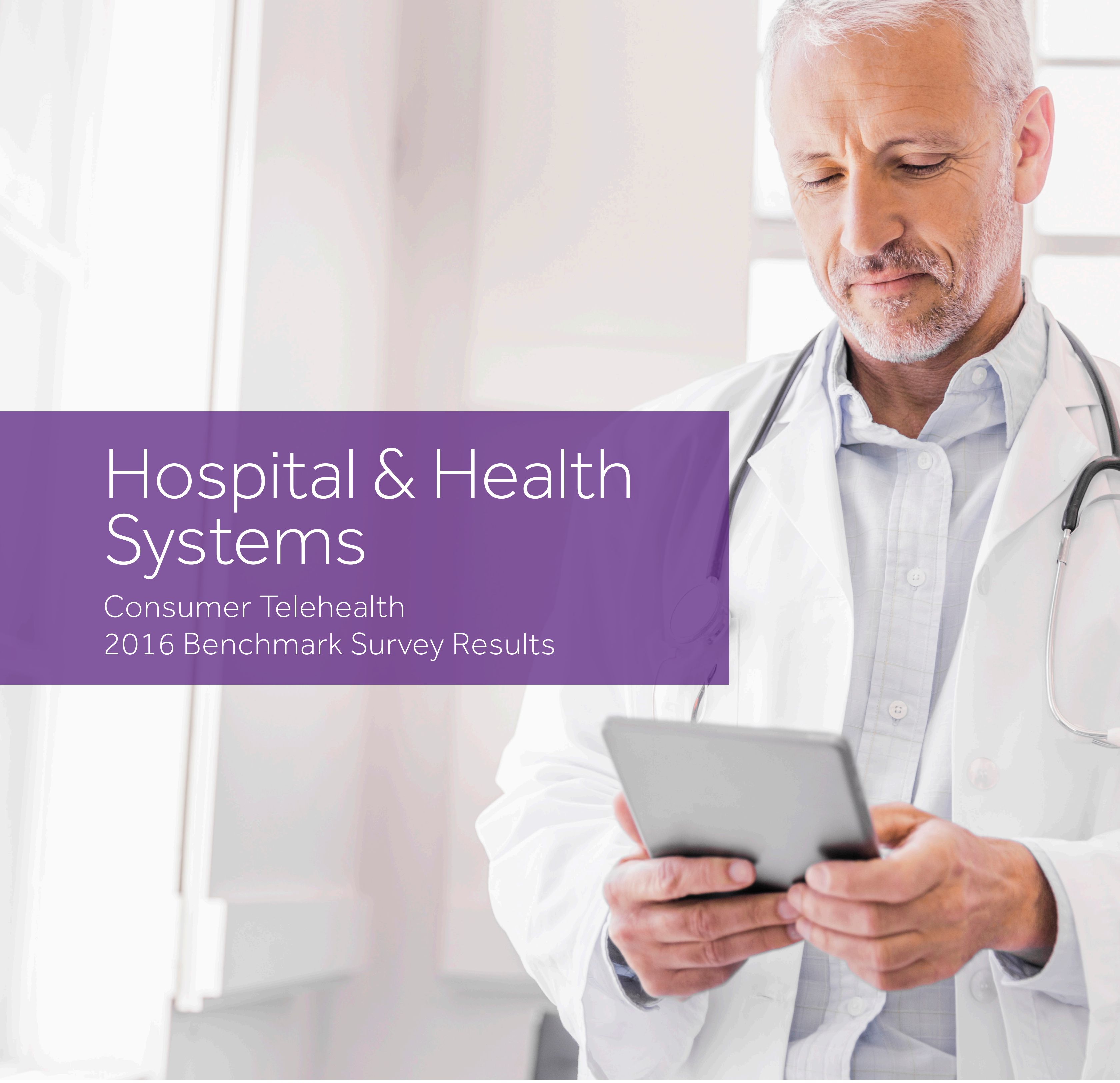

Hospital & Health Systems

Consumer Telehealth
2016 Benchmark Survey Results

TELADOC™
for Health Systems

BECKER'S
HOSPITAL REVIEW

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In partnership with Becker's Healthcare, Teladoc conducted a benchmark survey in December 2016 that aimed to gain insight from U.S. hospital and health system executives on the current consumer telehealth landscape.

