

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

HUMAN RESOURCES / RISK MANAGEMENT DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Roy Sprinkle, Executive Director of Human Resources

FROM: Lynn Peterson, Supervisor of Risk Management

DATE: April 27, 2018

SUBJECT: Telehealth and Teledoc

Telehealth is the use of remote health care technology to deliver clinical services via the use of telecommunication and technology. This form of health care delivery has increased in popularity due to significant advancements in technology. Telehealth allows for quicker access to care at a lower cost. It provides services 24/7 via phone or video with a U.S. Board Certified doctor to treat routine conditions such as influenza, colds, allergies, skin rashes, minor infections, etc. and prescribe medication for the visit. Telehealth is not a replacement for primary care, but another option for care.

Although there are multiple vendors within the telehealth arena (Teledoc, Amwell, Doctor on Demand and MDLive) only *Teledoc* is the preferred vendor for Florida Blue (the current Administrator of the District's medical plan). Florida Blue advised they compared many of the competitors and Teledoc had greater capabilities and more to offer. *Teledoc* is the only vendor Florida Blue will work with to process the claims through the medical plan.

Teledoc is an independent company with a network of over 3,100 board-certified physicians that have an average of 20 years of experience. It has been in the telehealth business since 2002 and leads the telehealth industry with three times more visits than all competitors combined. In addition, *Teledoc* is the only vendor that allows members the choice of phone, video or computer and has a live call center 24/7.

Members will have a more favorable experience with *Teledoc* since the company and Florida Blue's systems are integrated and claims can be processed directly through the medical plan. Processing claims within the medical plan allows the out-of-pocket expenses to accumulate towards the member's annual maximums. In addition, processing claims through the medical plan would be less of an administrative burden on the employee, as well as the District.

The administrative cost for the telehealth services with Teledoc will be incorporated in the ASO contract with Florida Blue. The cost will be **\$0.90 Per Subscriber Per Month**. As of April, there are 5186 subscribers covered under the medical plan. This fee will be added to our per subscriber ASO fee with Florida Blue. The annual cost for the telehealth services would be approximately **\$56,009**

The cost to the plan of each Teledoc office visit is \$40 through 2018 (\$42 effective 1/1/2019) vs. the average primary care office visit of \$119 (The Teledoc office visit fees are comparable to competitor fees). To encourage members to utilize this telehealth service, it is recommended the telehealth per visit copay for members be set about \$5 lower than the current copay for a Primary Care Visit and fixed copay for the Low PPO plan. The structure would be as follows:

- \$15 copay for High HMO
- \$20 copay for Low HMO
- \$20 copay for High PPO
- \$25 copay for Low PPO

By implementing telehealth services, it is estimated the projected **net** savings to the plan will be \$50,000 to \$100,000, thereby the telehealth services will ultimately have a zero cost to the district.

Recommendation:

It is recommended the amendment to the administrative service agreement between the School Board of Sarasota County Florida and Florida Blue be amended to include the services for the telehealth with Teledoc and the copays for telehealth visits be approved and the as presented.

Attachments