Healthcare Leadership Council

The Impact of Telehealth

April 11, 2017
What we do

PROVIDE 24/7/365 ACCESS
Provide access to board-certified providers via video, phone or mobile app anytime, anywhere

TREAT HEALTH ISSUES
Provide virtual care for an expanding number of patient needs

DELIVER ROI
Partner to deliver unmatched value across our diverse portfolio of stakeholders
Today’s healthcare system struggles to meet current demands

Consumers lack convenient, cost effective access… but bear an increasing share of costs

Employers & payors lack effective solutions for reducing costs while enhancing access

Providers lack flexibility to increase productivity, to deliver care on their terms

Reimbursement has lagged technology innovation
Today’s consumer is ready for digital health

• **It’s an app world.** People are increasingly comfortable with personal technology and accessing remote services

• **Access issues are more pervasive.** Widespread frustration with the healthcare system includes lack of access to physicians

• **Dr Google will see you now.** Consumers feel increasingly empowered to take charge of their health
$29 Billion+ Total Market Opportunity

Industry is <1% penetrated with opportunity for long-term, sustainable growth

**AMBULATORY CARE**

1.25B Annual Visits\(^{(1)}\)

One-third of visits or \(~417M \text{ visits}\) treatable via telehealth\(^{(2)}\)

\[ \times \]

Average $40 per telehealth visit\(^{(3)}\)

= $17B+

\[ \text{Total} \]

$29B+

---

**BEHAVIORAL HEALTH**

168M Annual Visits\(^{(4)}\)

80% of visits or \(~131M \text{ visits}\) treatable via telehealth\(^{(2)}\)

\[ \times \]

Average $89 per telehealth visit\(^{(4)}\)

= $12B+

---

(1) According to a CDC report of annual ambulatory care visits in the United States per year, including those at primary care offices, ER, outpatient clinics and other settings.

(2) Based on Teladoc’s internal estimates and industry data.

(3) Based on Teladoc estimates for average cost of a telehealth visit (does not include monthly membership fees or premium pricing for products such as dermatology).

(4) Behavioral Health visits from Agency for Healthcare Research and Quality report including only outpatient provider offices.
We follow a proven model to drive impact

**FLEXIBLE, SCALABLE PLATFORM**
- Most access points
- 24/7/365 live, in-house support
- Highest data security & encryption
- Easy implementation
- Built to handle 100M members

**SUPERIOR CLINICAL MODEL**
- Expanding care services
- Scalable provider network
- Policies driven by proprietary analytics
- Robust clinical Quality Assurance programs

**EXPERT ENGAGEMENT INCLUDED**
- In home, at work and online reach
- Analytics-driven segmentation & customization
- Innovation in Communication & Member Experience

**PROVEN PERFORMANCE**
- Unmatched utilization & ROI
- Results verified by 3rd-party studies
- Customer satisfaction, intent to use again and resolution all >90%

© 2002-2016 Teladoc, Inc. All rights reserved.
Our Foundation: Teladoc Care

A consistently better care experience + Reliable access to high quality providers + Equipped to deliver highest quality care =

General Medical * Pediatrics * Behavioral Health * Dermatology * Tobacco Cessation * Sexual Health * Caregiver services

90%+ average member satisfaction

92%+ Issue resolution
Our engagement strategy is rooted in surround sound

- **On the Go**
  - More than 287k Teladoc app downloads

- **In the home**
  - 25 million pieces of direct mail

- **In the inbox**
  - 12 million targeted emails

- **Social and Paid Media**
  - 57M+ ads drive top of mind awareness

- **On Site**
  - Client side
  - 225+ pieces of customizable communications materials available online

- **When need arises**
  - 2.5M+ ads when member searches on Google
Robust Visit and Utilization Growth

Visits growing faster than membership driven by consumer engagement efforts

**Membership**
- Membership ~40% CAGR

**Visits**
- Visits ~95% CAGR

**Utilization**
- Utilization ~30% CAGR
- 2013: 0%, 2014: 2%, 2015: 4%, 2016: 6.5%
Telebehavioral health is gaining momentum

**Market Reality**

**Access Challenges** + **Social Stigma** + **Expensive Care** = **Inconsistent Care**

- Major provider shortages
- ~50% of mental health professionals do not accept insurance
- Only 45% of adults with a mental health condition received services in past year

**Solutions**

- Ramp up beginning amongst health plan & employer clients
- Strong consumer response
- Pent up demand amongst health systems

Sources: JAMA Psychiatry, 2014. SAMHSA: Receipt of Services for Behavioral Health Problems: Results from the 2014 National Survey on Drug Use and Health.
Proven Record of Delivering Value

952K
Visits in 2016

$472
Avg. Claims
Savings per Visit\(^{(1)}\)

$46
Avg. Productivity
Savings per Visit\(^{(1)}\)

$493M
Client Savings

\(\times\)

\(\div\)

$100M
2016 Revenue\(^{(2)}\)
from PEPM Fees

Approx. 5:1
ROI for Clients

\(^{(1)}\) Average claims and productivity savings per visit based on an independent study by Veracity Analytics conducted over a period of 24 months.

\(^{(2)}\) 2016 revenue from membership per employee per month (“PEPM”) subscription fees of $100 million, and 2016 total revenue of $123 million represent preliminary unaudited figures.