

# SIMPLE TELEMEDICINE

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## RETURN ON INVESTMENT



**A PROJECTION OF SAVINGS BASED ON EXPECTED UTILIZATION**

The following pages provide the estimated savings and break-even point for utilization of an employer-paid telemedicine program. This assumes that the employer is purchasing and paying 100% of the cost of the program, for each eligible employee.

Certain assumptions are made in these calculations. Feel free to contact Simple to have us custom-produce these ROI projections for your use.

Savings will be generated in the following areas:

1. Reduction of time away from work while at a traditional doctor's office—loss of productivity. Remember, most doctors require the employee to leave work and pay for an office visit, simply to obtain a prescription refill. Telemedicine reduces this expense with a less expensive phone call.
2. Reduce office visits and ER visits. Telemedicine reduces healthcare costs by reducing office visits and ER visits.
3. Increased morale (not projected)
4. Reduction of workplace illness (not projected)
5. Better employee health (not projected)

The included pages provide sample projections of savings based on relatively low utilization at various size employers. Over time, utilization will increase—by word of mouth, or as telemedicine becomes more commonplace.

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## Simple Telemedicine Health Plan Savings Model--5 employee company

### Enrollment

Number of eligible employees 5 x 2.5 members per household = 13 total family members

Consult Fee per call (paid by employee)      \$10 \$ 26.71                      \$ 80.94                      \$ 161.88

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
Annual cost of program access      \$5.95 \$ 357.00                                      \$ 357.00                                      \$ 357.00

Total cost paid by employer                      \$ 357.00                                      \$ 357.00                                      \$ 357.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 413	\$ 688	\$ 1,376
Annual ER visit savings	\$ 285	\$ 475	\$ 951
<b>Total Annual Plan savings</b>	<b>\$ 698</b>	<b>\$ 1,163</b>	<b>\$ 2,327</b>

Employer Productivity Add-Back                      \$ 347                                      \$ 578                                      \$ 1,155

<b>Total Cost</b>	\$ 357	\$ 357	\$ 357
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 1,045</b>	<b>\$ 1,741</b>	<b>\$ 3,482</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 13	x 13	x 13	
Total office visits by members	46	46	46	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	32	32	32	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	2	4	8	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 413</b>	<b>\$ 688</b>	<b>\$ 1,376</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 13	x 13	x 13	
Total ER visits by members	5	5	5	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	3	3	3	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	0	0	1	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 285</b>	<b>\$ 475</b>	<b>\$ 951</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	2	4	8	
Reduced number of ER visits	0	0	1	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	11	18	36	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.011	x 0.018	x 0.036	
<b>Annual productivity Add-Back</b>	<b>\$ 347</b>	<b>\$ 578</b>	<b>\$ 1,155</b>	

## Simple Telemedicine Health Plan Savings Model--10 employee company

### Enrollment

Number of eligible employees 10 x 2.5 members per household = 25 total family members

Consult Fee per call (paid by employee)      \$10 \$ 53.42                      \$ 161.88                      \$ 323.75

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
Annual cost of program access      \$5.95 \$ 714.00                                      \$ 714.00                                      \$ 714.00

Total cost paid by employer                      \$ 714.00                                      \$ 714.00                                      \$ 714.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 826	\$ 1,376	\$ 2,752
Annual ER visit savings	\$ 571	\$ 951	\$ 1,902
<b>Total Annual Plan savings</b>	<b>\$ 1,396</b>	<b>\$ 2,327</b>	<b>\$ 4,654</b>

Employer Productivity Add-Back                      \$ 693                                      \$ 1,155                                      \$ 2,310

