

Market Research on TeleMedicine – United States

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1. Market Overview

1.1 Global Market

Telemedicine is a creation of the 20th century. First used primarily for military and space applications, it has been becoming more widespread in use in recent years. There are three main types of telemedicine applications: store-and-forward, remote monitoring and interactive services.

Interest in telemedicine is growing globally, particularly in the fields of teleradiology, telepathology and teledermatology. Globally, cost is seen as the major barrier to telemedicine programs.

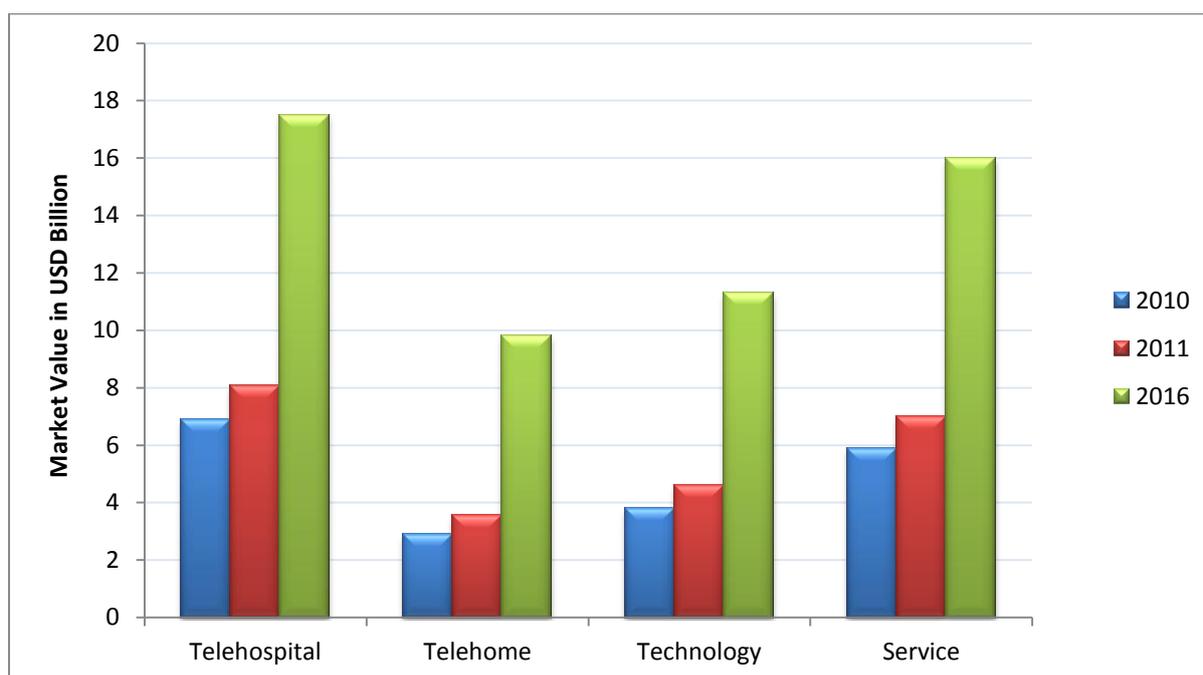
Telemedicine uses broadband and access to the Internet to enable applications which utilize streaming video, multimedia, wireless communications, and semi-robotic surgical and examination tools for the delivery of healthcare services. Telemedicine also alleviates the problem of dwindling numbers of primary care physicians. Many physicians who normally would not be practicing medicine are available remotely, providing primary care health services to patients who desperately need their services.

The telemedicine market is segmented into telehospital/clinic and telehome markets. In 2010 the telehospital/clinic market was worth \$6.9 billion, and the telehome market was valued at nearly \$2.9 billion. The telehome segment is growing faster than the telehospital/clinic segment--at a projected CAGR of 22.5% vs. 16.8%--and as a result is expected to increase its share of the market from 29.4% in 2010 to 35.6% by 2016.

The telemedicine market can also be segmented into technology--hardware, software, telecom, network--and service segments. The technology portion grew from \$3.8 billion in 2010 to \$4.6 billion in 2011 and is expected to reach \$11.3 billion in 2016, with a CAGR of 19.8% over the next five years.

The market for telemedicine services increased from \$5.9 billion in 2010 to \$7 billion in 2011 and is expected to reach nearly \$16 billion in 2016, mainly driven by growth in the telehospital service market. The study also found that the telehospital service market grew from \$4.8 billion in 2010 to \$5.5 billion in 2011 and could reach \$10.6 billion in 2016, with a CAGR 13.9% between 2011 and 2016. The shortage of physicians in rural and remote areas in tandem with the continuous development of telecommunication are providing the opportunity for telemedicine to increase its services to millions of patients, according to a new report from Research and Markets.

Figure 1: Telemedicine Market Split-up

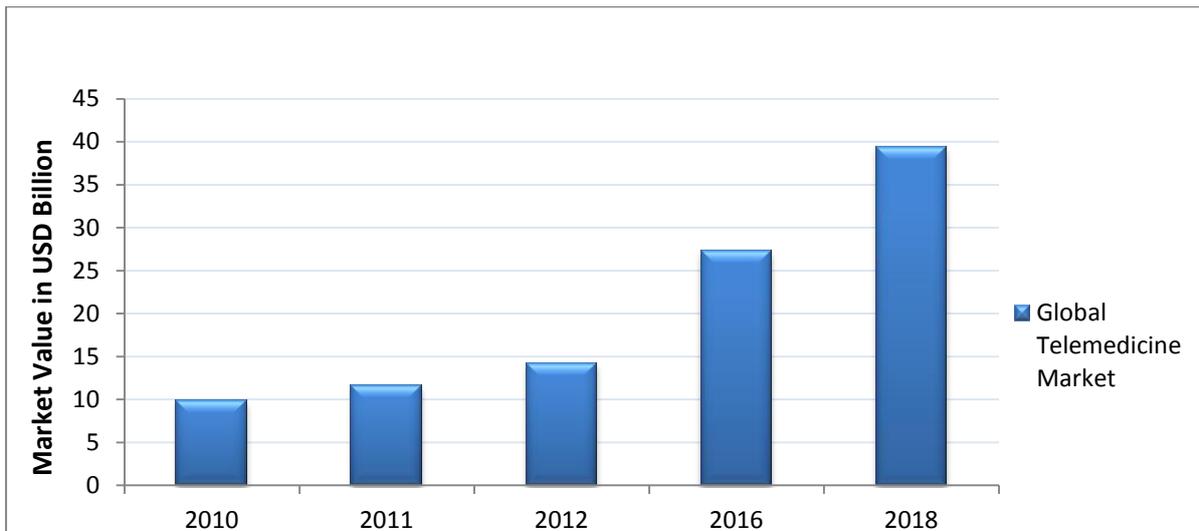


Source:[http://www.informationweek.com/mobile/global-telemedicine-market-headed-for-\\$27-billion/d/d-id/1103463](http://www.informationweek.com/mobile/global-telemedicine-market-headed-for-$27-billion/d/d-id/1103463)

This widespread deployment of services will continue at a rapid pace for the foreseeable future; the increase in telemedicine applications are increasing due to the high prevalence of chronic diseases, consistent need for improved quality services and rising elderly population across countries which demand telemedicine to deliver improved products with higher patient satisfaction.

