

F R O S T & S U L L I V A N

FROST & SULLIVAN BEST PRACTICES AWARD

TELEHEALTH SERVICES - NORTH AMERICA

Company of the Year 2019

American Well®

F R O S T & S U L L I V A N

2019

BEST
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Background and Company Performance

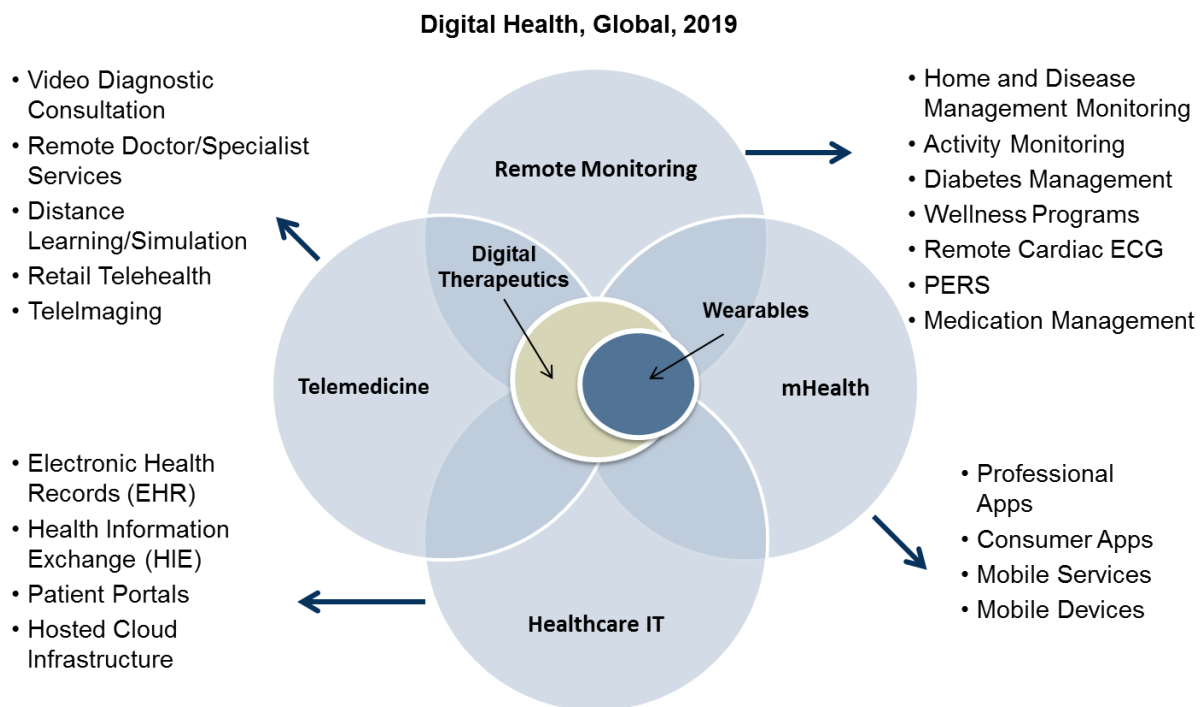
Industry Challenges

According to the World Health Organization, global expenditure on healthcare reached \$7.3 trillion in 2015, with the United States (US) far exceeding other high-income countries.¹ Nevertheless, the Commonwealth Fund's 2017 report ranks the US last among 11 wealthy nations on overall healthcare system performance measurements - including access to care, healthcare outcomes, affordability, and health equity.²

Increasing chronic disease prevalence, along with an aging US population — estimates of 1 in every 5 people reaching retirement age by 2030³ — pose further public health concerns. Frost & Sullivan notes that more cost-effective strategies are quite critical in meeting the evolving health demand while reining in healthcare costs.

Derived from the Greek “tele,” meaning “far off,” and the Old English “hælp,” meaning “wholeness,” telehealth involves using information technology (IT)-enabled systems and services to deliver healthcare over a distance, i.e., connecting physicians to patients virtually rather than in person. It is centric to converging major digital health areas, including remote patient monitoring, virtual visits, health IT, and mobile health.

