



# Virtual Care Transformation Study

Insights from organizations at every stage in the virtual care journey



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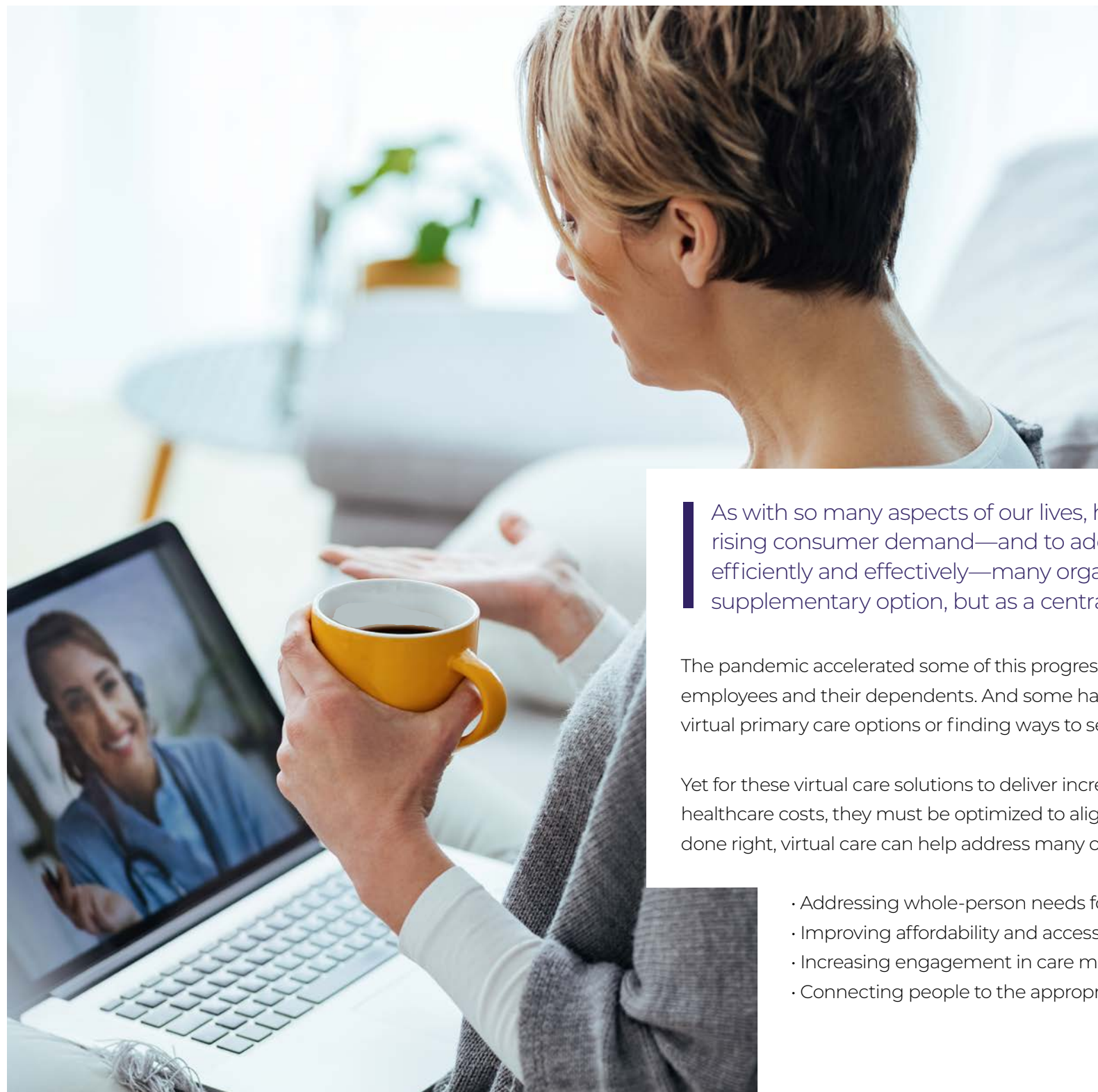
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As with so many aspects of our lives, healthcare is increasingly going virtual. In response to rising consumer demand—and to address a full spectrum of health and well-being needs efficiently and effectively—many organizations are no longer thinking of virtual care as a supplementary option, but as a central aspect of their benefits strategy.

The pandemic accelerated some of this progress. Many employers today offer at least some kind of virtual care to their employees and their dependents. And some have begun to think about it in a more strategic way—perhaps offering virtual primary care options or finding ways to seamlessly bridge virtual and in-person care.

Yet for these virtual care solutions to deliver incremental value to employee populations and meaningfully reduce healthcare costs, they must be optimized to align with both an organization's goals and external market forces. When done right, virtual care can help address many of the healthcare challenges today's organizations face, including:

- Addressing whole-person needs for people with co-morbidities
- Improving affordability and access to care
- Increasing engagement in care management programs
- Connecting people to the appropriate level and combination of care

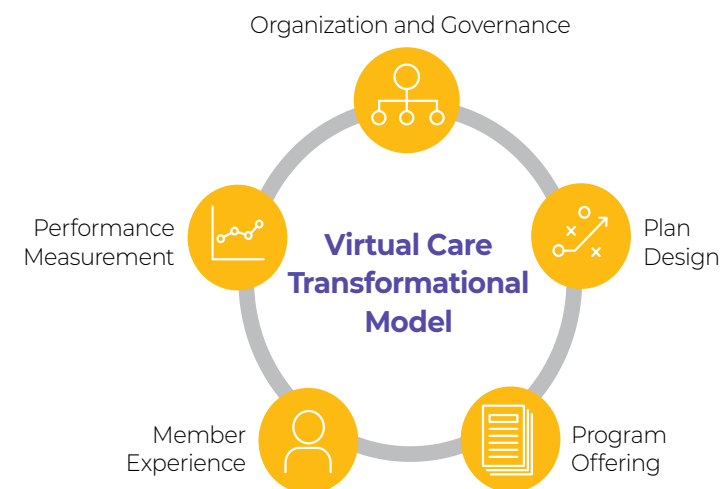
Employers are eager to expand their healthcare offerings, and are leveraging technology to improve the way care is delivered. In fact, employers ranked virtual care—whether fully virtual or a hybrid model—as their preferred method for the delivery of primary care.

This is just one of many insights from our survey of hundreds of U.S.-based employers, which aimed to understand their organization's level of virtual care transformation.