An expanding provider market, growing client uncertainty and limited benchmark data prompted Teladoc to embark on this survey. The goal of this survey was to develop a benchmark tool for hospital leaders for their consumer telehealth programs and also provide insight to hospitals and health system stakeholders on best practices for implementation and lessons learned. To conduct this executive level survey, Teladoc utilized a third-party data collection through partnership with Becker's Healthcare.

The findings represent responses from 179 health care executives and other key consumer telehealth stakeholders from for-profit and non-profit organizations representing acute care, academic and community hospitals in both single-state and multi-state systems.

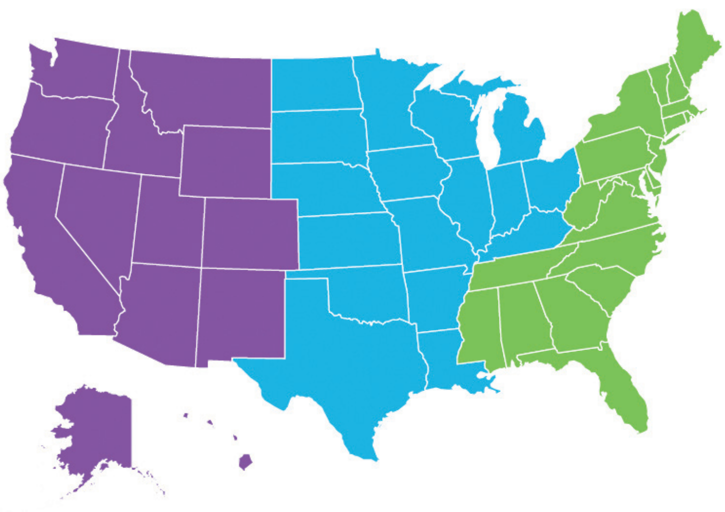
Respondents provided input related to their consumer telehealth goals and priorities, length of program and utilization, populations served, staffing structure, marketing budget and promotion, challenges and factors to consider in a telehealth partner and more.

Respondents were divided into three categories: Those who have a consumer telehealth program in place (39 percent), those who will have a program in place in the next 24 months (37 percent) and those who do not plan to implement a program in the next 24 months (24 percent).

Key Findings:

1. 83% of hospitals and health systems who are implementing telehealth in the next 24 months rate consumer telehealth as a high-priority initiative.
2. 76% of hospitals have or will be implementing consumer telehealth by December 2018.
3. 69% of the organizations who have consumer telehealth are expanding.