Telehealth: Centric to Converging Digital Health Technologies



Source: Frost & Sullivan

Telehealth has many use cases within hospitals as well as outside traditional clinical settings, i.e., mobile and remote patients, leveraging synchronous and asynchronous

¹ http://www.who.int/health_financing/topics/resource-tracking/new_perspectives_on_global_health_spending_for_uhc.pdf?ua=1

² http://www.commonwealthfund.org/~media/files/publications/fund-report/2017/jul/schneider_mirror_mirror_2017.pdf

³ <https://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html>

models. Virtual care solutions overcome limitations such as geographic hurdles; urban versus rural, common mobility impairments among the elderly, unequal resource distribution across healthcare systems, obstacles to disaster response, and health workers' shortages, among others, are issues to improving healthcare access and equity and medical outcomes cost-effectively.

While still considered an up and coming technology, in reality, telehealth is clearly essential in the successful transition to value-based care. Over the last 3 years, most payers added telehealth benefits; more and more healthcare systems and integrated delivery networks (IDNs), now financially responsible for patient outcomes, entered the market; and organizations historically outside the healthcare world, like Google, Samsung, Amazon, and Apple, incorporated telehealth into their product ecosystems. Today, telehealth is a top priority for all healthcare stakeholders, as they realize that these converging technologies are critical to extending access to high-quality, affordable care. Frost & Sullivan estimates the US telehealth market at \$12.5 billion in 2018, with year-over-year growth of nearly 36% for 2019.⁴

With an increasing elderly population and healthcare costs rising at unprecedented levels, Frost & Sullivan research concludes that virtual care is a must-have solution across the value-driven healthcare landscape. However, telehealth is an intricate sector involving diverse participant interactions, e.g., medical device manufacturers, network infrastructure providers, information communication technology and IT vendors, healthcare professionals, health plans, and governments. Its success in healthcare delivery demands fully aligning this complex, interconnected ecosystem in flux. Telehealth ought to include an embedded system in the care delivery value chain, continuing to grow as part of healthcare services access and coverage - rather than as a standalone care delivery mechanism.

Visionary Innovation & Performance and Customer Impact

Established in 2006, Boston-based leading telehealth American Well connects various healthcare stakeholders, e.g., payers, providers, employers, technology innovators, EHR/EMR vendors, and consumers, through comprehensive, customized turnkey solutions and services. The company supports healthcare institutions and organizations in their mission to enhance patients' access to affordable, quality care services, when required, wherever needed, more cost-effectively.

American Well operates mainly in the US, serving 50 states, covering over 150 million Americans. The company is the largest telehealth operator for both payers, about 55 health plans, and healthcare systems, above 160 Customers include UnitedHealth, Anthem, Cigna, over 40 Blue Cross Blue Shield regional plans, Cleveland Clinic, Ascension, UPMC, NewYork-Presbyterian, Medtronic, Philips, Cisco, Apple, and Cerner.

American Well: Foresight, Commitment, and Drive

"We [American Well] have done telehealth for 12 years. A compelling technology, we always believed telehealth was going to change the world, and, suddenly, the world is changing right before our eyes. It is extremely gratifying."

—Roy Schoenberg, President and Chief Executive Officer, American Well

⁴ *Growth Opportunities in the US Telehealth Market, Forecast to 2021* (Frost & Sullivan, April 2017)

With one of the most robust product portfolios in the market, American Well's telehealth platform spans the care continuum — from urgent and acute care to post-acute and long-term care. The company properly leverages best-in-class software and hardware solutions, and telehealth centric services, both provider-to-patient and provider-to-provider modules, to offer a range of virtual medical capabilities. Solutions include hospital-based carts, kiosks, software-as-a-service, health apps, services staffed with live physicians 24/7 in all 50 states, and tailored software workflows across more than 150 clinical specialties, e.g., telestroke, telepediatrics, teledermatology, and telepsychiatry.