**Read on for the full report, which includes:**

- Assessments of the current state and future plans for virtual care
- The impact of an organization's size and location on virtual care transformation
- Characteristics of highly-evolved virtual care strategies
- Actionable ways to enhance any virtual care program

## Assessing virtual care transformation across five dimensions



Our Virtual Care Transformation Model is based on five key dimensions covering nearly 20 attributes. We asked employers to assess their current status and anticipated progress across each dimension.

## Stages of virtual care transformation

Our Virtual Care Transformation model—the industry's first—measures an organization's stage of transformation and offers a clear path to advancement based on the employer's goals, resources and priorities.

1

**Foundational.** Organization offers select virtual care programs or services alongside other traditional healthcare benefits

2

**Exploratory.** Organization sees virtual care as a key enabler of its benefits strategy and uses incentives or reduced cost-sharing strategies to drive engagement and utilization

3

**Strategic.** Organization offers virtual care solutions—including primary care—that address a wide range of whole-person needs

4

**Optimizing.** Organization seamlessly bridges virtual primary care, other virtual services and in-person care to drive lower costs and better health outcomes across the care continuum

5

**Transformational.** Organization has implemented a virtual-first benefits strategy that enjoys widespread adoption and is fully integrated with other products and services, both virtual and in-person

Our survey respondents were clear—they acknowledge the value of whole-person virtual care and see it as a key element of their long-term vision. Of course, some organizations are further along in that journey than others. **Here are our key findings:**

Employers have made substantial progress in building their virtual offerings—the average virtual care transformation level is 3.5 on a 5-point scale

Organizations recognize the power of virtual care and aspire to use it in a transformational way—with 63% planning to reach stage 4 or 5 within three years

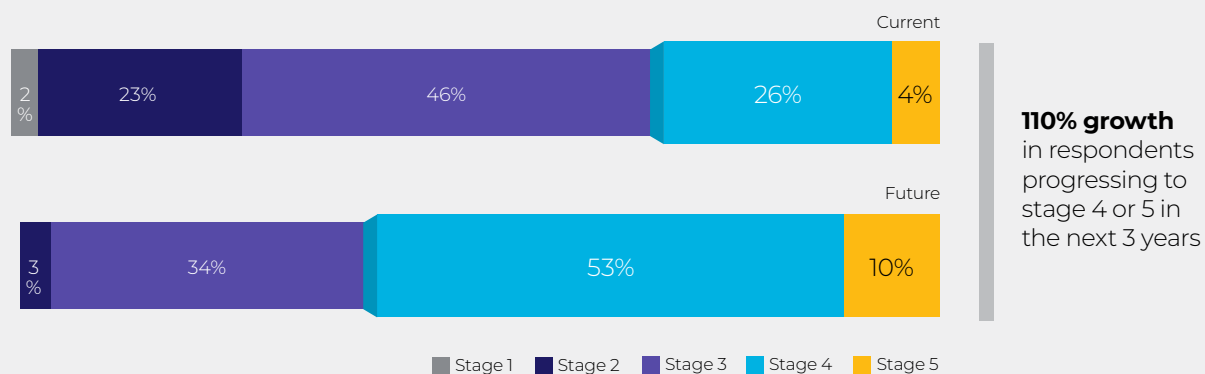
Employers seek to leverage virtual care for a full spectrum of health needs and well-being support, with 70% planning to fully implement or be close to implementing a whole-person virtual care strategy in the next 3 years

Firmographics have a significant impact on overall transformation across organizations; key factors that influence scores include employer size, geography and whether organizations are multinational

The future is bright for virtual care; organizations are anticipating strong growth in competencies across all five dimensions evaluated

The vast majority of employers have entered stage 3 of transformation, with intent to progress exponentially in the near future

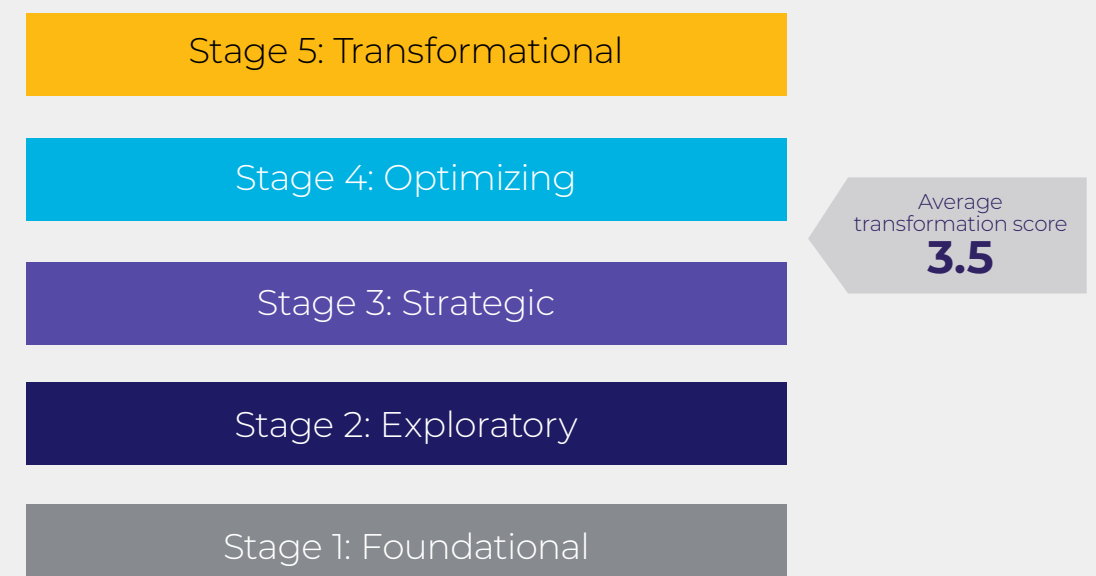
Percentage of employers in each stage: Overall transformation scores



Overall transformation scores calculated from respondent's scores across the 5 dimensions evaluated

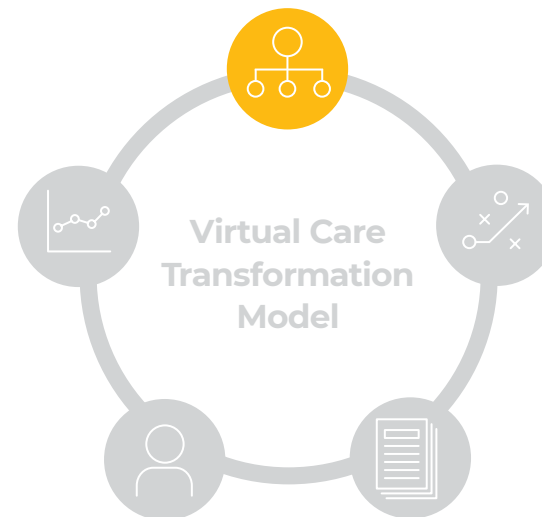
While the average transformation level of these organizations sits between Strategic (stage 3) and Optimizing (stage 4), their scores vary across each of the five dimensions of virtual care we evaluated. These differences suggest significant opportunities for organizations to identify ways to enhance their offerings across each of these dimensions and increase their competitive advantage.