The global telemedicine market grew from \$9.8 billion in 2010 to \$11.6 billion in 2011 and will almost triple to \$27.3 billion in 2016, a compound annual growth rate (CAGR) of 18.6% over the next five years, according to a report from BCC Research. The global telemedicine market, which stood at \$14.2 billion in 2012, is expected to grow at a compound annual growth rate (CAGR) of 18.5 percent during 2012-2018, according to the report, "Global Telemedicine Market Outlook to 2018."

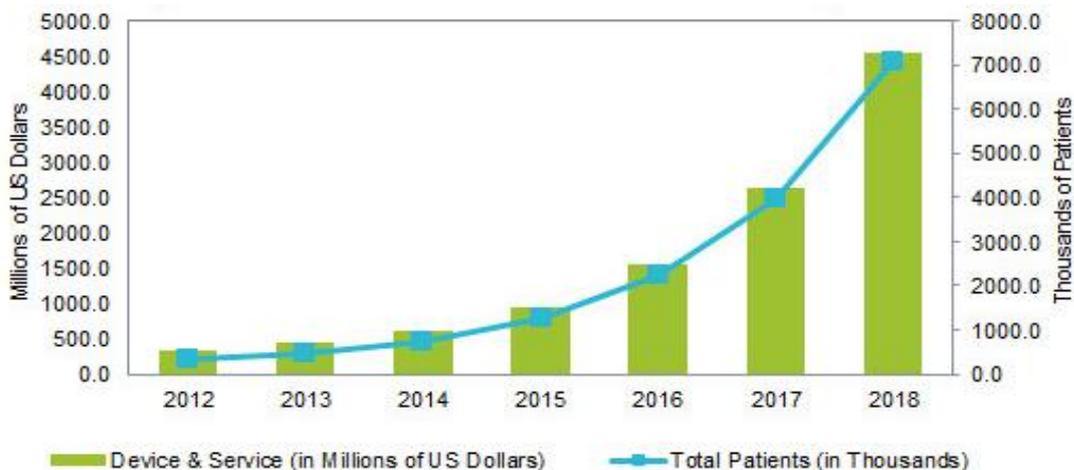
Figure 2: Global Telemedicine Market



Source: BCC Research & RNCOS analysts “Global Telemedicine Market Outlook to 2018.”

The deployment of telemedicine services is galloping with continuous development of telecommunication. The shortage of physicians in rural and remote areas provides opportunity for telemedicine to increase its services to millions of patients and this widespread deployment of services will continue at a rapid pace in future as well. The increase in telemedicine applications are surging due to high prevalence of chronic diseases, consistent need for improved quality services and rising elderly population across countries which thereby urge telemedicine to deliver improved products with higher patient satisfaction

Figure 3: Global Forecast of Telehealth Patients and Service Revenue



Source: IHS Technology, January 2014

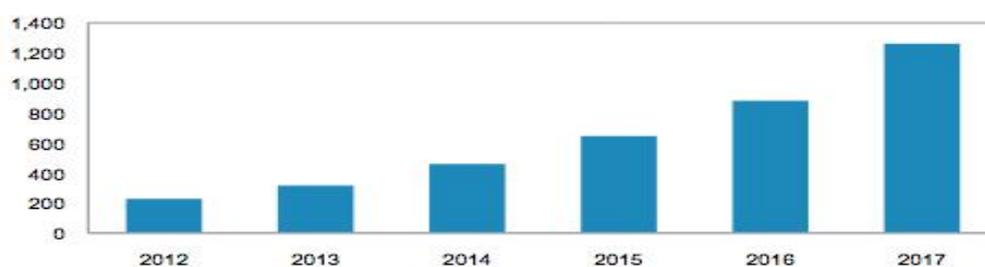
1.2 US Market

The Government and market players, particularly across U.S, have taken a step forward to support benefits of telehealth/telemedicine services via proposed Medicare and Medicaid programs. Recognizing the potential of telemedicine for the development of healthcare in the country, the USDA has provided funding that are expected to deliver positive outcomes in the field of telemedicine. The telemedicine market growth has been driven by the implementation of the Obama administration's Patient Protection and Affordable Care Act (PPACA), a two-year-old law that has intensified the focus on telemedicine as a way to treat an increasing number of people who will be seeking health insurance and medical services. Telemedicine technology enables healthcare personnel to meet this increasing demand without delays in treatment or rationing care.

The business of treating patients via telehealth in the U.S. is likely to increase to nearly \$2 billion in revenue within five years due to a confluence of events in the health care industry from doctor shortages to provider payment changes under the Affordable Care Act.

A new report from information and analytics firm IHS says revenue expansion of the telehealth space — which allows doctors and other providers to monitor patients remotely via various devices, computers and related digital technology — will grow to \$1.9 billion in 2018 in the U.S. from \$240 million this year. That's a cumulative annual growth rate of more than 56 percent. The patient volume is also expected to be more than 3.2 million patients in 2018 compared to less than 250,000 this year. The trend toward telehealth will be driven by employers, private insurers and the Affordable Care Act, which makes doctors and hospitals more accountable by moving medical care providers away from fee-for-service medicine where they are paid based on volume of services to reimbursement based on the value of care they provide. This trend often uses doctors as a quarterback of sorts in concert with nurses and other allied health professionals to keep patients out of the hospital where care is more expensive.

**Figure 4: Forecast of Patients Using Telehealth in the United States
(Thousands of Patients)**



Source: IHS InMedica February 2013

2 Market Segmentation

2.1 Primary Care Doctors, Nurses and Physician Assistants

From the physician’s point of view, the ability to have a flexible schedule without having to drive to several locations to see patients means huge time savings. Not only telehealth can help doctors cut down on travel and downtime, the technology also allows them a more focused conversation with patient. Seeing more patients ramps up productivity while physicians no longer spend valuable hours on the road.