Respondent Profile



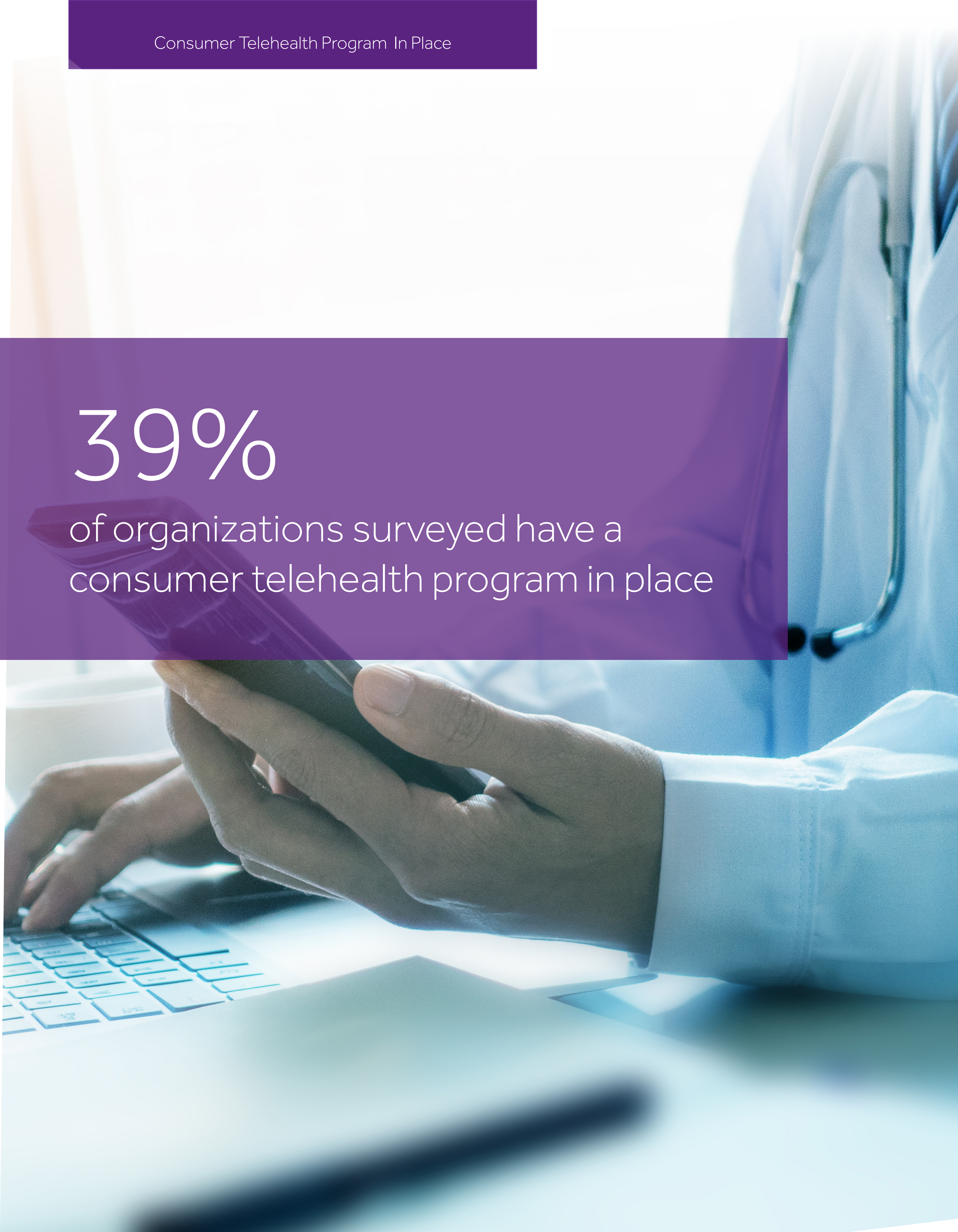
15% West 52% Midwest 33% East

Titles
- 43% executives
- 26% directors and managers
- 31% other

Organization status
- 60% non-profit
- 40% for-profit

Hospital type
- 52% health system
- 29% short-term acute
- 19% other (critical access, pediatric, psychiatric, rehabilitation, long-term acute)

Bed sizes
- 17% are greater than 1,500 beds
- 26% are between 500 and 1,500 beds
- 22% are between 100 and 500 beds
- 35% are less than 100 beds

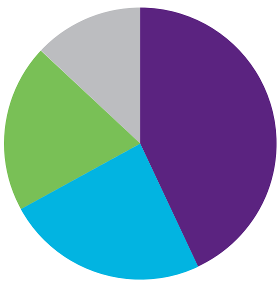


39%

of organizations surveyed have a consumer telehealth program in place

The following results are for those systems that have a consumer telehealth program in place.

Consumer telehealth programs have been in place for:



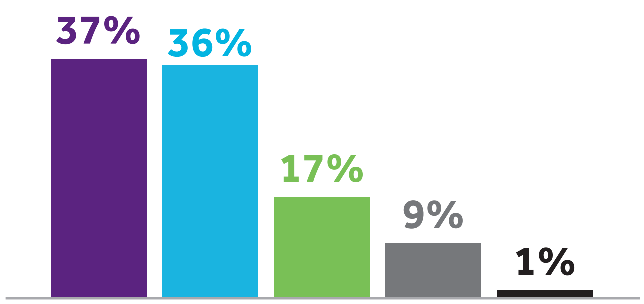
- 20% – over 3 years
- 43% – 1-3 years
- 24% – less than a year
- 13% – just launched

