E-HEALTHCARE DELIVERY – HOW RETAIL MEDICINE IS CHANGING IN THE USA

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"The business of medicine is inefficient, expensive and right for disruption"

Fortune Magazine, May 1,2017

Status of Healthcare in USA today – confusion and turmoil

Ongoing Legislative and Political Battle

- Affordable Care Act/Obamacare is still the law
  - Being dismantled through fund cuts and directives
- American Health Care Act/Trumpcare
  - Stuck in US Senate

Healthcare in the United States

US Healthcare is Unique

- Only developed country without national health insurance
- Best place for complicated illnesses
- Most expensive in the world

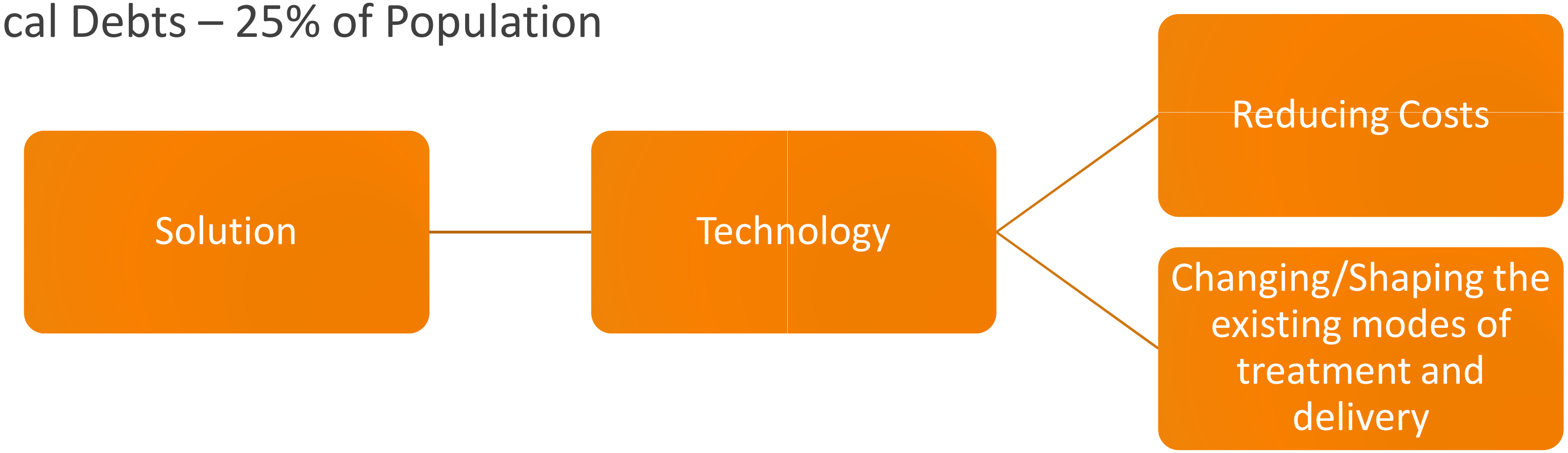
Stakeholders	Concerns
Patients	Access and costs
Physicians	Quality of care & declining income
Hospitals	Staying relevant and profitable
Businesses	High costs/competitiveness
Pharma	Maintaining "status quo"
Insurance	Profits without risks
Government	Cost Reduction

Politicians – *"Is healthcare a right?"*

Challenges in US Healthcare

1. High Costs/US Competitiveness
2. Access
3. Shortage of Doctors
4. Medical Debts – 25% of Population

United States spends 2-3 times more on healthcare than other developed countries but outcome data is mediocre.