Employers have made substantial progress in building their virtual care strategy



## Organization and Governance

This dimension identifies how an organization's leadership and governance drive support and implementation of virtual care services.





Our survey shows that organizations are already making significant investments to develop their governance, leadership support and resource allocation for virtual programs—in fact, 54% of respondents report being at stage 4 or 5 today for this dimension. While the COVID-19 pandemic may have accelerated high-level awareness and adoption of virtual care, there is still an appetite to build on that momentum, with respondents anticipating a 37% increase in their ability to achieve the highest levels of transformation in the Organization and Governance dimension in the near future.

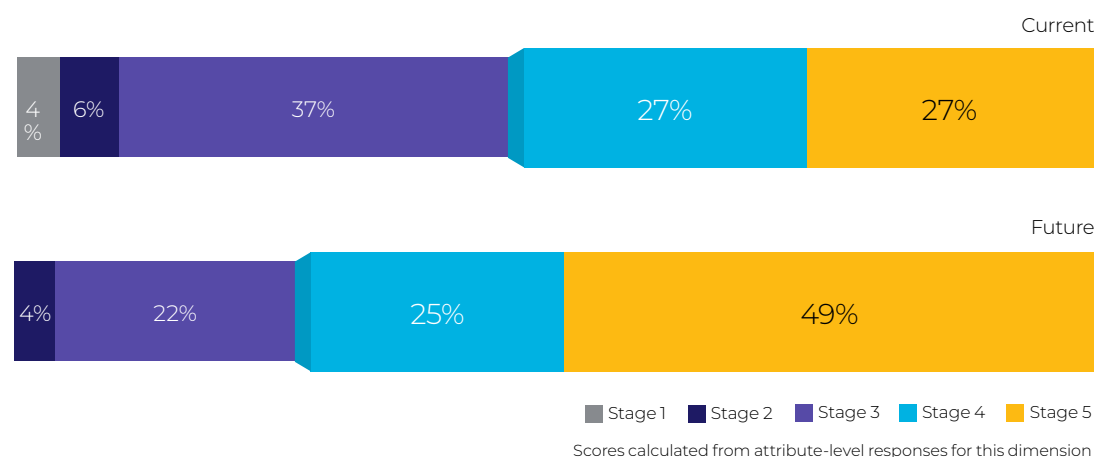
To continue advancing, organizations will need to dedicate resources to the effort and establish a company-wide virtual care strategy with widespread adoption across the organization—one that evolves over time to meet market trends.

**DEEP DIVE**

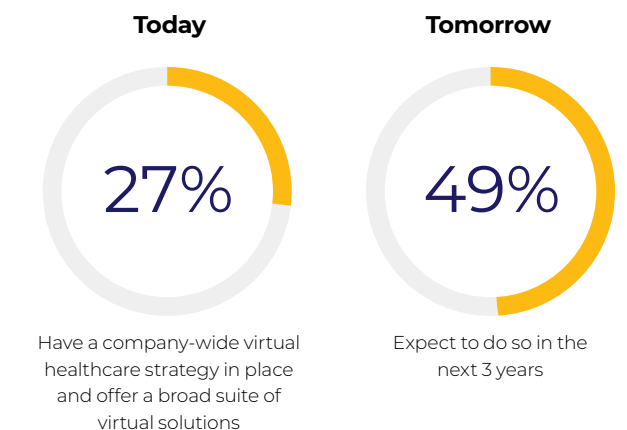
Jumbo\* employers are farthest along in this journey and score above average for this attribute.

\*Jumbo = 20,000+ employees

Percentage of employers in each stage: Organization and Governance



83% increase in respondents who expect to have a full suite of virtual care services available company-wide in the next three years

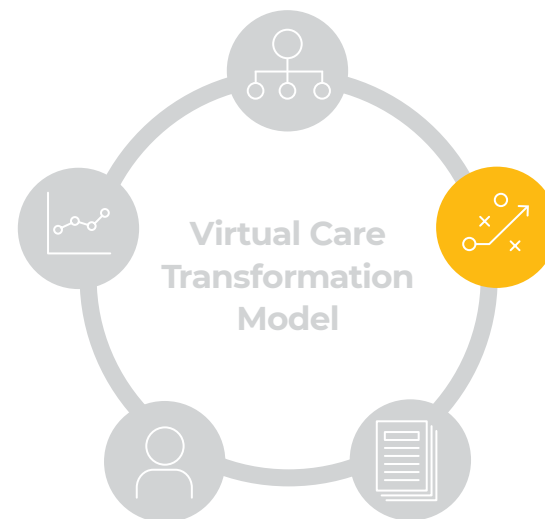


Q: How well do virtual healthcare services and programs fit into your benefits strategy, and how do you expect this to change over the next three years?



## Plan Design

This dimension assesses how well an organization supports a virtual-first plan design that reduces healthcare costs for the plan sponsor and for plan members, aligning financial incentives across stakeholders.







The weakest dimension across all organizations surveyed was Plan Design, with only 10% of employers having reached stage 5. However, they understand that improving Plan Design can be a key enabler in driving virtual care—which is reflected in the strong growth forecasted for this dimension.