The Association of American Medical Colleges, or AAMC, predicts that by 2020 the U.S. will be short more than 45,000 primary-care doctors—those who practice internal medicine, family medicine and pediatrics. With millions more patients expected to be seeking a doctor because of the Affordable Care Act and 10,000 Americans turning 65 every day for the next two decades, demand for these physicians is outstripping supply. Yet only about 20% of medical residents go into primary care, according to the AAMC. According to the Health Resources and Services Administration, the federal agency charged with improving access to health care, nearly 20 percent of Americans live in areas with an insufficient number of primary care doctors. According to the Association of American Medical Colleges (AAMC), unless something changes rapidly, there will be a shortage of 45,000 primary care doctors in the United States (as well as a shortfall of 46,000 specialists) by 2020.

Figure 5: Physicians supply and demand

Year	Physician Supply (All Specialties)	Physician Demand (All Specialties)	Physician Shortage (All Specialties*)	Physician Shortage (Non-Primary Care Specialties)
2008	699,100	706,500	7,400	-
2010	709,700	723,400	13,700	4,700
2015	735,600	798,500	62,900	33,100
2020	759,800	851,300	91,500	46,100
2025	785,400	916,000	130,600	64,800

Source: AAMC Center for Workforce Studies, June 2010 Analysis

Figure 6: Primary Care Workforce, by State (Page 1 of 2)

State	PRIMARY CARE PHYSICIANS			Nurse Practitioners, 2012-2013	Physician Assistants, 2012-2013
	2012	Additional Needed by 2030	Additional Needed by 2030 Solely for ACA		
Alabama	5,009	612	103	3,495	644
Alaska	870	237	32	786 ^a	534 ^{**}
Arizona	7,432	1,941	115	4,420	2,339
Arkansas	2,892	410	74	1,392	254
California	45,686	8,243	894	18,541	8,646
Colorado	6,312	1,773	152	3,576	2,553
Connecticut	5,514	404	38	3,992 ^b	1,975
Delaware	1,267	177	11	784	531
District of Columbia	2,582	—	—	1,222	597
Florida	22,741	4,671	677	15,487	6,989
Georgia	10,701	2,099	285	6,058	3,846
Hawaii	1,730	318	19	1,020 ^b	264
Idaho	1,406	382	40	845	726
Illinois	17,854	1,063	228	5,304	3,157
Indiana	7,098	817	133	3,135 ^a	1,080
Iowa	3,696	119	16	1,943	1,149
Kansas	3,354	247	45	2,297	934
Kentucky	4,689	624	89	3,626	1,036
Louisiana	5,080	392	111	2,205	811
Maine	2,080	120	21	1,227	649 ^{**}
Maryland	9,093	1,052	98	3,493 ^a	2,847
Massachusetts	13,561	725	15	7,367	2,213 ^{**}
Michigan	14,968	862	146	4,573	3,724 ^{**}
Minnesota	7,448	1,187	61	3,640	2,006
Mississippi	2,859	364	67	2,588	103
Missouri	7,932	687	124	4,947	887
Montana	1,010	197	29	667	543
Nebraska	2,294	133	25	1,262	970
Nevada	2,564	1,113	94	857 ^c	656
New Hampshire	1,754	333	23	1,528 ^a	587
New Jersey	12,037	1,116	139	6,419 ^d	1,330 ^{**}
New Mexico	2,407	326	56	737	342
New York	30,238	1,220	233	16,031 ^{eb}	923
North Carolina	11,130	1,885	277	3,976 ^a	5,057
North Dakota	874	27	8	612	313
Ohio	16,050	681	218	5,083	2,370

Notes:

^a 2011 data ^{**} 2010 data

Figure 7: Primary Care Workforce, by State (Page 2 of 2)

State	PRIMARY CARE PHYSICIANS			Nurse Practitioners, 2012-2013	Physician Assistants, 2012-2013
	2012	Additional Needed by 2030	Additional Needed by 2030 Solely for ACA		
Oklahoma	4,045	451	104	1,235	1,326
Oregon	5,068	1,174	133	2,880 ^a	1,361
Pennsylvania	19,464	1,039	156	8,397 ^b	7,684
Rhode Island	1,991	99	14	803 ^a	359
South Carolina	5,187	815	122	3,687 [*]	1,085
South Dakota	962	162	16	544	528
Tennessee	7,703	1,107	150	7,039	1,552
Texas	25,845	6,260	946	11,691	6,736
Utah	2,574	1,095	111	1,614	1,124
Vermont	972	119	6	439	428
Virginia	9,904	1,622	174	7,333 ^b	2,224
Washington	9,077	1,695	88	4,183	2,761
West Virginia	2,329	190	48	923	732
Wisconsin	7,254	942	80	4,380 ^d	2,299
Wyoming	543	104	12	393	240
U.S. Total	397,130	53,431	6,856	200,676	94,024

Notes:

* 2011 data ** 2010 data

a - Includes nurse practitioners and certified nurse midwives, if recognized.

b - Includes advanced practice registered nurses (APRNs), not broken into specialty.

c - Includes nurse practitioners and certified nurse specialists.

d - Includes nurse practitioners, certified nurse anesthetists, and certified nurse midwives.

APRNs may be licensed in more than one jurisdiction and be certified in more than one specialty.

Nurse practitioner and physician assistant primary care specialty data are not available for each state; data reflect only the number of actively licensed providers.

Sources: Robert Graham Center, "Number of Primary Care Physicians by State," <http://www.graham-center.org/online/etc/medialib/graham/documents/data-tables/2009/dt001-physicians-state.Par.0001.File.tmp/pc-physicians.pdf> (accessed December 2, 2013); Robert Graham Center, "State Workforce Projections," <http://www.graham-center.org/online/graham/home/tools-resources/state-wrkfr-proj-intro/state-wrkfr-proj.html> (accessed December 2, 2013); state boards of nursing websites or direct communication with nursing boards; and state medical boards websites or direct communications with medical boards. 2010 data on physician assistants from Kaiser Family Foundation, "Physician Assistants by Primary State of Employment," <http://kff.org/other/state-indicator/total-physician-assistants/> (accessed December 2, 2013). 2011 data on nurse practitioners from Kaiser Family Foundation, "Total Nurse Practitioners," at <http://kff.org/other/state-indicator/total-nurse-practitioners/> (accessed December 2, 2013).

Though a physician shortage appears inevitable as more Americans get health coverage under the Affordable Care Act, new research indicates new primary care models using nurse practitioners and physician assistants could "eliminate" the scarcity of primary-care doctors.

Researchers at the nonprofit research organization RAND Corp. say an expansion of patient-centered medical homes and "nurse-managed" health centers "could help eliminate 50 percent or more of the primary care physician shortage" in the U.S. by 2025. The RAND analysis is published in the November journal Health Affairs.