Examples
Surgery – Migration from inpatient to outpatient
New diagnostic teste and super drugs
“Customizing” Treatment

Focus of Retail Medicine

Retail Medicine – Healthcare delivered at consumer/patient level

High costs and technology are changing the traditional model of patients going to the doctors' offices and hospitals

Trends

- Increasing use of physician extenders
- Urgent care centers versus Hospital ERs
- Clinics at pharmacies and shopping malls

Consumer expectations are in conflict with healthcare trends

CONSUMERS ARE MORE
ACCESSIBLE & CONNECTED

80%+ of adults <50 years old **have smartphones** & are connected[1]

1/3 of consumers have a health, fitness or **medical app**, 2x vs 2013[2]

LACK OF ACCESS IS
DRIVING COSTLY CHOICES

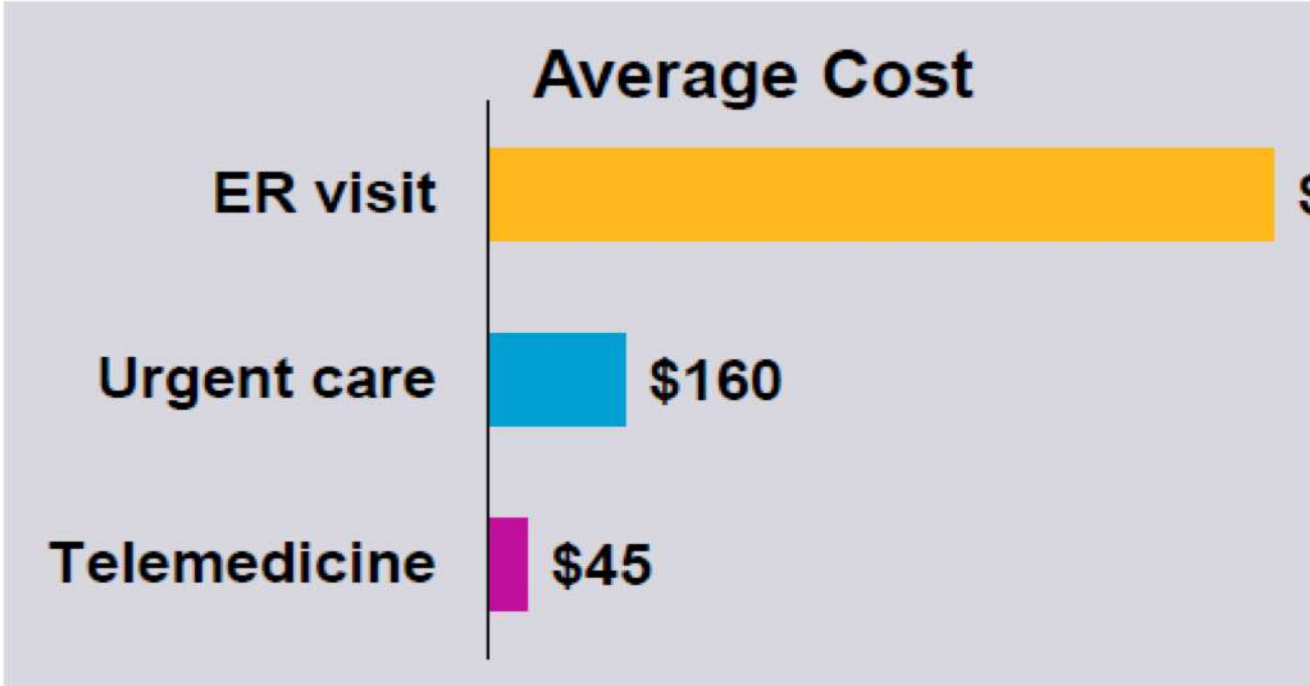
Avg **wait time** for a first visit with a psychiatrist: 25 days[3]

65M people live in **primary care desert**[4]