Top organizational goals related to consumer telehealth:

- **57%** Improve care/access by making it more convenient for patients
- **51%** Create more efficiencies in care delivery
- **44%** Achieve better care coordination/integration
- **36%** Better manage chronic conditions
- **29%** Post-discharge/readmission management

89% rank consumer telehealth as a **high priority**

Ranking of consumer telehealth as an organizational strategic priority:



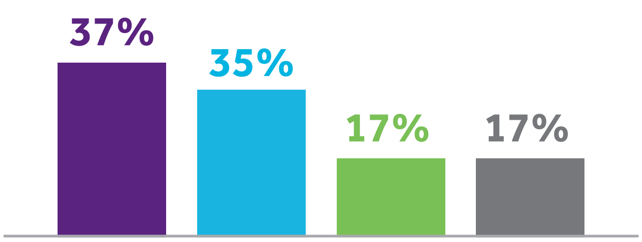
- 17% – ranked 5 out of 5
- 37% – ranked 4 out of 5
- 36% – ranked 3 out of 5
- 9% – ranked 2 out of 5
- 1% – ranked 1 out of 5

Patient populations currently or planning to serve with consumer telehealth programs:

Currently serving		Planned in 2017	
The general public	68%	ACO/carrier ACO in which we participate and hold risk	23%
Own employees	54%	Medicare Advantage plan	23%
Other existing patient populations	52%	Managed Medicaid plan	20%
Local employer groups	39%	The general public (tied with local employer groups)	17%

69% are **expanding** their consumer telehealth program

Patient populations of highest priority for implementing consumer telehealth:



- 37% – the general public
- 35% – own employees
- 17% – ACO/carrier ACO in which we participate and hold risk
- 17% – managed Medicaid plan, other existing patient population

81% have a **dedicated person** in charge of the organization's consumer **telehealth program**

Who is in charge of consumer telehealth?

- 39% A dedicated director level person with senior sponsorship
- 20% A dedicated person but assigned to a C-suite executive
- 13% A dedicated person but assigned to a direct level or comparable manager
- 9% A dedicated person but assigned to a level below C-suite
- 19% Other

Most common medical specialties in current/planned consumer telehealth strategy:

Current

- 61% Primary care/pediatrics/ internal medicine
- 61% ER/urgent care
- 49% Psychiatry/talk therapy
- 45% Re-admission prevention
- 42% Chronic condition management/monitoring

Planned in 2017

- 23% Chronic condition management/monitoring
- 23% Orthopedics
- 23% Cardiology
- 20% Re-admission prevention, oncology, psychiatry/talk therapy
- 13% Infectious disease, pain management, neurology

The vast majority of health systems (75%) have completed under 5,000 consumer telehealth consults in the last year.

- **11%** Completed between 5,001 and 10,000
- **8%** Have not yet been operational for a year
- **6%** Have completed more than 10,001

Most effective promotion for consumer telehealth program:

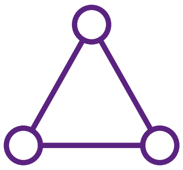
- **15%** Physician referral
- **11%** In-office promotions: offer as option when appointment is requested or when scheduling a follow-up

Many organizations **(47%)** do very little around **program promotion**

Majority of respondents (69%) have annual marketing investment of under $250,000.

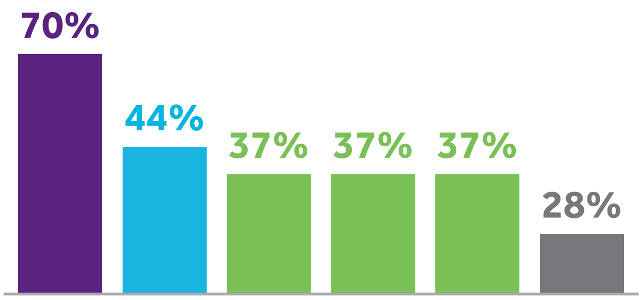
- **16%** $250k > $500k
- **15%** > $500k

Most common staffing models:



- **42%** Own providers
- **30%** A combination of own and a consumer telehealth vendor network
- **15%** Vendor's provider network
- **13%** Contracted providers not through consumer telehealth vendor

Most important elements of success for a consumer telehealth program:



- 70% – patient satisfaction
- 44% – physician satisfaction
- 37% – utilization
- 37% – reduction in readmits
- 37% – increased number of visits/new patients
- 28% – ROI

More than **half (54%)** don't measure **physician** satisfaction.
42% don't measure **patient** satisfaction.