"Projections suggest that if nothing changes in the delivery of primary care, the United States may face a substantial shortage of primary care physicians and surpluses of nurse practitioners and

physician assistants by 2025," researchers wrote. "Yet plausible shifts in primary care delivery models substantially affect those projections. Increases in diffusion of the medical home and of the nurse-managed health center would both work to reduce demand for physicians."

Even though it is important to focus on a long-term solution to the shortage, it is also paramount for hospitals and health systems to begin utilizing the current supply of physicians more efficiently. That's where telemedicine can play a part. "While the long-term solution to the physician shortage may involve making changes in our system of medical education, telemedicine has the promise to increase our provider capacity in the relatively immediate future," says Adam C. Powell, PhD, president of Payer+Provider Syndicate, a healthcare consulting company.

Dr. Powell says telemedicine can do the following things to help hospitals overcome the physician shortage in the short term.

1. Increase physician utilization rate. A physician's time is very valuable, especially in light of the physician shortage. However, patients still cancel appointments, sometimes at the last minute, and leave physicians with extra time and no patients to see. "Telemedicine services are enabling physicians to make use of unused [time] so that they can treat more patients," says Dr. Powell. This allows hospitals across the country to reduce the size of the physician shortage by ensuring physicians are using their time effectively.

2. Provide access to specialists for rural hospitals. The physician shortage has, for the most part, hit rural hospitals earlier and harder than their urban counterparts. It can be difficult for rural hospitals to recruit and retain physicians, and it can also be difficult for them to provide their patient populations with physicians who can handle infrequently seen conditions. "By connecting these smaller institutions to large medical centers, telemedicine improves the quality of care that patients receive," says Dr. Powell.

The Affordable Care Act along with the move away from fee-for-service payment by insurance companies is fuelling reimbursement approaches that emphasize more accountable care.

Most of these new models use nurse practitioners and physician assistants to reach out to the patients, making sure they are taking their medications, eating properly and adhering to doctor's orders.

With accountable care programs, the insurer contracts with some providers that are forming patient-centered medical homes whereby physicians are paid to encourage patients to get medical care upfront in the clinic, health center or doctor's office where costs are lower than a hospital,

particularly an emergency room. Health plans are also linking to accountable care organizations (ACOs), which reward providers for working together to improve quality and to control costs. ACOs put medical care providers together under one umbrella entity to improve quality with the doctor as a quarterback of sorts, using nurses and other caregivers to manage the medical care of populations of patients. If the providers in the ACO achieve better outcomes, they divvy up money saved with the health plans. To make the ACOs work, hospitals and health systems are hiring dozens of new nurse practitioners.

2.2 Hospitals

Some 42 percent of U.S. hospitals have adopted telehealth platforms and are using the technology to treat patients, with several factors effecting market changes, according to new report findings.

The report — published in February's Health Affairs and conducted by researchers at the Center for Connected Health, University of Michigan and Brigham and Women's Hospital — underscored several telehealth market trends present nationwide.

For one, telehealth adoption numbers are significantly higher at hospitals located in more rural areas compared to urban areas. Adoption also varied on a state by state basis, which researchers attributed to myriad factors including state policies, for instance. Alaska hospitals reported the highest percent of telehealth adoption at 75 percent. Arkansas at 71 percent; South Dakota at 70 percent and Maine at 69 percent were among the top telehealth adopters. States lagging behind with telehealth included Rhode Island with 0 percent of its hospitals fully adopting platforms and Utah at a paltry 13 percent.

"The highest- and lowest-adopting states all had fairly small populations," wrote University of Michigan's Julia Adler-Milstein; Joseph Kvedar, MD, director at CCH; and Brigham and Women's David W. Bates, in the report. "These facts suggest that factors beyond the number of hospitals in the state, such as state policies, affect the proportion of hospitals that offer telehealth."

Researchers also found competition to be a significant market factor. Hospitals in the least competitive markets were half as more likely to move forward with telehealth adoption than hospitals in competitive markets. "We suspect that a key advantage of telehealth is the ability to support the delivery of more-complex care as well as more-efficient care. The former is likely of particular value to teaching hospitals that may consult on the treatment of patients with complex conditions located in areas with limited access to specialists," wrote researchers. "The latter may be

of particular value to hospitals in more competitive markets that seek technologies to help lower the cost of care delivery, such as teleradiology and eICUs."

Policies related to reimbursement were also key, researchers pointed out. More payers are now reimbursing for telehealth services, which is causing an uptick in adoption numbers. Report authors pointed to adopting broader reimbursement policies, which "may give hospitals more latitude to choose the type of telehealth to pursue and make it more likely that any type of investment in telehealth will pay off for them," they wrote.

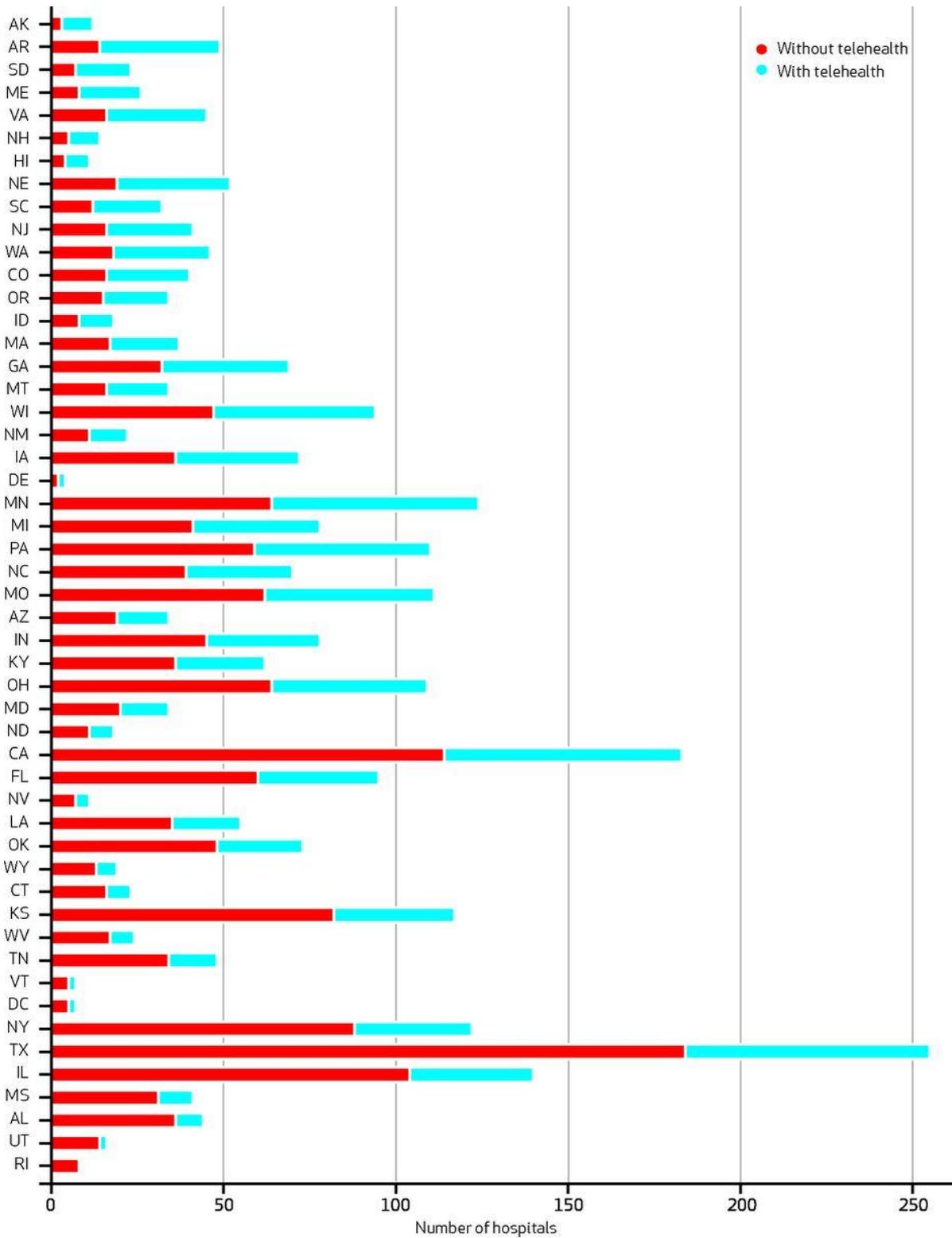
Healthcare systems find that telemedicine can help grow their volume and drive out inefficiencies, but new methods of care delivery require thoughtful planning to avoid hiccups.