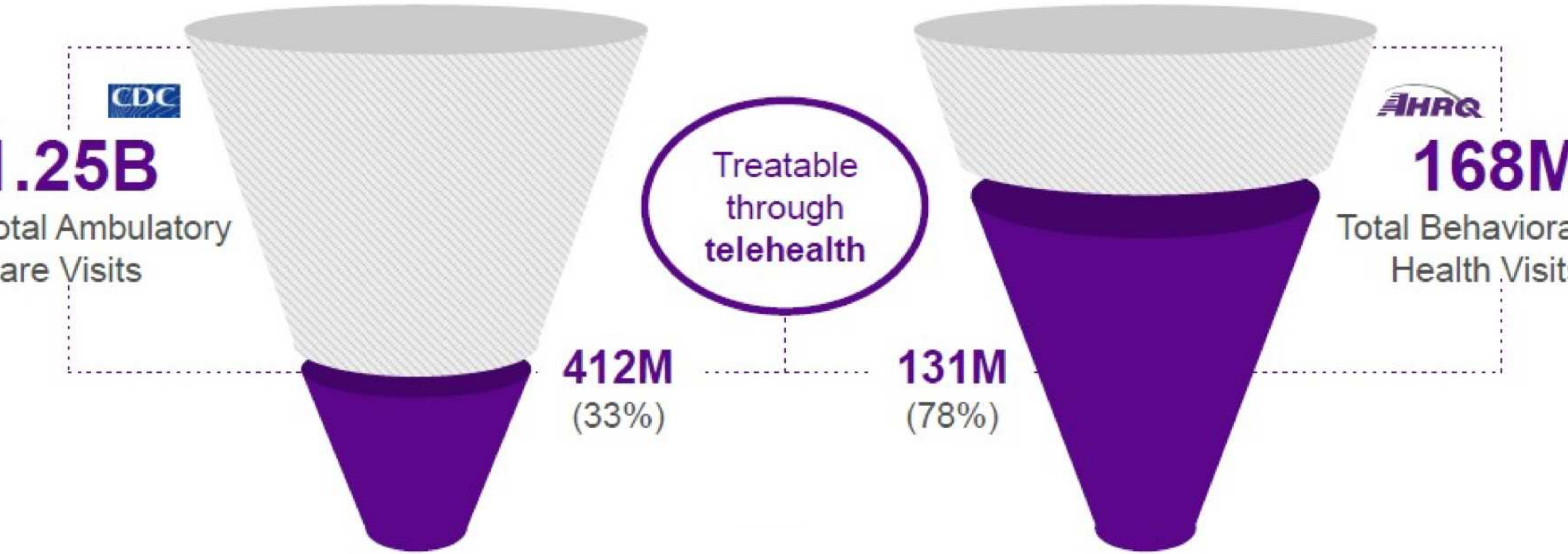
71% of employer sponsored ER visits are **unnecessary**[5]

Telemedicine: The opportunity

- ccess
- ppropriate setting
- st-effective
- nsumer-oriented
- nvenient

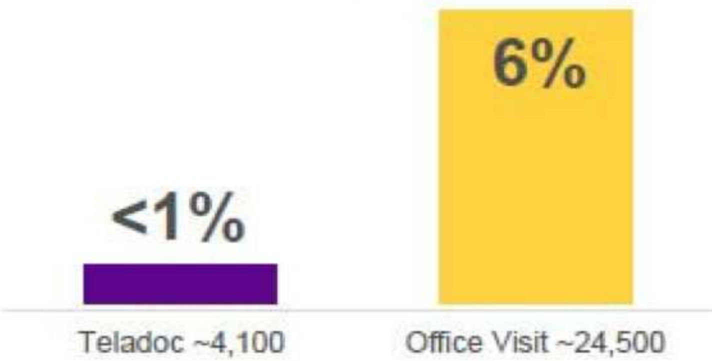


A solution with the potential to deliver meaningful impact

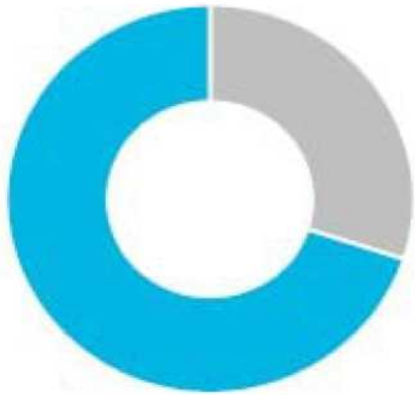


Patients Want Choice

eladoc vs. Office Visit No-Show Comparison[1]