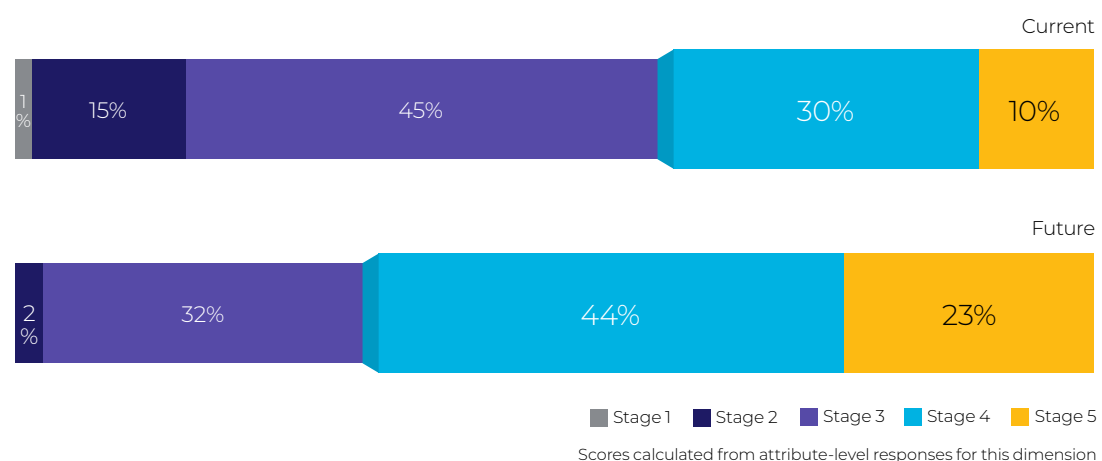


## DEEP DIVE

Multinational and Jumbo\* employers are more likely to already have traction with a virtual-first health plan for their population.

\*Jumbo = 20,000+ employees

## Percentage of employers in each stage: Plan Design



**+68% growth**  
in respondents  
progressing to  
stage 4 or 5 in  
3 years

115% increase in respondents who expect to have fully implemented a virtual-first plan in three years

Today

21%

Offer a virtual-first health plan to employees as a medical benefits option

Tomorrow

44%

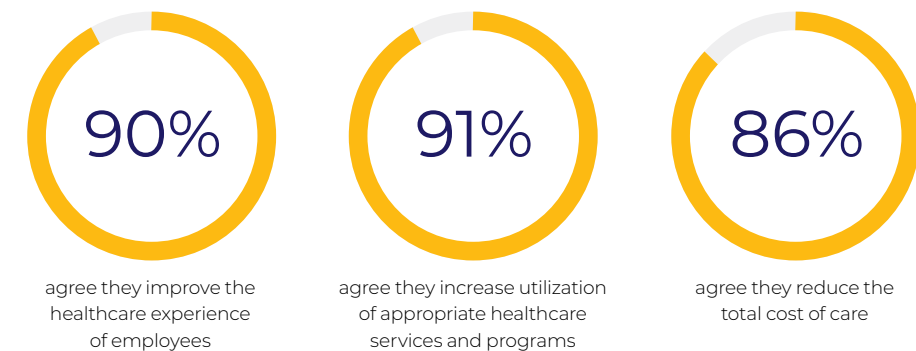
Expect to do so in the next 3 years

Q: How far is your organization on the continuum of virtual healthcare services and programs offered to your employees and their dependents, and how do you expect this to change in the next three years?

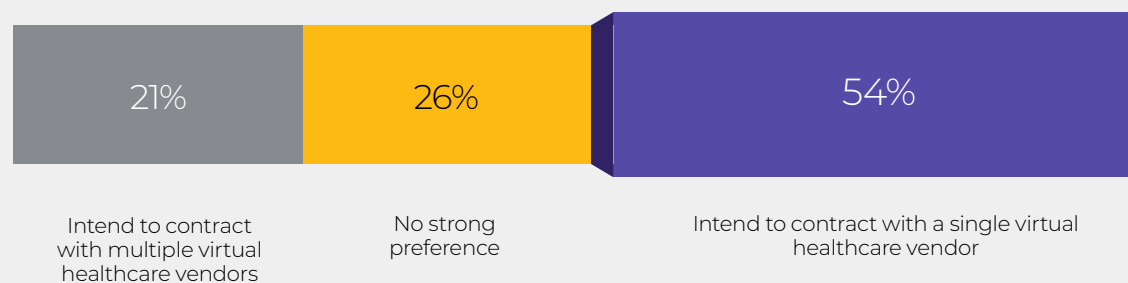
Employers work hard to attract and retain top talent. A benefits package that includes high-quality, affordable, easily accessible care can help keep employees feeling and working at their best and help build loyalty. A virtual-first health plan can help—in fact, employers cite the ability to improve quality of care for plan members as a top reason for implementing this type of plan.

To achieve this, organizations will need to partner with vendors who can help articulate and deliver on their vision. For example, a dedicated benefits consultant who can recommend the right options, while a virtual care partner that offers best-in-class options across a wide range of health and well-being needs can ensure that those programs are optimized for an employer's population.

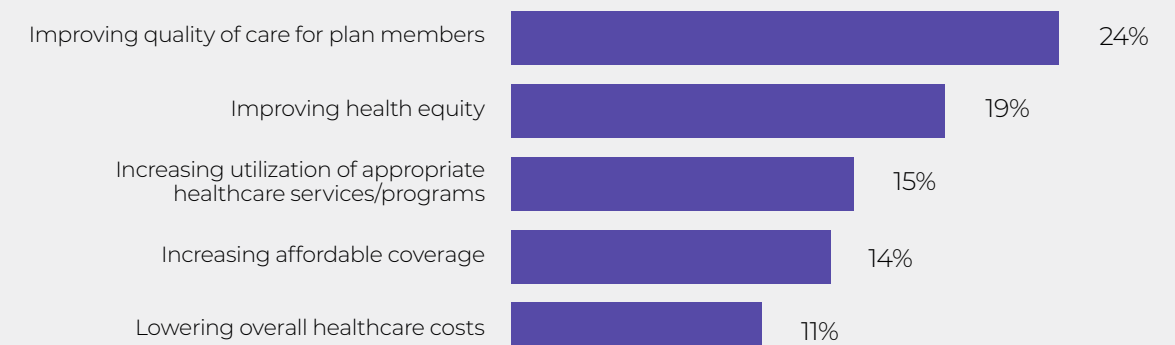
#### Employers agree about the benefits of offering Virtual-First health plans



#### The majority of employers will prefer to partner with a single virtual care vendor in the next three years

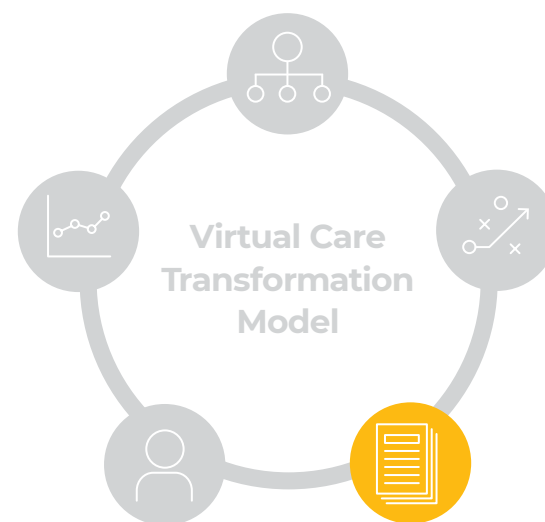


#### Primary reason for implementing virtual-first health plan



## Program Offering

This dimension measures the breadth of whole-person virtual care services offered across the care continuum to specific populations, based on their unique healthcare needs.