The UC Davis Health System now offers access to 30 specialty care services ranging from behavioral health and dermatology to audiology and ophthalmology for both children and adults. Recently, the system reported it was able to grow its pediatric medicine practice through telemedicine. In a study published in the July 2013 issue of *Telemedicine and e-Health*, authors from the UC Davis Health System reported 2,029 children transferred to the hospital from 16 surrounding hospitals connected via telemedicine between July 2003 and December 2010.

From these patients, average hospital revenue increased from \$2.4 million to \$4.0 million per year, and average professional billing revenue increased from \$314,000 to \$688,000 per year.

Another healthcare system that continues to see its telemedicine business grow is nonprofit HealthPartners, a Bloomington, Minn.-based integrated system that reported more than \$1.3 billion in total revenue in 2012. Earlier this year, the system reported savings of \$88 per office or emergency department visit, compared to the typical office visit or urgent care visit, which can fall in the \$120-\$140 range. Part of the strategy of this offering, which has resulted in 68,000 treatment plans since it launched in 2010, is attracting visits for certain straightforward conditions, says Kevin Palattao, vice president of patient care systems at virtuwell, the online service front end for HealthPartners' telemedicine services.

Figure 8: Telehealth among US Hospitals



Source: HealthAffairs.org

3 Competitors

3.1 SnapMD

Founded: 2013

Important Members

- David Skibinski - Co-Founder and Chief Executive Officer
- Rustin Morse - Co-Founder and Chief Medical Officer
- George Tierney - Co-Founder and Chief Executive Officer
- Doug Campbell - Co-Founder and Executive Vice President

SnapMD, Inc. owns and operates a cloud-based patient-to-provider telemedicine platform that connects parents and their children with pediatric physicians in the United States. Its platform also enables healthcare providers to connect with patients needing time-sensitive consultations and follow-up medical visits; and facilitates physician-to-physician consultations. The company serves customers through smartphones, tablets, laptops, desktop computers, and other Internet enabled devices. SnapMD, Inc. was founded in 2013 and is based in Glendale, California.

SnapMD's cloud-based telemedicine platform features secure one-on-one video, audio and text consultations between patients and their primary care and specialty care physicians. Using SnapMD, healthcare providers can conduct scheduled consultations with patients undergoing active care. The platform can also be used for on-demand consultations to reduce avoidable visits to the emergency department, provide remote medical services such as in-school virtual clinics, and to facilitate physician-to-physician communications.

SnapMD's business model is unique in the patient-to-physician telemedicine space. The company exclusively licenses its platform to healthcare providers, empowering them to implement telemedicine to the greatest clinical benefit. SnapMD has been designed from the ground up to act solely as a telemedicine technology provider and will not develop its own provider network. The company's platform is designed for enterprise level use and is currently being introduced to healthcare provider organizations via a SaaS model.

In the News

Can telemedicine visits reduce ER visits by mothers with new babies?

Snap.md, a Los Angeles-based startup, is targeting this market with a new application that will link "worried moms" with pediatricians who work in the emergency departments of well-known children's hospitals.

Dave Skibinski, a veteran business and marketing strategist for life science companies, described his new company at a November 9 meeting of the Los Angeles Venture Association (LAVA) Healthcare Forum. He said the company is planning to go live in early 2013.

Skibinski said his company (which uses the .md domain name) is similar to another successful start-up, DirectDermatology.com, but is targeting a different niche. The typical mother with a new baby visits a physician an average of eight times within the first 12 months of the infant's birth, he said.

Some of these visits are emergency room visits that could be avoided. He cited a separate study that found that 53 percent of young children who presented at an ER did not actually need emergency services, but could have been treated by a physician or a telemedicine visit.

The unique promise of Snap.md is that users will be connected to a pediatrician who works at a regional children's hospital ER within 10 minutes on a 24-hour basis. Skibinski said that during the consultation, the ER doctor will determine whether the parent should take the child to an ER, see their own physician, or treat the child themselves. "Our goal is not to direct the care. If the patient wants to see their own physician or go to a different ER, that's fine. The point is to avoid an unnecessary visit to an ER," he noted.

The company is gearing up to enable Internet video consultations, although the service will be available also on an audio-only basis to consumers who don't have a camera on their computer or mobile device.

The new company will target three categories of parents: those who have no health insurance, those with private insurance, and families on Medicaid. Those with no insurance can pay for an online consultation by credit card, with the fee estimated at \$59 to \$69. The company is negotiating with health plans and state agencies to be included in their networks. Skibinski noted that a number of CVS walk-in clinics are now included in many private health plans.

Skibinski said his company has already negotiated contracts with children's hospitals in Los Angeles and Orange County in California and expects to soon add a number of hospitals in other states.

"The challenge is to scale up," he said, adding that he is hopeful of eventually including some 200 major children's hospitals around the country in his network.