Type of Consult Patients Cho



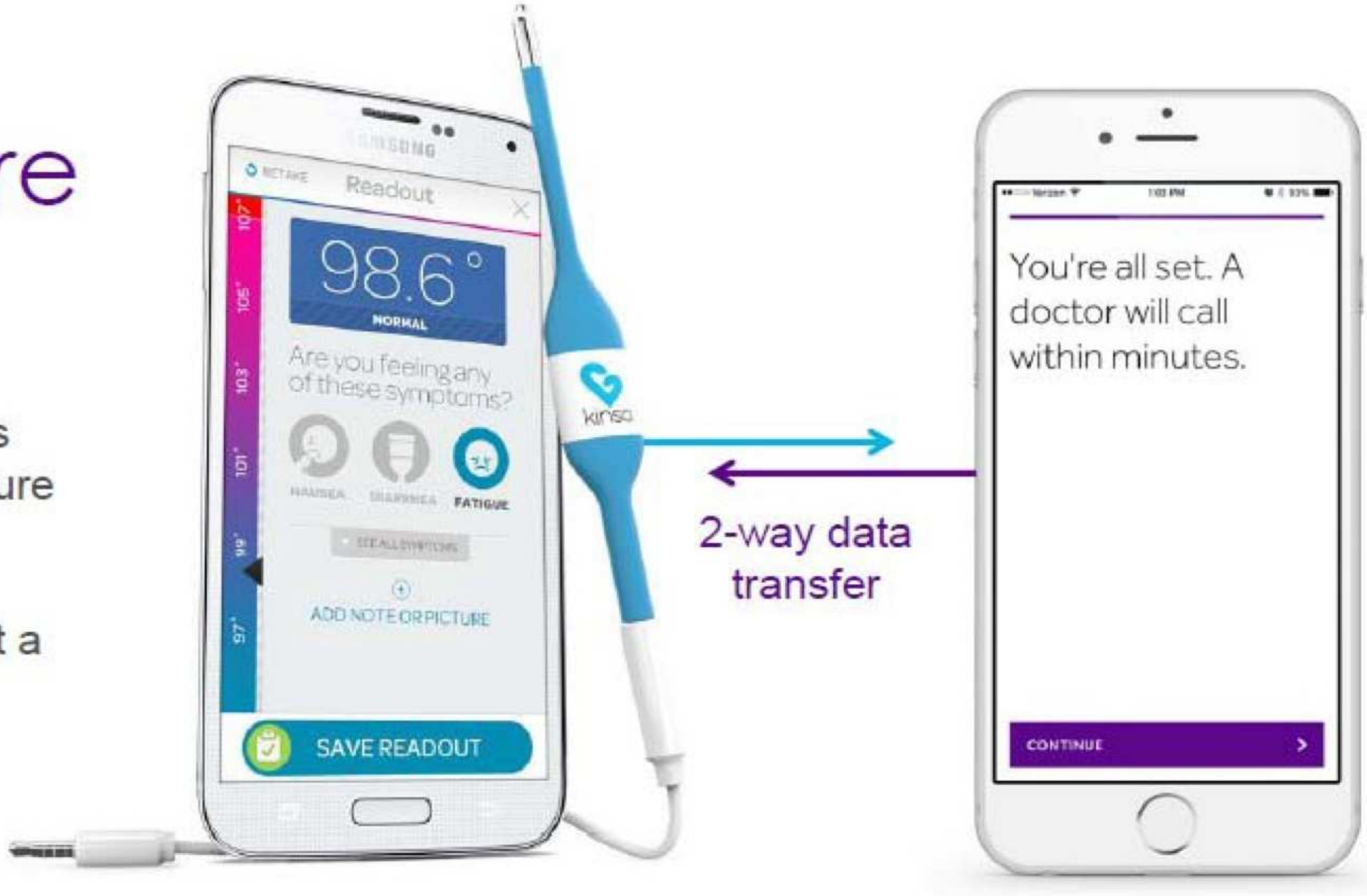
30%
“Visualized” via vide
and/or uploaded HD
Images