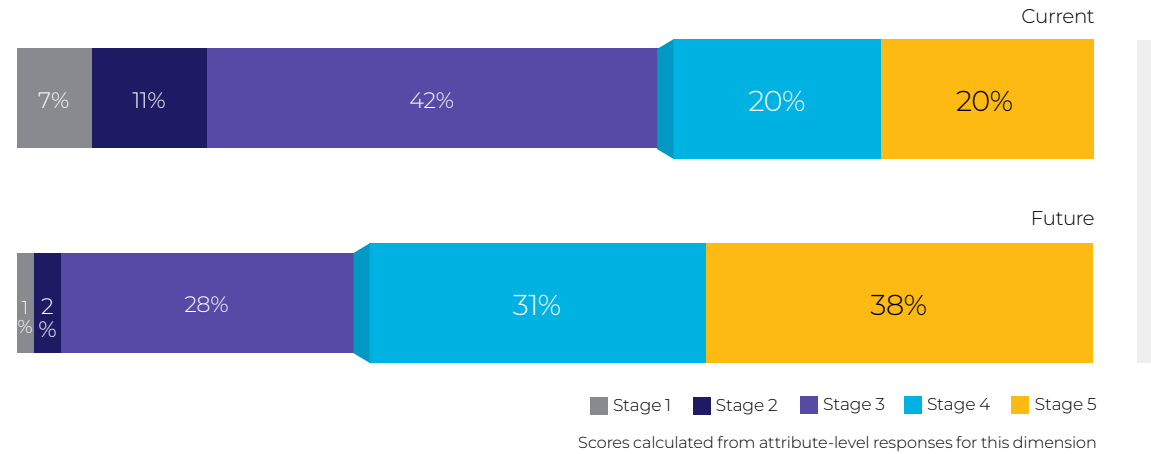
Many of the employers surveyed report a strong positive experience with some aspects of virtual care, and plan to extend it to address the entire clinical care spectrum. That may include services such as virtual primary care, chronic condition management, integrated mental health services, and more. In fact, seven out of 10 respondents expect to be at a stage 4 or 5 in terms of their program offerings in the next three years.



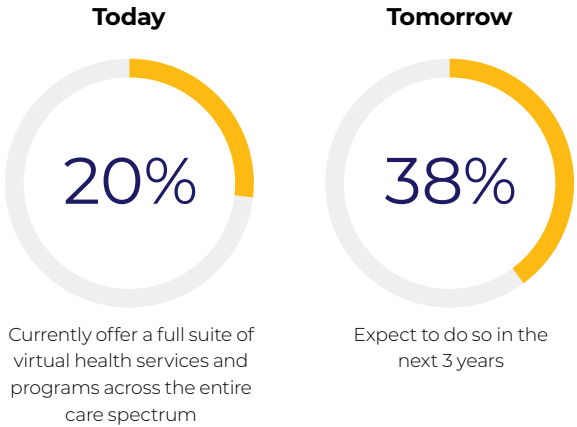
DEEP DIVE

Employers on the West coast have the most progressive plans to expand the range of virtual care services they offer employees, while employers in the Midwest lag behind all other regions.

Percentage of employers in each stage: Program Offering



88% growth in respondents who expect to offer a full suite of virtual care services and programs in the next three years



Q: How advanced is your organization in terms of the number and type of virtual healthcare services and programs offered today, and how do you expect that to change in the next three years?



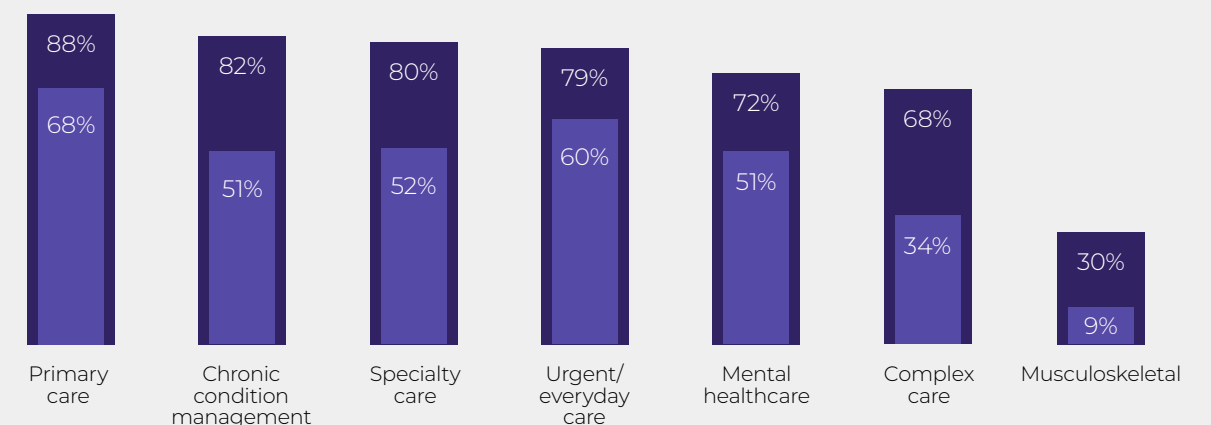


When expanding their current offerings, organizations should first focus on the specific health needs of their population and the virtual care solutions best suited to meet them.