He noted that currently the majority of most urban children's hospital patients are on Medicaid. Many of the hospitals are interested in his service because it could provide them with new patients with private insurance, he added

SnapMD, a healthcare IT company, announced the launch of its Connected Care telemedicine system. SnapMD's telemedicine platform is a cloud-based private-label solution offered to healthcare providers with robust capabilities under a SaaS model.

"Our Connected Care telemedicine platform has been developed with tremendous clinician input," said SnapMD CEO, Dave Skibinski. "We firmly believe that healthcare Providers are best suited to understand where telemedicine can have its greatest utility in population management, and drive utilization with their patients. As such, our technology is intended to integrate with current provider systems and operations."

The SnapMD Connected Care telemedicine platform allows providers to extend their reach of care by leveraging secure one-on-one or multi-participant live video, audio and text message consultations between ambulatory patients and their primary care and specialty care physicians. The company's SaaS solution is a robust cloud-based HIPAA and HITECH compliant communications platform developed to enable healthcare providers to directly engage patients remotely in a "virtual care" environment.

"Using our Connected Care telemedicine platform, healthcare providers can conduct scheduled virtual consultations for patients receiving ongoing treatment as well as on-demand consultations to help reduce avoidable visits in urgent-care or emergency room settings, provide remote medical services in virtual clinic settings, and facilitate physician-to-physician collaboration," said SnapMD COO, George Tierney. "With our private-label platform, healthcare providers have another powerful tool to help them extend their brand, reach-of-care and find efficiencies in personnel utilization while continuing to deliver high quality healthcare services."

3.2 Statdoctors

Founded: 2001

Important Members

- John Barravecchia - Chief Financial Officer
- John E. Barton - Chief Operating Officer
- Alan C. Roga - Chairman and Chief Executive Officer
- Glen J. McCracken - Chief Medical Officer and Director

Stat Doctors is an e-health service offered by Stat Health Services Inc. With Stat Doctors one can use their eVisit portal to consult with a physician in an online medical consultation, maintain electronic health records and obtain prescriptions. Stat Doctors offers patients 24/7 access to board certified emergency room physicians, putting an end to long, frustrating waits in emergency rooms and urgent care centers, reducing the cost of care, and providing care on-demand – at one's convenience

Stat doctors has concentrated so far on laptops, but the company is now working on perfecting its technology on tablets and smart phones. Stat Doctors compares its virtual house calls to online banking or shopping -- technologies that used to make people a little nervous, but now they're commonplace. Stat Doctors sells its service to companies, and bills companies up to \$50 for each patient visit.

Benefits

Patients

- Doctors on call to you 24/7/365
- Board-certified emergency room physicians, passionate about quality care
- Physicians can send prescriptions electronically to a pharmacy anywhere in the United States
- Wait time typically 10 minutes or less
- Avoid costly ERs and Urgent Care Centers
- No deductible requirement
- Affordable cost – less than most insurance copays
- Accessible from home, work or travels

Employers

- Savings of 5% to 25% on existing ER and Urgent Care charges
- A less costly way to provide employees and their families with access to quality care under employer sponsored health plans or health insurance plans
- Reduced absenteeism as employees can access health care online instead of by visits to emergency rooms or urgent care centers
- Improved employee morale

Conditions Treated

- Allergies
- Arthritic Pain
- Asthma
- Bronchitis
- Colds and Flu
- Diarrhea
- Infections
- Insect Bites
- Pharyngitis
- “Pink eye” or conjunctivitis
- Rashes
- Respiratory Infections
- Sinusitis
- Skin Inflammations or Cellulitis
- Sore Throats
- Sprains & Strains (Minor Joint Trauma)
- Urinary Tract Infections
- Sports Injuries
- Vomiting

Technology Platform

- Physicians are able to perform online medical consultations with our members for the diagnosis and treatment of urgent common minor medical conditions;
- Patient interactions via internet, phone and mobile based technologies;
- E-prescribing software to write and fulfil new prescriptions or renew prescriptions of non-controlled substances, with prescriptions delivered electronically to their pharmacy of choice;
- Members have electronic health records storage and maintenance services with the health records available for physicians to review before treatment and for the physicians to access to add progress notes following treatment; and
- Physicians have access to evidenced-based discharge instructions and patient education materials, available in both English and Spanish, for use with patients following treatment.
- Patients and Physicians can leverage mobile devices to facilitate treatment and diagnosis.

In the News

Stat Doctors, a leading eHealth service providing 24/7 access to affordable healthcare, recently received the Industry Innovator Award from The Institute for HealthCare Consumerism (IHCC).

The IHCC, which honors individuals and organizations that create and provide innovative health and benefit management programs, recognized Stat Doctors' convenient, cost-effective and high-quality health care model.

"It is a tremendous honor to be recognized by the health care industry for a delivery system we so deeply believe in," said Alan Roga, M.D., founder and CEO of Stat Health Services. "We are unrelenting in our commitment to provide the best possible care to our patients, and continually seek out new ways to improve our model and enhance the patient experience."

Stat Doctors is the only eVisit provider with a proprietary network of board-certified, practicing emergency medicine physicians. With an average wait time of six minutes, patients can be treated for minor illnesses and common medical conditions online and over the phone, any time of day. Physicians diagnose symptoms and recommend a treatment plan. When needed, Stat Doctors physicians can ePrescribe medications to be electronically delivered to the patient's pharmacy of choice. A follow-up call is also conducted 72 hours after the initial eVisit.

Stat Doctors is available as a supplemental benefit through employer-provided health insurance coverage. The service provides significant cost savings, as the maximum out-of-pocket expense for a Stat Doctors visit is \$50, compared with much higher costs for an urgent care or emergency room visit.

"In addition to cost savings, patients report that Stat Doctors' convenience is hugely important," added Roga. "They can be treated by a top emergency medicine physician in a matter of minutes from their home, their workplace, or even when they're out of town. In today's hectic world, the ease and accessibility of Stat Doctors is crucial."

The IHCC recognized Stat Doctors in HealthCare Consumerism Superstars 2013, the eighth annual awards issue of the Institute's magazine, HealthCare Consumerism Solutions.

Scottsdale, Arizona-based Stat Health Services, which offers the online doctor visit service Stat Doctors, raised \$3.5 million, according to an SEC filing. This brings the company's total funding to at least \$8.8 million to date.

The company believes that its service will help keep patients who just have quick questions out of the emergency room. Conditions that doctors using the service treat include respiratory infections, asthma, sinusitis, bronchitis, allergies, sore throats, and conjunctivitis. Some Stat Health customers include the Arizona Small Business Association, Scottsdale Healthcare, and MagnaCare.