70%
Telephonic

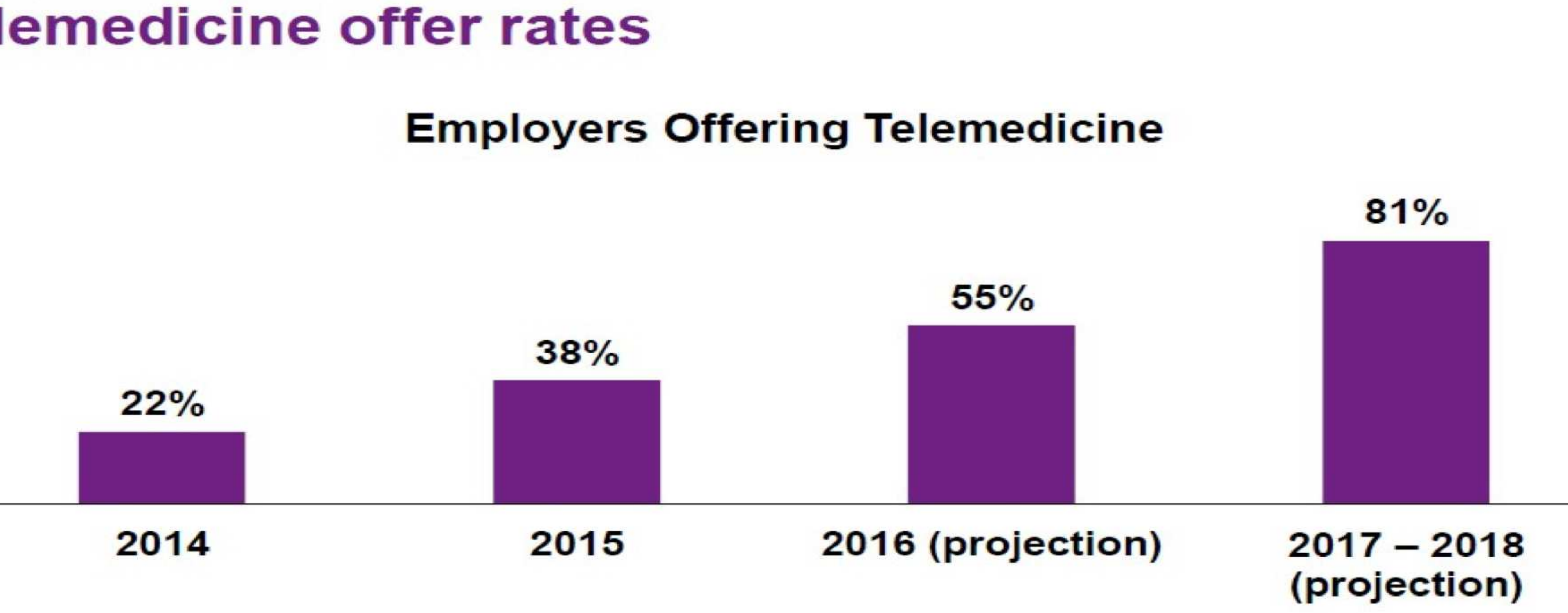
Access, Choice and Convenience Lead to Utilization

The Future is now

A connected digital thermometer provides longitudinal temperature data to the Teladoc physician, prompting consumers to request a Teladoc visit.



Increasing Acceptability



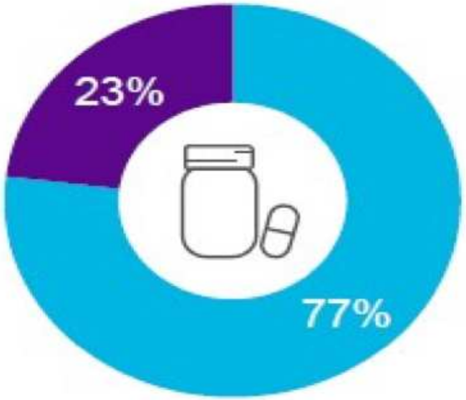
nly Teladoc delivers these episod of-care savings