For example, are their employees and dependents living with or at higher risk for chronic conditions such as diabetes and hypertension? Are employees often working or living in rural locations, making 24/7 access to care from anywhere even more valuable? And keep in mind, virtual care isn't just for the younger generations—adoption and engagement with it has increased across all age cohorts in recent years.<sup>1</sup>

While there is strong interest in offering a range of virtual healthcare services, primary care and chronic condition management are a top priority among respondents. Working with a partner that offers a full spectrum of virtual care services streamlines the implementation and management of these programs while offering an easy-to-use, more satisfying member experience.

#### Virtual healthcare services



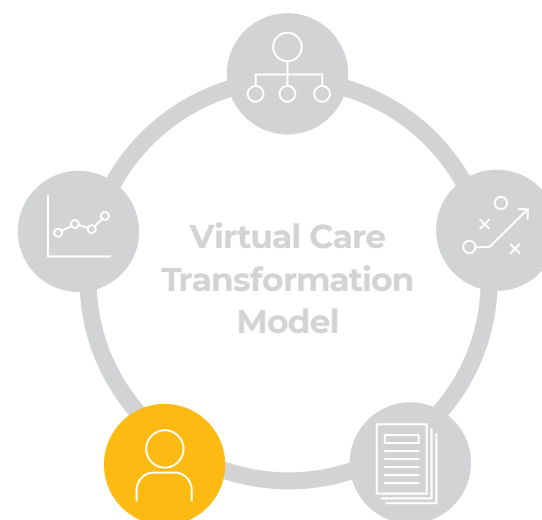
Q: Which of the following clinical areas are part of the virtual healthcare services and programs currently offered to employees, and which would you most like to add to your current offerings if you could?

■ Would like to offer  
■ Already offer

<sup>1</sup>The Advisory Board. How Covid-19 transformed virtual care preferences, January 12, 2021

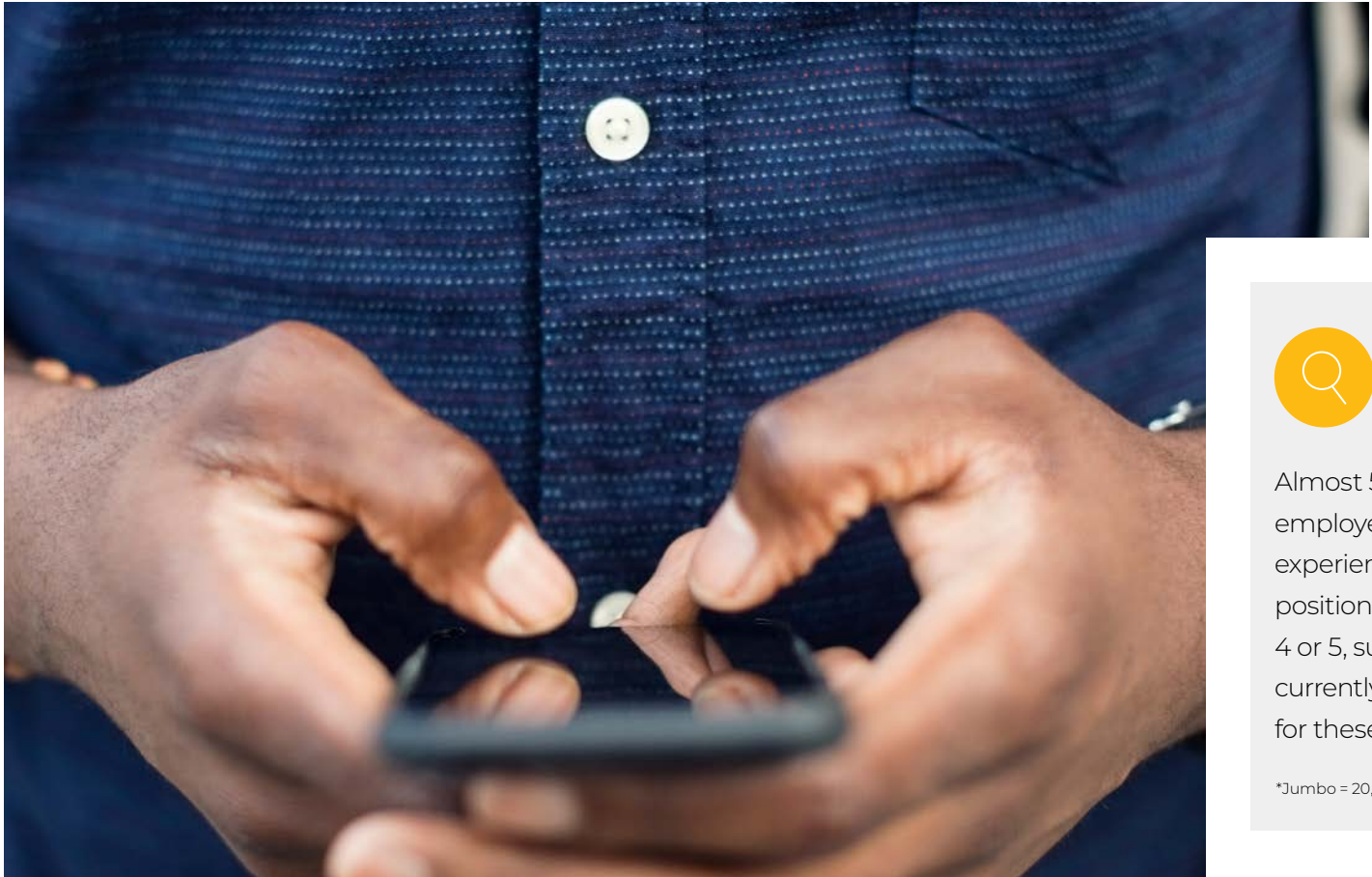
## Member Experience

This dimension explores how well virtual care services are promoted, integrated and able to drive overall healthcare engagement and utilization.





People are accustomed to living in a digital-first world—and that extends to healthcare. A high-quality, personalized experience can meet their care needs while boosting satisfaction. This presents a strong opportunity for growth for employers, with only 8% of employers having reached stage 5 in the Member Experience dimension.