Lessons learned from consumer telehealth process:

- 78% Secure physician buy-in
- 75% Make sure the program aligns with organization objectives
- 73% Engage leadership
- 49% Secure operational support
- 47% Drive adoption
- 44% Create multi-year plan

37% of organizations have at-risk contracts and
they are a **critical part** of the organization's strategy

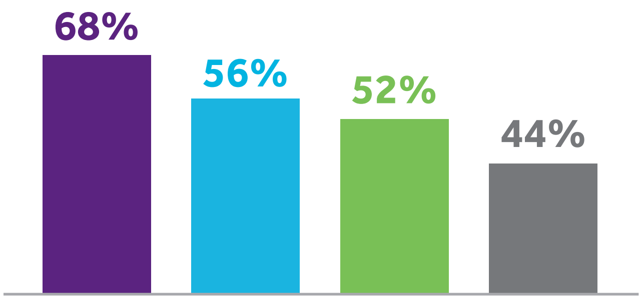
Competitive landscape:

- 53% Competitive market with a number of other systems
- 30% Numerous retail walk-in and urgent care clinics
- 28% Competitive pressure from programs launching in area

Biggest barriers to implementing consumer telehealth:

- 34% Reimbursement
- 21% IT integration into EHRs
- 14% Other capabilities command a higher priority
- 13% High-performing consumer telehealth software

Most desired features in consumer telehealth solutions:



- 68% – claims submission
- 56% – in-network referrals
- 52% – wearables
- 44% – lab

Most important factors of successful consumer telehealth program partner:

- 68% Satisfaction (of patient, physician, administrator)
- 54% Software (i.e.: video, integration with EHR, administrative tools)
- 45% Vendor support (i.e.: operational support, patient support, physician training, program roadmap)
- 21% Marketing capabilities (i.e.: plans, digital and print collateral, execution)

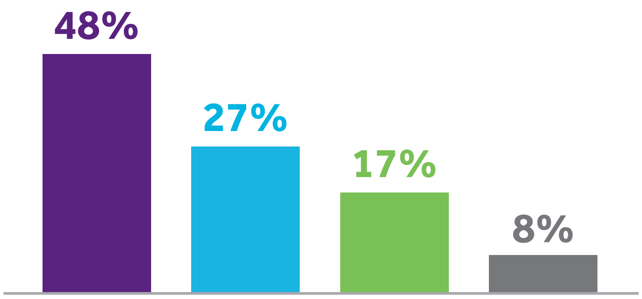
Plan to Implement Telehealth Within 24 Months

37%

of organizations surveyed have not yet implemented a consumer telehealth program but plan to within 24 months

The following results are for those systems that plan to implement a consumer telehealth program in the next 24 months.

Ranking of consumer telehealth as an organizational strategic priority:



- 8% – ranked 5 out of 5
- 48% – ranked 4 out of 5
- 27% – ranked 3 out of 5
- 17% – ranked 2 out of 5

83% rank consumer telehealth as a **high-priority** initiative.

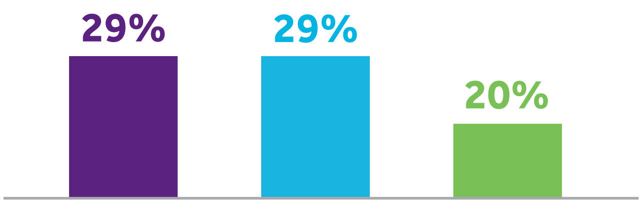
Top organizational goals related to consumer telehealth:

- **53%** Improve care/access by making it more convenient to patients
- **41%** Achieve better care coordination/integration
- **41%** Create more efficiencies in care delivery
- **36%** Managed at-risk populations (ACOs, pop health)

Patient populations planning to serve with consumer telehealth programs (2017):

- **40%** Local employer groups
- **30%** The general public
- **29%** Managed Medicaid plan
- **28%** Medicare Advantage plan

Patient populations of highest priority for implementing consumer telehealth:



- 29% – general public
- 29% – own employees
- 20% – ACO/carrier ACO in which we participate and hold risk

Who will be in charge of your consumer telehealth?