$191	$2,661	$673
eladoc savings vs. office visit	Teladoc savings vs. ER visit	Teladoc saving vs. weighted average (office visit & E

pisode of care includes initial encounter and any subsequent utilization of follow up office visits, hospitalization, or E
ation, resulting from initial encounter within a 30 day window for same and related diagnoses. Weighted Average is I
redirection rates determined using member utilization of bricks and mortar services: 75% OV; 20% ER; 5% Do Noth

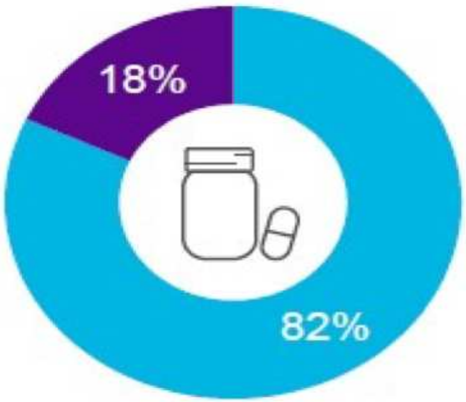
Clinical Quality

Prescribing Patterns Similar to Office Visit



Teladoc

77% result in an Rx[1]

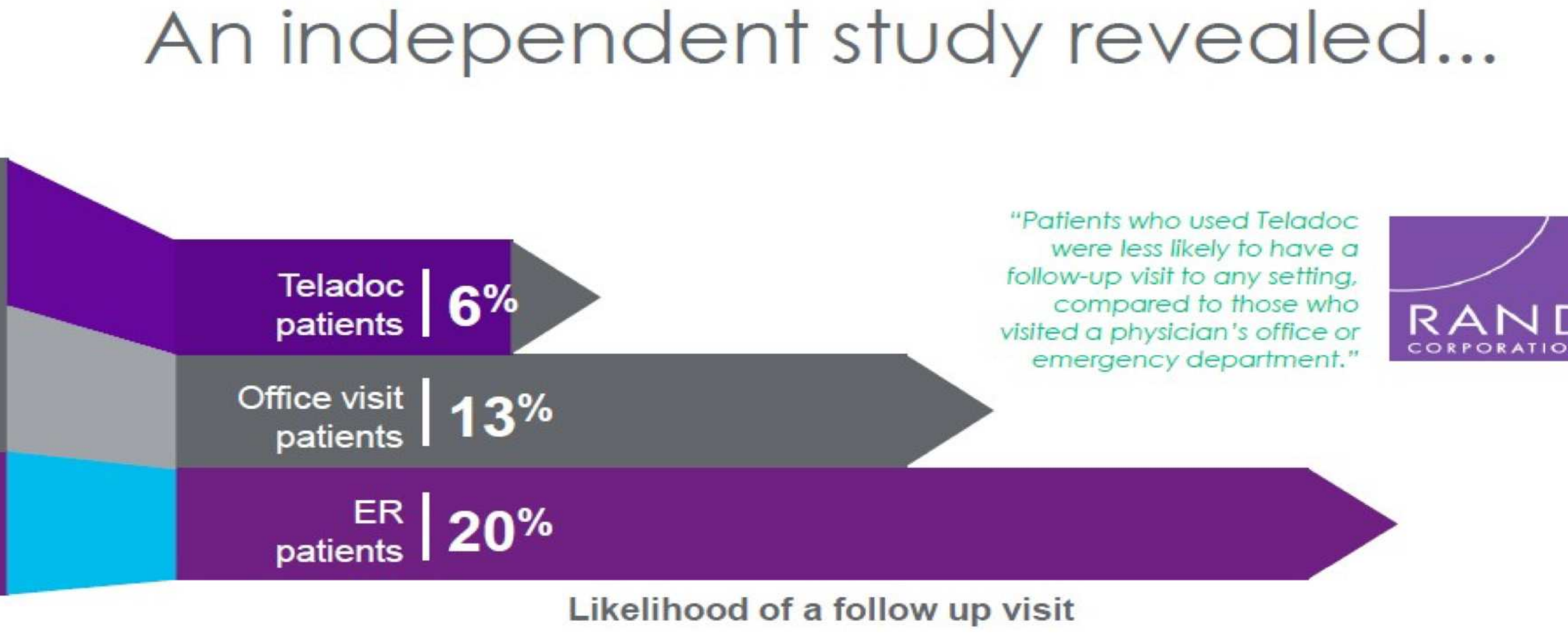


Office Visit

82% result in an Rx[2]