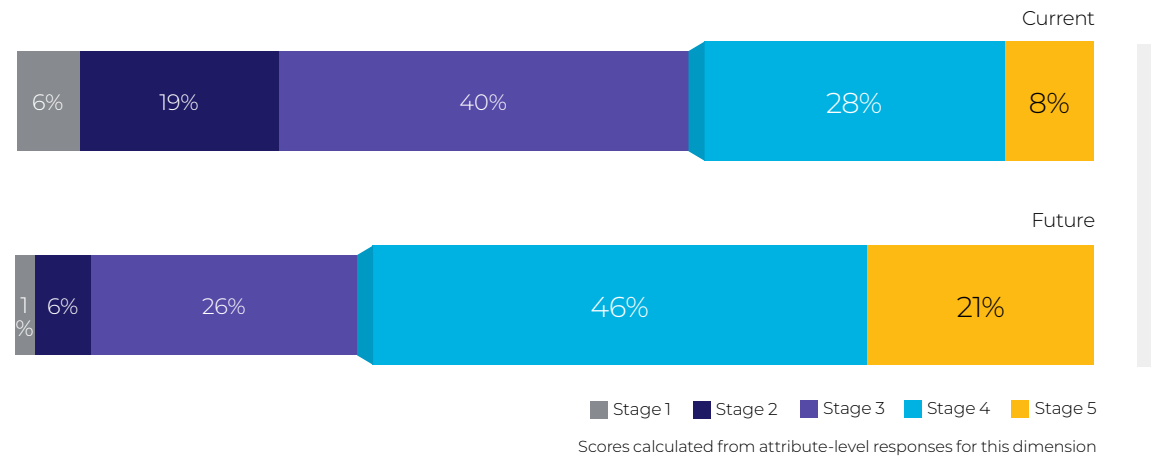


DEEP DIVE

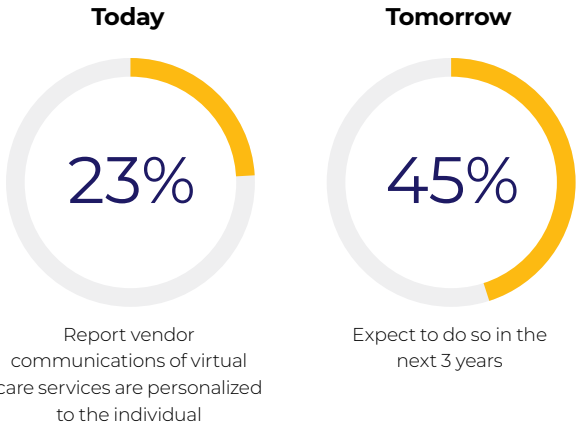
Almost 50% of Jumbo\* employers have member experience scores that position them within stage 4 or 5, suggesting this is currently a strong area of focus for these large employers.

\*Jumbo = 20,000+ employees

Percentage of employers in each stage: Member Experience



93% increase in the number of respondents who will have fully personalized member communications in the next three years



Q: How advanced is your organization in terms of the level of personalization your vendors utilize in employee-facing communications about their virtual healthcare services and programs/ and how do you expect this to change in the next three years?



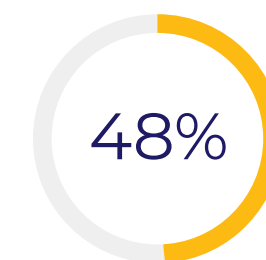


Organizations will need to partner with vendors that have expertise in member communication and channel strategy to move the needle in the member experience dimension.

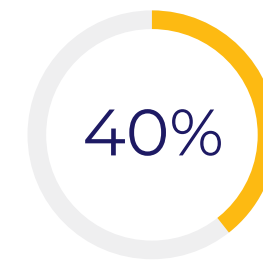
That may include applying best practices in consumer engagement and creating data-driven, multichannel campaigns to keep virtual care top of mind among employees.

Having a partner that understands how and when to best engage people in their benefits is key to driving the appropriate and effective use of these services. Employers can lean on these vendors' best practices and communication expertise to ensure a more satisfying member experience—which often leads to improved, sustained health outcomes.

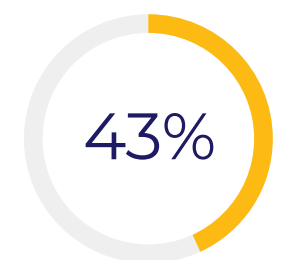
#### Employers understand the value of a high-quality member experience



of respondents anticipate improving their communications in partnership with vendors



of respondents anticipate improving their referrals process



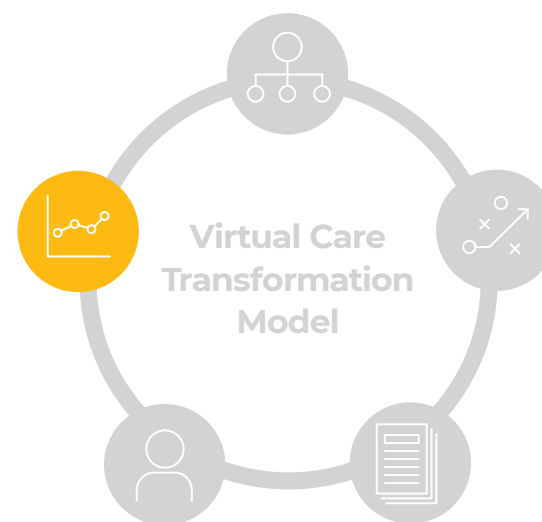
of respondents anticipate increasing their communication frequency

Q: How do you expect your company will work with virtual healthcare vendors to communicate virtual healthcare benefits to employees in the next three years? / How do you expect your process for conducting referrals from virtual care to in-person care will change in the next three years? / How frequently do you expect to communicate virtual healthcare benefits to employees in partnership with your virtual care vendors in the next three years?



## Performance Measurement

This dimension measures the degree to which virtual care is delivering healthcare value—improving costs, access, outcomes and utilization.





About 90% of America's \$3.5 trillion annual healthcare costs are spent on people with chronic physical and mental health conditions.<sup>2</sup> Whole-person virtual care can help by driving improved health outcomes, earlier detection of serious illness, and more-informed care decisions. Understanding clinical outcomes and ROI metrics associated with virtual care underscores the success of these investments.

Employers recognize this; in fact the vast majority of those surveyed expect to increase the sophistication of their performance measurement capabilities.