- **36%** A dedicated person assigned to a C-suite executive
- **27%** A dedicated director-level person with senior sponsorship
- **11%** A dedicated person but assigned to a level just below C-suite
- **10%** A dedicated person but assigned to director level or comparable general manager
- **17%** Other

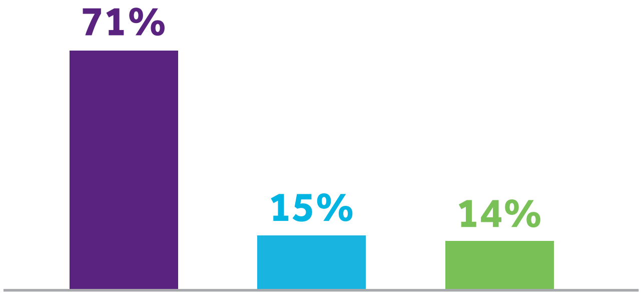
Most common medical specialties in planned consumer telehealth strategy (2017):

- **45%** ER/urgent care
- **42%** Readmission prevention
- **42%** Primary care/pediatrics/internal medicine
- **41%** Chronic condition management/monitoring
- **18%** Cardiology

71% indicate annual marketing investment of **under $250,000**

Plan to Implement Telehealth Within 24 Months

Marketing investment planned:

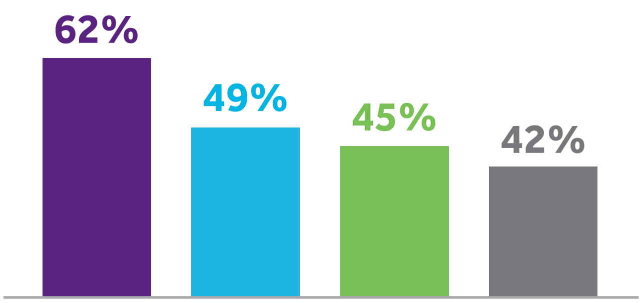


- 71% – <250k
- 15% – 251-500k
- 14% – >501k

Most common staffing models:

- 29% Not yet known
- 24% Own providers
- 23% A combination of own and a consumer telehealth vendor network

Most important elements of success for a consumer telehealth program:



- 62% – patient satisfaction
- 49% – physician satisfaction
- 45% – utilization
- 42% – reduction in readmits

Lessons learned from consumer telehealth process:

- 31% Engage leadership
- 29% Make sure the project aligns with organization objectives
- 26% Secure physician buy-in
- 16% Create a multi-year plan
- 16% Secure operational support

Most organizations (38%) don't have at-risk contracts and have no plans to in the **next 12 months**

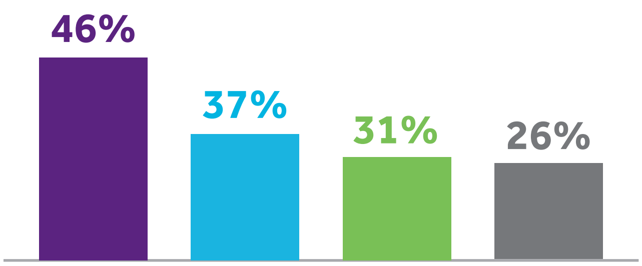
Competitive landscape:

- 27% Competitive market with a number of other systems
- 20% One of two dominant systems in the market
- 14% Numerous retail walk-in and urgent care clinics

Biggest barriers to implementing consumer telehealth:

- 26% Reimbursement
- 18% Too many unknowns/lack of product roadmap
- 15% IT integration into EHRs
- 14% High-performing consumer telehealth software