<b>Total Cost</b>	\$ 714	\$ 714	\$ 714
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 2,089</b>	<b>\$ 3,482</b>	<b>\$ 6,964</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 25	x 25	x 25	
Total office visits by members	93	93	93	The Wellness Councils of America (WELCOA), 2008
	x 70%	x 70%	x 70%	
Unnecessary office visits	65	65	65	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	5	8	16	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 826</b>	<b>\$ 1,376</b>	<b>\$ 2,752</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 25	x 25	x 25	
Total ER visits by members	10	10	10	National Ambulatory Medical Care Survey, 2006
	x 66%	x 66%	x 66%	
Unnecessary ER visits	6	6	6	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	0	1	2	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 571</b>	<b>\$ 951</b>	<b>\$ 1,902</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	5	8	16	
Reduced number of ER visits	0	1	2	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	21	36	71	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.021	x 0.036	x 0.071	
<b>Annual productivity Add-Back</b>	<b>\$ 693</b>	<b>\$ 1,155</b>	<b>\$ 2,310</b>	

## Simple Telemedicine Health Plan Savings Model--25 employee company

### Enrollment

Number of eligible employees 25 x 2.5 members per household = 63 total family members

Consult Fee per call (paid by employee)      \$10 \$ 133.55                      \$ 404.69                      \$ 809.38

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
 Annual cost of program access      \$5.95 \$ 1,785.00                      \$ 1,785.00                      \$ 1,785.00

Total cost paid by employer                      \$ 1,785.00                      \$ 1,785.00                      \$ 1,785.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 2,064	\$ 3,440	\$ 6,880
Annual ER visit savings	\$ 1,426	\$ 2,377	\$ 4,755
<b>Total Annual Plan savings</b>	<b>\$ 3,490</b>	<b>\$ 5,817</b>	<b>\$ 11,635</b>

Employer Productivity Add-Back                      \$ 1,733                      \$ 2,888                      \$ 5,776

<b>Total Cost</b>	\$ 1,785	\$ 1,785	\$ 1,785
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 5,223</b>	<b>\$ 8,705</b>	<b>\$ 17,410</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 63	x 63	x 63	
Total office visits by members	231	231	231	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	162	162	162	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	12	20	40	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 2,064</b>	<b>\$ 3,440</b>	<b>\$ 6,880</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 63	x 63	x 63	
Total ER visits by members	24	24	24	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	16	16	16	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	1	2	4	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 1,426</b>	<b>\$ 2,377</b>	<b>\$ 4,755</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	12	20	40	
Reduced number of ER visits	1	2	4	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	53	89	178	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.053	x 0.089	x 0.178	
<b>Annual productivity Add-Back</b>	<b>\$ 1,733</b>	<b>\$ 2,888</b>	<b>\$ 5,776</b>	

## Simple Telemedicine Health Plan Savings Model--50 employee company

### Enrollment

Number of eligible employees 50 x 2.5 members per household = 125 total family members

Consult Fee per call (paid by employee)      \$10 \$ 267.09                      \$ 809.38                      \$ 1,618.75

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
Annual cost of program access      \$5.95 \$ 3,570.00                      \$ 3,570.00                      \$ 3,570.00

Total cost paid by employer                      \$ 3,570.00                      \$ 3,570.00                      \$ 3,570.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 4,128	\$ 6,880	\$ 13,759
Annual ER visit savings	\$ 2,853	\$ 4,755	\$ 9,510
<b>Total Annual Plan savings</b>	<b>\$ 6,981</b>	<b>\$ 11,635</b>	<b>\$ 23,269</b>

Employer Productivity Add-Back                      \$ 3,465                      \$ 5,776                      \$ 11,551

<b>Total Cost</b>	\$ 3,570	\$ 3,570	\$ 3,570
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 10,446</b>	<b>\$ 17,410</b>	<b>\$ 34,820</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 125	x 125	x 125	
Total office visits by members	463	463	463	The Wellness Councils of America (WELCOA), 2008
	x 70%	x 70%	x 70%	
Unnecessary office visits	324	324	324	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	24	40	81	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 4,128</b>	<b>\$ 6,880</b>	<b>\$ 13,759</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 125	x 125	x 125	
Total ER visits by members	48	48	48	National Ambulatory Medical Care Survey, 2006
	x 66%	x 66%	x 66%	
Unnecessary ER visits	32	32	32	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	2	4	8	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 2,853</b>	<b>\$ 4,755</b>	<b>\$ 9,510</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	24	40	81	
Reduced number of ER visits	2	4	8	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	107	178	355	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.107	x 0.178	x 0.355	
<b>Annual productivity Add-Back</b>	<b>\$ 3,465</b>	<b>\$ 5,776</b>	<b>\$ 11,551</b>	