- Compliant with CDC antibiotic prescribing guidelines
- Overall prescribing rates at/below national average for similar diagnoses within bricks and mortar practices
- No prescribing of DEA controlled substances or life-style drugs

Clinical Quality



Clinical Quality

Exceptional patient satisfaction

95%
Patient Satisfaction[1]
82% industry standard[2]

90%
Would Use It Again[1]

92%
Resolution Rate[1]

Clinical Quality

One study looked at the quality or care for remote orthopedic consultations using telemedicine. They performed a randomized controlled trial (RCT) with two parallel groups: video-assisted remote consultations at a regional medical center (RMC) as an intervention versus standard consultation in the outpatient clinic at the University Hospital of North Norway (UNN) as a control.

The results of the study found that they sum score of the specialist evaluation was significantly lower (i.e. better) at UNN compared to RMC (1.72 versus 1.82, $p = 0.0030$).

The study supports the argument that it is safe to offer video-assisted consultations for selected orthopedic patients. They did not find any serious events related to the mode of consultation. They also state that further assessments of the economic aspects and patient satisfaction are needed before we can recommend its wider application.

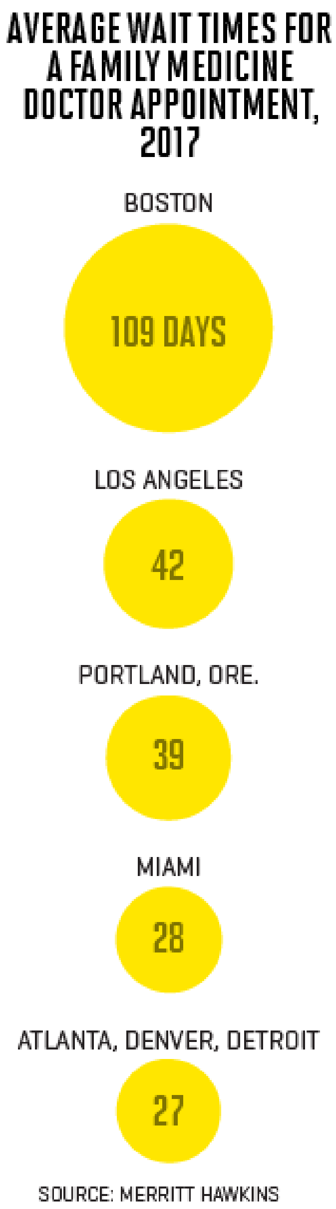
Clinical Quality

An article looking at the patient use of email, Facebook, and physician websites to communicate with physicians found that a total of 37% of patients reported contacting their physicians via email within the last six months, and 18% via Facebook.

The paper highlights the considerable interests patients have in using Internet tools to communicate with their physicians. Given the importance that patients place on having access to their physicians, physicians and their institutions should consider how best to permit and reinforce the use of these channels.

Table 2 Interest and Use in Interacting with Physicians Online, by Mode

	Purpose	Email	Website	Mobile App	Facebook
Use (%)	Fill prescription	7	7	7	3
	Track health progress	4	4	6	3
	Access health information	5	7	3	3
Interest (%)	Fill prescription	46	51	41	16
	Track health progress	37	44	40	18
	Access health information	46	57	41	15



Telemedicine will help reduce the overall wait times that patients experience when trying to schedule appointments with their physicians.

Telemedicine allows the doctor to be anywhere – which is not the case for our traditional health care system.

Other Emerging Trends

1. Algorithmic Medicine/IBM Watson
2. Next-Generation Capsules

Conclusion

- Technology is the force which is bigger than the market and is unstoppable.
- All stakeholders – from patients to payers – are beginning to accept the new paradigm.