Stat Health is one of many companies working in the virtual visits business, which includes Teladoc and American Well, too. After being exclusively BtoB for a number of years, American Well recently launched a direct to consumer version of its service, which costs \$49 per visit.

3.3 Americanwell

Founded: 2006

Important Members

- Roy Schoenberg - CEO
- James C. Malone - Chief Financial Officer and Executive Vice President
- Ido Schoenberg - Chairman and Chief Executive Officer

American Well is a Boston-based telehealth services company that brings healthcare into the homes and workplaces of patients. The Company's web and mobile telehealth platform connects patients and clinicians for live, clinically meaningful visits through video, secure text chat and phone. American Well is a registered trademark of American Well Corporation in the United States and other countries.

The company, which launched in 2007, started out as a technology provider giving health plans, doctors' groups and hospitals the ability to allow their patients and doctors to connect remotely through video screens. Over the period of two years, from 2011, the company has evolved to provide a turnkey telehealth product for some clients, by building its own doctors' network including 50 doctors on staff, and another 1300 nationwide who are available on a per-call basis. Now the company has a direct-to-consumer play with its newly-launched iPhone and Android apps.

American Well has doubled its number of health insurer and hospital partners over the past year, and has gained 100,000 users of a new mobile app in its first three months on the market. The company added about 35 workers in the past year, for total headcount of 150, with most employees based in the company's Financial District headquarters.

The company's technology abides by health care privacy laws, uses financial institution-level security encryption and has a mechanism to automatically cover each doctor with medical malpractice insurance.

American Well's clients include insurers UnitedHealth Group, Wellpoint and several Blue Cross plans

Benefits

- 24/7/365 on-demand consults
- Live web and mobile video consults
- Integrated into benefits plan
- Patient choice of physician
- Encounter record maintained and accessible
- Integrated e-prescribing
- Real-time eligibility and claims integration
- Phone, chat, and secure messaging available

In the News

American Well, a leading telehealth firm that contracts with payers and providers, has launched a direct-to-consumer service. Consumers can now download a free app to their computers or mobile devices and connect online with a physician for a video consultation.

American Well's telehealth encounters cost \$49, which is less than the average cost of a visit to a physician office or an urgent care center, and much less than the cost of an ER visit. With 28 states now requiring insurers to cover telehealth, and some national health plans paying for it, many individuals who use American Well's new service will only have to come up with a copayment.

In a press release, American Well claims to be the only telehealth service "that offers immediate, live video visits on mobile, the Web and at kiosks. The company's unique technology actively manages physician availability -- letting consumers either choose a specific doctor or simply connect to the next available one. Patients can also review doctors' professional profiles and see how other patients rate them."

In the past year and a half, Schoenberg said, American Well has seen its business expand not only with payers, which are increasingly embracing telehealth, but also with healthcare systems. Providers are recognizing the value of telehealth as they begin to take financial risk through accountable care organizations, he said.

American Well made the decision to move into the direct-to-consumer space, he said, for two reasons. First, many health plans still don't cover telehealth. Second, some insurers are offering American Well's service only to select employer customers. United, for example, is rolling out American Well gradually, whereas WellPoint now offers it to all of its plans' customers, he said.

"When we offer the service directly to consumers, we can do it much faster than when we do it behind the scenes," Schoenberg noted. He emphasized that the firm is providing the service with the full knowledge of its payer customers.

Of course, telehealth services that use a patient's personal doctor offer a continuity of care that no product based on on-call physicians can match. But Schoenberg said that American Well is doing its best to ensure continuity of care. For example, he noted, the company has connected to the backend systems of health insurers. That allows it to pull diagnostic and procedure codes that it supplies to its physicians when they consult with a particular patient. In addition, the doctors can see the medications a patient is taking, based on records from Surescripts and pharmacy benefit managers, he said.

In the direct-to-consumer offering, he added, American Well will be able to forward claims-based information to its doctors if the consumer is a member of a client plan, and it should also be able to get the person's medication list from Surescripts. In either case, the American Well doctor documents the telehealth visit and forwards that note to the next care setting the patient plans to visit.

Besides state laws requiring telehealth coverage, another factor that is expected to increase demand for telehealth is the expansion of the insured population under Obamacare, Schoenberg noted. Although millions more people will be visiting primary care doctors as a result, the number of

doctors will not increase soon. Telehealth can take some of the pressure off doctors' offices, urgent care centers and ERs, he said.

Ninety-four percent of American Well customers chose video visits over telephone consultations, according to new data released by the company. And 60 percent of customers accessed that video via a tablet or smartphone. American Well found that when patients did opt for telephone and secure messaging over video visits, it was because internet access was limited.

The company also noted that doctors preferred the video visits because it gives them additional information to diagnose patients.

American Well's Online Care offering lets patients set-up on demand, video-enabled visits with physicians via their computers or through an iPad, iPhone, or Android device. The company works with the US Department of Veterans Affairs, Rite Aid, United Healthcare, WellPoint and various Blues plans, as well as partnering with CampusMD to bring video consultations to college students.

Based on its ongoing analysis of the telehealth services market, Frost & Sullivan recognizes American Well with the 2014 North American Frost & Sullivan Company of the Year Award for providing a turnkey telehealth service that connects healthcare providers such as hospitals, ambulatory care practices, and other care delivery networks with patients. The company works directly with healthcare payers and employers to bring telehealth solutions to their members/employees.

American Well prevailed over its competitors in each of five key assessment areas: growth strategy; implementation; product innovation; customer value; and market penetration. The company's telehealth platform connects physicians with more than 100 million individuals over the web, mobile devices, and retail kiosks, across 44 states and the District of Columbia. Individuals whose insurance does not cover telehealth services can still see a doctor online for a nominal fee.

3.4 AmeriDoc

Founded: 2007

Important Members

- David Lindsey - President and CEO
- Dr. Emran - Chief Medical Officer
- Peyton Reaves - Chief Information Officer
- Elizabeth Whitehead, Controller
- Ross Thompson - Chief Compliance Officer & General Council

AmeriDoc is a leading provider of on-demand health care access services. AmeriDoc's cloud-based technology platform seamlessly and securely connects patients with U.S. based, board certified physicians for medical consultations via telephone, secure video, and secure email. The services are recognized as an indispensable asset benefiting patients, employers, payers, and provider practice groups. AmeriDoc physicians are available 24/7/365 to diagnose many common conditions and recommend treatment plans including non-controlled prescription medication as necessary.

AmeriDoc's robust, HIPAA compliant technology platform allows patients, payers and providers to share clinical data from patient medical records including lab results, health risk assessments, wellness advice, diagnosis and treatment recommendations. AmeriDoc's service is a compliment to primary care. AmeriDoc was founded in 2007 and is headquartered in Dallas, Texas. AmeriDoc works with more than 350+ board certified physicians in 50 states to provide around-the-clock access to health care.