## Simple Telemedicine Health Plan Savings Model--75 employee company

### Enrollment

Number of eligible employees 75 x 2.5 members per household = 188 total family members

Consult Fee per call (paid by employee)      \$10 \$ 400.64      \$ 1,214.06      \$ 2,428.13

Health Plan Consult Fees (Employer Paid)      \$0 \$ -      \$ -      \$ -  
 Annual cost of program access      \$5.95 \$ 5,355.00      \$ 5,355.00      \$ 5,355.00

Total cost paid by employer      \$ 5,355.00      \$ 5,355.00      \$ 5,355.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 6,192	\$ 10,320	\$ 20,639
Annual ER visit savings	\$ 4,279	\$ 7,132	\$ 14,264
<b>Total Annual Plan savings</b>	<b>\$ 10,471</b>	<b>\$ 17,452</b>	<b>\$ 34,904</b>

Employer Productivity Add-Back      \$ 5,198      \$ 8,664      \$ 17,327

<b>Total Cost</b>	\$ 5,355	\$ 5,355	\$ 5,355
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 15,669</b>	<b>\$ 26,115</b>	<b>\$ 52,231</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 188	x 188	x 188	
Total office visits by members	694	694	694	The Wellness Councils of America (WELCOA), 2008
	x 70%	x 70%	x 70%	
Unnecessary office visits	486	486	486	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	36	61	121	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 6,192</b>	<b>\$ 10,320</b>	<b>\$ 20,639</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 188	x 188	x 188	
Total ER visits by members	72	72	72	National Ambulatory Medical Care Survey, 2006
	x 66%	x 66%	x 66%	
Unnecessary ER visits	47	47	47	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	4	6	12	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 4,279</b>	<b>\$ 7,132</b>	<b>\$ 14,264</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	36	61	121	
Reduced number of ER visits	4	6	12	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	160	266	533	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.160	x 0.266	x 0.533	
<b>Annual productivity Add-Back</b>	<b>\$ 5,198</b>	<b>\$ 8,664</b>	<b>\$ 17,327</b>	

## Simple Telemedicine Health Plan Savings Model--100 employee company

### Enrollment

Number of eligible employees 100 x 2.5 members per household = 250 total family members

Consult Fee per call (paid by employee)      \$10 \$ 534.19                      \$ 1,618.75                      \$ 3,237.50

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
Annual cost of program access      \$5.95 \$ 7,140.00                      \$ 7,140.00                      \$ 7,140.00

Total cost paid by employer                      \$ 7,140.00                      \$ 7,140.00                      \$ 7,140.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 8,256	\$ 13,759	\$ 27,519
Annual ER visit savings	\$ 5,706	\$ 9,510	\$ 19,019
<b>Total Annual Plan savings</b>	<b>\$ 13,961</b>	<b>\$ 23,269</b>	<b>\$ 46,538</b>

Employer Productivity Add-Back                      \$ 6,931                      \$ 11,551                      \$ 23,103

<b>Total Cost</b>	\$ 7,140	\$ 7,140	\$ 7,140
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 20,892</b>	<b>\$ 34,820</b>	<b>\$ 69,641</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 250	x 250	x 250	
Total office visits by members	925	925	925	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	648	648	648	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	49	81	162	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 8,256</b>	<b>\$ 13,759</b>	<b>\$ 27,519</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 250	x 250	x 250	
Total ER visits by members	96	96	96	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	63	63	63	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	5	8	16	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 5,706</b>	<b>\$ 9,510</b>	<b>\$ 19,019</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	49	81	162	
Reduced number of ER visits	5	8	16	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	213	355	711	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.213	x 0.355	x 0.711	
<b>Annual productivity Add-Back</b>	<b>\$ 6,931</b>	<b>\$ 11,551</b>	<b>\$ 23,103</b>	