<sup>2</sup>Centers for Disease Control and Prevention. Health and Economic Costs of Chronic Diseases, June 2021

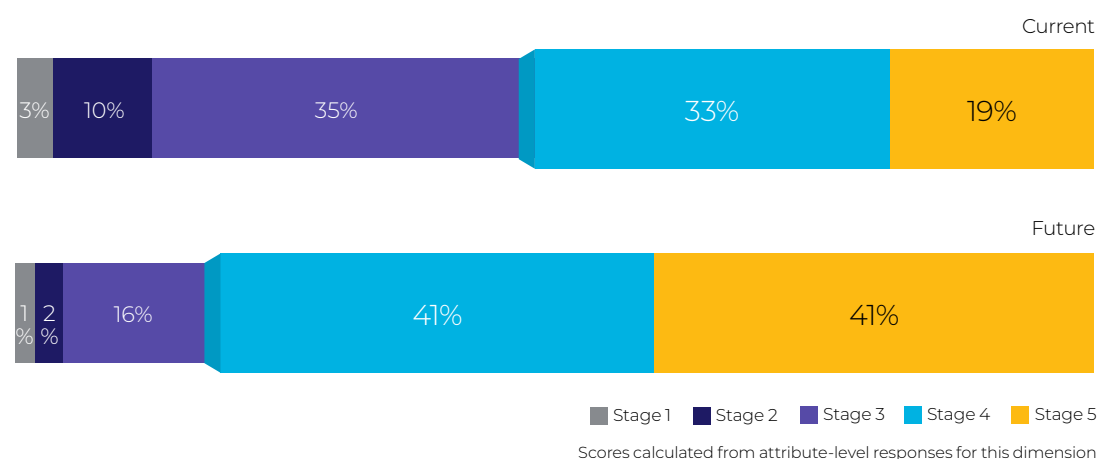


### DEEP DIVE

Jumbo\* employers are more likely to be further along in their understanding of performance measurement and evaluation metrics. Yet some smaller\* employers are also advanced in this dimension.

\*Jumbo = 20,000+ employees  
smaller = 2,000 to 2,999 employees

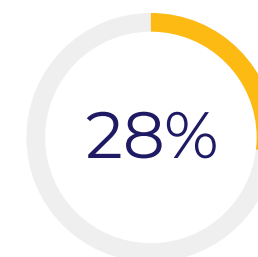
### Percentage of employers in each age: Performance Measurement



**+58% growth**  
in respondents  
progressing to  
stage 4 or 5 in  
3 years

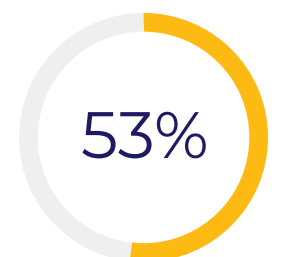
90% increase in the number of respondents who have a detailed understanding of clinical outcomes and engagement of virtual care services for individual participants in the next 3 years

Today



Have a detailed understanding of the clinical outcomes of their virtual care services

Tomorrow



Expect to achieve this in the next 3 years

Q: How well does your organization understand and measure clinical outcomes associated with your virtual healthcare services and programs, and how do you expect this to change in the next three years?

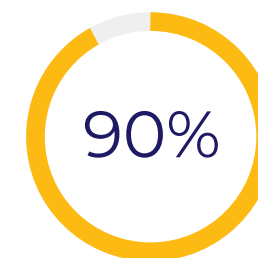


As employers advance in their transformation journey and expand their virtual care program offerings, the measurement of these services will inevitably become more complex.

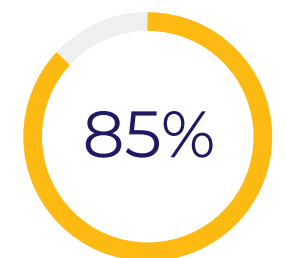
Employers will need vendor partners that have a proven methodology for assessing the performance of their programs—and ideally, have the infrastructure in place to leverage these findings to enhance the program over time and scale it to fit the employee population's needs.

Virtual care helps address health disparities and supports an organization's efforts to ensure all employees have access to quality healthcare. The ability to measure this impact can help improve health outcomes and reduce costs for the most vulnerable populations, and may align with an employer's other equity initiatives.

#### Data gathering and importance for health equity



almost 90% of employers report it's important to gather data on the health outcomes and engagement of virtual health services



say this data is important in helping them understand if their virtual care programs are increasing health equity within their population

Q: How important is it for your organization to gather data on health outcomes and engagement for virtual healthcare services and products across your employee population and how important is this data in helping you understand whether the virtual healthcare services and programs you offer are increasing health equity among employees?

It's clear that many employers are already planning to extend the power of virtual care within their organizations in the near future—and some are closer to their goals than others. **Our research found that employers with the most advanced virtual care strategies\* are more likely to:**

- Partner with a **single vendor** to deliver virtual care services
- Cite **decreasing health inequities** as the top reason to implement virtual primary care
- Have a higher percentage of **remote/rural workers**
- Report higher **employee satisfaction and participation** in virtual care services
- Encourage **primary care physician relationships** using virtual-first strategies

\*Those with Virtual Care Transformation model scores of 4 or higher on a 5-point scale

## Key takeaways for employers

While each organization is unique in terms of its resources, priorities and goals, these action items—as we've shared in further detail throughout this ebook—can help advance your organization's path to virtual care transformation

**Establish** a company-wide virtual care strategy that's widely adopted across the organization and can evolve to meet market trends

**Partner** with vendors that can recommend and implement the appropriate plan design for your organization's needs

**Identify** the specific health needs of the population and the virtual care solutions best suited to meet them

**Select** vendors with expertise in consumer engagement and channel strategy

**Ensure** that your virtual care partners have a proven methodology for assessing the performance of their programs

Now it's your turn. **Contact us at 1-844-798-3810 to learn more.**



## Survey methodology

Teladoc Health surveyed hundreds of Human Resources professionals to understand the current state of virtual care in their organizations and their future outlook on virtual care transformation across five key dimensions using a 5-point scale.

### Respondents:

- 300 U.S. employers with 1000+ employees
- Involved in decision-making for health benefits or wellness programs
- Organization currently offers some form of virtual care
- Half of respondents identified as a multinational employer

### Company size:

- Small (1,000-2,999 employees)
- Medium (3,000-9,999 employees)
- Large (10,000+ employees) including Jumbo (20,000+ employees)

Web-based survey fielded November 2021

**Note:** All numbers and estimates throughout this ebook are rounded to the nearest whole number

**LEARN MORE:** [engage@teladochealth.com](mailto:engage@teladochealth.com)

**About Teladoc Health:** Teladoc Health is transforming the healthcare experience and empowering people everywhere to live healthier lives. Recognized as the world leader in whole-person virtual care, Teladoc Health leverages more than a decade of expertise and data-driven insights to meet the growing virtual care needs of consumers and healthcare professionals.