Most desired features in consumer telehealth solutions:



- 46% – in-network referrals
- 37% – claims submissions
- 31% – imaging/peripheral devices
- 26% – wearables

Most important factors of successful consumer telehealth program partner:

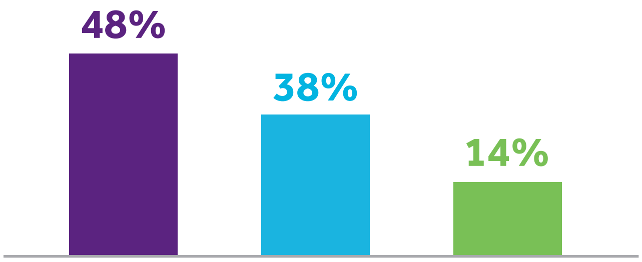
- 67% Software (i.e.: video, integration with EHR, administrative tools)
- 56% Satisfaction (i.e.: patient, physician, administrator)
- 50% Vendor support (i.e.: operational support, patient support, physician training, program roadmap)
- 31% Marketing capabilities (i.e.: plans, digital and print collateral, execution)

24%

of organizations surveyed do not have a consumer telehealth program and no plans to create one in the next 24 months

The following results are for those systems that have no plan to implement a consumer telehealth program in the next 24 months.

Most common reasons for not implementing consumer telehealth:



- 48% – other
- 38% – low priority
- 14% – too complex

67% do not have at-risk contracts or plans to implement one in the **next 12 months**

Competitive landscape:

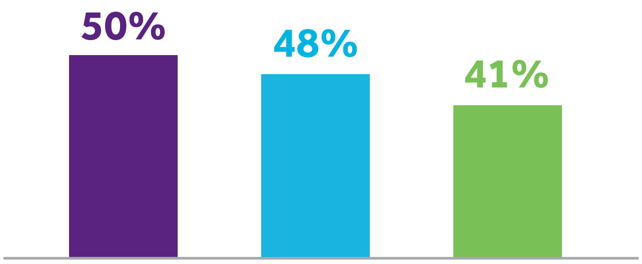
- 45% Competitive market with a number of other systems
- 29% Geographically isolated with limited competitive pressure
- 14% Numerous retail walk in and urgent care clinics

Biggest barriers to implementing consumer telehealth:

- 26% Reimbursement
- 24% Too many unknowns/lack of product roadmap
- 21% Other capabilities command a higher priority

No Plan to Create a Telehealth Program in the Next 24 Months

Most desired features in consumer telehealth solutions:



- 50% – in-network referrals
- 48% – wearables
- 41% – claims submissions

Most important factors of successful consumer telehealth program partner:

- 52% Satisfaction (i.e.: patient, physician, administrator)
- 48% Vendor support (i.e.: operational support, patient support, physician training, program roadmap)
- 45% Software (i.e.: video, integration with EHR, administrative tools)

TELADOC™
for Health Systems

About Teladoc

Teladoc has been involved with many consumer telehealth initiatives that support the Triple Aim while also helping individual hospitals and health systems meet their specific clinical and financial goals. Teladoc provides a licensable platform that hospitals and health systems can configure to create targeted programs.

BECKER'S
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About Becker's Hospital Review and Becker's Healthcare

Becker's Healthcare is the leading source of cutting-edge business and legal information for healthcare industry leaders. We take advantage of multiple channels to reach these industry leaders and decision-makers.

Teladoc, Inc. (NYSE:TDOC) is the nation's leading provider of telehealth services and a pioneering force in bringing the virtual care visit into the mainstream of today's health care ecosystem. Serving some 7,500 clients – including health plans, health systems, employers and other organizations – more than 17.5 million members can use phone, mobile devices and secure online video to connect within minutes to Teladoc's network of more than 3,100 board-certified, state-licensed physicians and behavioral health specialists, 24/7. With national coverage, a robust, scalable platform and a Lewisville, TX-based member services center staffed by 400 employees, Teladoc offers the industry's most comprehensive and complete telehealth solution including primary care, behavioral health care, dermatology, tobacco cessation and more.