## Simple Telemedicine Health Plan Savings Model--250 employee company

### Enrollment

Number of eligible employees 250 x 2.5 members per household = 625 total family members

Consult Fee per call (paid by employee)      \$10 \$ 1,335.47      \$ 4,046.88      \$ 8,093.75

Health Plan Consult Fees (Employer Paid)      \$0 \$ -      \$ -      \$ -  
 Annual cost of program access      \$5.95 \$ 17,850.00      \$ 17,850.00      \$ 17,850.00

Total cost paid by employer      \$ 17,850.00      \$ 17,850.00      \$ 17,850.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 20,639	\$ 34,398	\$ 68,797
Annual ER visit savings	\$ 14,264	\$ 23,774	\$ 47,548
<b>Total Annual Plan savings</b>	<b>\$ 34,904</b>	<b>\$ 58,173</b>	<b>\$ 116,345</b>

Employer Productivity Add-Back      \$ 17,327      \$ 28,879      \$ 57,757

<b>Total Cost</b>	\$ 17,850	\$ 17,850	\$ 17,850
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 52,231</b>	<b>\$ 87,051</b>	<b>\$ 174,102</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 625	x 625	x 625	
Total office visits by members	2,313	2,313	2,313	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	1,619	1,619	1,619	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	121	202	405	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 20,639</b>	<b>\$ 34,398</b>	<b>\$ 68,797</b>	

### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 625	x 625	x 625	
Total ER visits by members	239	239	239	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	158	158	158	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	12	20	39	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 14,264</b>	<b>\$ 23,774</b>	<b>\$ 47,548</b>	

### Employee Productivity Add-Back

Reduced number of Doctor office visits	121	202	405	
Reduced number of ER visits	12	20	39	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	533	888	1,776	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 0.533	x 0.888	x 1.776	
<b>Annual productivity Add-Back</b>	<b>\$ 17,327</b>	<b>\$ 28,879</b>	<b>\$ 57,757</b>	

## Simple Telemedicine

### Health Plan Savings Model--500 employee company

#### Enrollment

Number of eligible employees 500 x 2.5 members per household = 1,250 total family members

Consult Fee per call (paid by employee)      \$10 \$ 2,670.94                      \$ 8,093.75                      \$ 16,187.50

Health Plan Consult Fees (Employer Paid)      \$0 \$ -                                      \$ -                                      \$ -  
 Annual cost of program access      \$5.95 \$ 35,700.00                      \$ 35,700.00                      \$ 35,700.00

Total cost paid by employer                      \$ 35,700.00                      \$ 35,700.00                      \$ 35,700.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 41,278	\$ 68,797	\$ 137,594
Annual ER visit savings	\$ 28,529	\$ 47,548	\$ 95,097
<b>Total Annual Plan savings</b>	<b>\$ 69,807</b>	<b>\$ 116,345</b>	<b>\$ 232,690</b>

Employer Productivity Add-Back                      \$ 34,654                      \$ 57,757                      \$ 115,514

<b>Total Cost</b>	\$ 35,700	\$ 35,700	\$ 35,700
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 104,461</b>	<b>\$ 174,102</b>	<b>\$ 348,205</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

#### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 1,250	x 1,250	x 1,250	
Total office visits by members	4,625	4,625	4,625	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	3,238	3,238	3,238	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	243	405	809	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 41,278</b>	<b>\$ 68,797</b>	<b>\$ 137,594</b>	

#### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 1,250	x 1,250	x 1,250	
Total ER visits by members	478	478	478	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	315	315	315	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	24	39	79	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 28,529</b>	<b>\$ 47,548</b>	<b>\$ 95,097</b>	

#### Employee Productivity Add-Back

Reduced number of Doctor office visits	243	405	809	
Reduced number of ER visits	24	39	79	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	1,066	1,776	3,553	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 1,066	x 1,776	x 3,553	
<b>Annual productivity Add-Back</b>	<b>\$ 34,654</b>	<b>\$ 57,757</b>	<b>\$ 115,514</b>	