Benefits

- Easy access: U.S. based, licensed physicians which are available 24/7 via telephone or email
- Save money: Avoid costly in-office doctor's visits for common conditions
- Quality care: Consult with physicians to get advice, diagnosis, or prescriptions for non-narcotic medications when appropriate
- Online Health Tools: EMR Electronic Medical Records and Interactive Health tools to manage your health
- No denials, insurance forms, or pre-existing conditions: Everyone is accepted

Common conditions treated

- Common cold symptoms
- Allergies
- Flu
- Gastro Reflux

When to Use AmeriDoc

- Primary care physician is not available or you do not currently have a doctor.
- For non-emergency medical issues, questions, or concerns.
- Requesting prescription medication refills, when appropriate for non-narcotic medications.

In the News

AmeriDoc, a national leader in telemedicine, has posted record utilization numbers for its groups in 2013.

"Through extensive awareness and communication campaigns with our groups and our members, we are seeing a tremendous adoption of our telemedicine healthcare solution. We have seen utilization numbers more than double in 2013," said AmeriDoc's CEO, David Lindsey. While other telemedicine industry leaders boast their annual utilization numbers are averaging less than 3%, AmeriDoc's top 50 groups average well over 17% annually and many groups experience utilization numbers in excess of 30%.

"We are extremely proud and excited about the increased utilization and adoption of the AmeriDoc telemedicine program by our members. We started AmeriDoc in 2007 to deliver significant healthcare savings for employers and other groups. We find that once our members use our service and have a naturally positive experience, they spread the word to others that AmeriDoc is a great healthcare solution to the high cost of traditional healthcare delivery," explained Mr. Lindsey.

As the telemedicine market continues to grow, AmeriDoc will continue to help groups of all sizes drive their members to a convenient and cost effective solution called telemedicine. AmeriDoc will always strive to stay ahead of the competition by helping all groups gain greater control of their rising healthcare costs. As a leading telemedicine provider in the U.S. today, AmeriDoc understands that utilization, quality doctor experiences and controlling healthcare costs is the most important thing we do for our customers. You can depend on AmeriDoc. "Feel Better, Faster."

3.5 TelaDoc

Founded in 2002, Teladoc is the nation's first and largest telehealth provider with more than 6 million members nationwide. With an average response time of 16 minutes, Teladoc enhances access to affordable, high-quality medical care for adults and children via videoconferencing or telephone consultations. The U.S.-based, board-certified physicians meet National Committee for Quality Assurance (NCQA) standards and deliver a 95 percent patient satisfaction rate. Teladoc partners with payers, corporations, organizations and patients that seek accessible and affordable high-quality medical care. Additionally, through its TeladocConnect service, physicians are able to offer the convenience of Teladoc and provide their patients with a high level of care around the clock.

Their physicians are available 24 hours a day, 365 days a year, allowing members of any age to access quality care from their home or office as opposed to more expensive settings like the doctor's office or emergency room. One can access this service wherever they happen to be: home, office, hotel room, or vacation campsite. Simply make a phone call, and in most cases, speak to a doctor in less than 30 minutes

Teladoc offers physician visits either by telephone or online, depending upon the state. The service allows people to reach a U.S. board-certified doctor or a licensed pediatrician from home. The company estimates the average doctor call-back time is 16 minutes, according to Gorevic. Its physicians use electronic medical records and prescribe electronically. The service is available at all times and costs \$38 or less per consultation. Teladoc emphasizes that it supplements—not replaces—the family physician.

Because healthcare is regulated primarily at the state level, Teladoc has to operate flexibly based on local laws. It operates in 49 states and plans to re-enter Oklahoma, which would be the 50th. Texas is one of only a handful of states that does not allow physicians and patients to interact by Internet.

Teladoc has worked with insurers such as Aetna, Blue Shield of California and Highmark Inc. The company is participating in a pilot program with Aetna for its 800,000 members in Texas and Florida,

where the service is a covered benefit. Teladoc and the insurer promote telehealth as an alternative to the hospital emergency department (ED) and for after-hours care

Teladoc uses three primary kinds of physicians: those who are semi-retired or taking time off from active practice; ED physicians who provide services when they are not at the hospital, and actively practicing physicians who treat Teladoc patients between their office appointments.

The company has a waiting list of physicians who want to participate. Physicians generally keep about 90 percent of the visit fees and do not spend time doing paperwork because patients pay them at the time of the visit by credit card.

The company does not allow patients to request a specific Teladoc physician because the company does not want them to view the service as a substitute for live care.

Teladoc Benefits

- Physicians available 24/7/365
- Fast access - average consult within 30 minutes
- Prompt diagnosis results in faster treatment
- Available anywhere, anytime
- Physician reviews and updates medical record when performing a medical consultation
- Secure, personal, and portable Electronic Health Record (EHR)
- Patient-centric focus
- Efficient delivery system for routine health care

Call Teladoc

- When your physician is not available
- For non-emergent medical care
- After normal hours of operation
- When on vacation or a business trip
- For second opinions

Teladoc Treats Conditions Like

- Sinus infections
- Respiratory conditions
- Urinary tract infections
- Allergies

- Bronchitis
- Sore throat
- Pink eye
- Cold or flu

3.6 MDLIVE

Founded in 2006, MDLIVE, formerly MDLiveCare, is a leading telehealth provider of online and on-demand healthcare delivery services and software that benefit patients, hospitals, employers, payers, physician practice groups and accountable care organizations.

Their cloud-based Virtual Medical Office software platform makes it possible for patients, medical professionals and plan administrators to collaborate seamlessly and securely via voice, video, email and mobile devices. Payers and providers can also utilize the HIPAA-compliant system to collect and share clinical data from patient medical records, lab results and in-home biometric devices for real-time risk assessments, wellness advice, diagnosis and treatment.

They also provide affordable, 24/7/365 Anytime, Anywhere consultations via a nationwide network of board-certified physicians and licensed therapists.

MDLIVE Benefits

- Available anywhere, anytime
- Physicians available 24/7/365
- Interactive Health Monitoring
- Efficient delivery system for routine health care
- Utilizes the HIPAA and PHI-compliant system to collect and share clinical data

Use MDLIVE when you

- need care now
- don't have a primary care doctor
- are considering an urgent care center or the emergency room for non-emergency issues (but in a true emergency, dial 911 or go to the closest emergency room)
- are travelling and need medical care.

Among other health issues, MDLIVE can treat

- allergies
- respiratory infections

- ear infections
- sinus problems
- nausea and vomiting
- urinary tract infections

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