



Teladoc Health redirects common acute care need away from more expensive settings such as Primary Care, Urgent Care and the Emergency Room. Return on Investment (ROI) is determined by comparing the cost of a Teladoc Health visit to the costs associated with those alternative settings.

Our methodology is based on third-party research of claims data and compares costs accumulated through a 30-day episode of care in traditional care settings versus telehealth settings. This 30-day episode of care methodology captures the reasonably related costs - such as labs, testing, pharmacy, and follow-up visits - that are incurred in the 30 days following an initial visit.

Because not every member who has a Teladoc Health visit would have sought care at an alternative setting, this ROI methodology also factors in a cost adjustment for such Teladoc Health visits.

**Teladoc Health's national average gross savings of \$517 per visit is based on this methodology and analyses of claims data from 1.8M beneficiaries across multiple populations and geographies.**

- All figures are on an allowed amount basis
- Annual administrative fees do not include visit fees
- Annualized utilization rate is the YTD visit count divided by the average number of primary members, further divided by months accrued YTD and multiplied by 12 to project to a full year
- Visit and membership fees are averaged across groups over the duration of the reporting period.
- Cumulative Net Savings are net of both administrative and visit fees
- ROI is computed as gross savings divided by the sum of visit and administrative fees YTD
- The annual breakeven utilization and visit count are the point at which gross savings surpass total annual administrative fees. The breakeven month is the month when YTD gross savings surpassed total annual administrative fees.
- Productivity Savings is computed as 2 hours saved times an average salary of \$23.86 per hour (based on 2016 Bureau of Labor Statistics) times the number of redirected primary members' visits. This excludes visits where the member indicated they would not have sought treatment if they didn't have the Teladoc Health benefit.