## Simple Telemedicine

### Health Plan Savings Model--1000 employee company

#### Enrollment

Number of eligible employees 1,000 x 2.5 members per household = 2,500 total family members

Consult Fee per call (paid by employee)      \$10 \$ 5,341.88      \$ 16,187.50      \$ 32,375.00

Health Plan Consult Fees (Employer Paid)      \$0 \$ -      \$ -      \$ -  
 Annual cost of program access      \$5.95 \$ 71,400.00      \$ 71,400.00      \$ 71,400.00

Total cost paid by employer      \$ 71,400.00      \$ 71,400.00      \$ 71,400.00

Percent of	Benefit Utilization		
	15%	25%	50%
Annual Doctor visit savings	\$ 82,556	\$ 137,594	\$ 275,188
Annual ER visit savings	\$ 57,058	\$ 95,097	\$ 190,193
Total Annual Plan savings	<b>\$ 139,614</b>	<b>\$ 232,690</b>	<b>\$ 465,381</b>

Employer Productivity Add-Back      \$ 69,309      \$ 115,514      \$ 231,029

<b>Total Cost</b>	\$ 71,400	\$ 71,400	\$ 71,400
<b>Total Savings (Productivity and Health Plan)</b>	<b>\$ 208,923</b>	<b>\$ 348,205</b>	<b>\$ 696,409</b>
<b>Return on Investment</b>	<b>293%</b>	<b>488%</b>	<b>975%</b>

#### Doctor Office Visits

Average annual doctor visits per member	3.7	3.7	3.7	Center for studying health system change (HSC)
	x 2,500	x 2,500	x 2,500	
Total office visits by members	9,250	9,250	9,250	
	x 70%	x 70%	x 70%	The Wellness Councils of America (WELCOA), 2008
Unnecessary office visits	6,475	6,475	6,475	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
Office visit reduction rate	x 50%	x 50%	x 50%	Assumes telemed is 50% effective reducing an unnecessary visits
Annual reduction of doctor visits	486	809	1,619	
Average cost of doctor visit	\$ 170	\$ 170	\$ 170	Blue Cross Blue Shield (national average)
<b>Annual Doctor visit savings</b>	<b>\$ 82,556</b>	<b>\$ 137,594</b>	<b>\$ 275,188</b>	

#### Emergency Room Visits

Average annual ER visits per member	0.382	0.382	0.382	National Hospital Ambulatory Medical Care Survey
	x 2,500	x 2,500	x 2,500	
Total ER visits by members	955	955	955	
	x 66%	x 66%	x 66%	National Ambulatory Medical Care Survey, 2006
Unnecessary ER visits	630	630	630	
Benefit utilization	<span style="border: 1px solid black; padding: 2px;">15.0%</span>	<span style="border: 1px solid black; padding: 2px;">25.0%</span>	<span style="border: 1px solid black; padding: 2px;">50.0%</span>	
ER visit reduction rate	x 50%	x 50%	x 50%	Assumes CADR is 50% effective reducing an unnecessary visit
Annual reduction of ER visits	47	79	158	
Average cost of ER visit	\$ 1,207	\$ 1,207	\$ 1,207	Blue Cross Blue Shield (national average)
<b>Annual ER visit savings</b>	<b>\$ 57,058</b>	<b>\$ 95,097</b>	<b>\$ 190,193</b>	

#### Employee Productivity Add-Back

Reduced number of Doctor office visits	486	809	1,619	
Reduced number of ER visits	47	79	158	
Average time per visit (hours)	4	4	4	
Total productivity hours gained	2,132	3,553	7,105	
Average hourly wage	\$ 18.58	\$ 18.58	\$ 18.58	Social Security Administration
Wage / productivity multiple	x 1.75	x 1.75	x 1.75	
Productivity per hour	\$ 32.52	\$ 32.52	\$ 32.52	
	x 2,132	x 3,553	x 7,105	
<b>Annual productivity Add-Back</b>	<b>\$ 69,309</b>	<b>\$ 115,514</b>	<b>\$ 231,029</b>	