American Well C760 Telemedicine Cart



Courtesy of American Well

Unlike other competitors, who introduced telehealth as a standalone solution, American Well builds its technology by collaborating with a range of stakeholder groups and partners, e.g., large payers and employers, prestigious academic medical institutions, renowned health systems, IDNs, huge technology companies, and medical boards and associations, in order to evolve alongside market needs and trends. One example is how the company is working alongside commercial payers to engage members around telehealth utilization and value, as well as to design and test “digital first” health programs that will guide individuals toward first-line digital care in certain care scenarios. This concept, “digital first,” will blend together an array of strategies, services, and technologies to position telehealth as an attractive and highly accessible starting point for triage and various disciplines of care delivery. Such programs will be positioned by participating payers as a new health insurance product, similar to an HMO, PPO, POS, and will require enrolled members to consult with (or where applicable, be treated by) digital providers on their way to consume (be referred to) additional healthcare services. As part of the experience, analytics will be leveraged to direct members to the most appropriate, cost-effective care settings. Answering market needs, this product will provide members with an easy-to-access, convenient, digital care experience that is lower cost than traditional care and is highly connected to traditional care services including in-network labs, imaging centers, urgent care centers, out-patient and inpatient settings. “Digital first” will also make available programs including population health (e.g. smoking cessation) or chronic condition

management (e.g. Diabetes) – all contextualized to the member identity, coverage and location.

Additionally, the company designs white-label solutions, and guided by its luminary partners, incorporates telehealth capabilities into their existing workflows — extending their reach, enhancing care, and deepening their relationship with consumers. At the same time, these organizations drive customer adoption by leveraging their brand name, hard-earned strong reputation, and patient trust, built over decades.

Likewise, through its close, effective collaborative partnerships, American Well continuously introduces uniquely mature digital products that expand healthcare access, lower costs, and improve healthcare quality. A key example of such high-impact collaborative work that is benefiting both providers and patients is American Well's integration with leading EHR vendors, Cerner and Epic. American Well is the embedded solution for Cerner and is a partner in the Epic AppOrchard. Beyond embedding telehealth video services within the EHR, The American Well C250 Telemedicine Cart, launched in August 2019, is the first cart to connect healthcare provider organizations to the American Well provider ecosystem as well as to their own providers, giving clients access to thousands of clinicians on demand. This versatile cart supports every workflow from patient triage to specialist consults and is designed to help organizations scale their telehealth program by bringing clinicians from various sources to a point of care.

Today, hundreds of US institutions run American Well's white-label turnkey solutions and services. Frost & Sullivan recognizes how its transparent, non-adversarial approach and close relationship with the organizations bringing healthcare to all Americans underpin the company's portfolio depth, success, and sustained leadership over the past decade.

Healthcare Services Reimagined

"We can see now how our platform's network effect is reinventing the way we deliver healthcare services. Healthcare can travel over technology into underserved areas. Parallel to how life changed when Amazon showed up; telehealth is transforming healthcare. Our powerful technology redistributes healthcare services capabilities to extend care access and health equity, whether challenged by geography, e.g., rural settings, resources, e.g., specialist shortages, or health, e.g., homebound."

—Schoenberg

In May 2016, American Well unveiled The Exchange, creating a far-reaching connected ecosystem where its partners, people, and organizations engage with one another to acquire and deliver live healthcare services online 24/7. As a result of heavy utilization, The Exchange became a central driving force and linchpin, foreshadowing telehealth's more prominent role in healthcare's future.

After its introduction, the Federation of State Medical Boards, which governs medical licensing, announced expedited accreditation for physicians in participating Interstate Medical Licensure Compact (IMLC) states in 2017. Through this pathway, qualified physicians submit one application to practice telehealth across state lines — currently 25 IMLC member states. While initially designed for physicians, now the compact also applies to nurses and other healthcare providers like physical therapy, expanding patients' access to healthcare professionals.

Over the last 2 years, American Well developed software packages, i.e., SDK, for iOS and Android operating systems, and has been supporting device manufacturers such as Cisco Systems and Apple with telehealth incorporation into their products and software ecosystems. As a remarkable example, Apple conducted a two-year heart study via the Apple Watch — the Apple Heart Study app. And Cisco is currently working transform the telehealth options currently available to elder patients by working to convert in-home television sets into American Well patient CarePoints for broad based, telehealth care delivery.

Tying these efforts back to The Exchange, a physician in the Cleveland Clinic turns on the system, automatically broadcasting its services through the ecosystem; hence, allowing live physician access to an Anthem member on its LiveHealth Online service.. Similarly, built-in heart rate (HR) sensors in the Apple Watch identify an arrhythmia, notify the user, and automatically connect the otherwise known healthy person to a live primary or urgent care physician from American Well. Around 84% of the people receiving irregular HR notifications were in atrial fibrillation, with 57% of those alerted seeking medical attention.⁵

An industry first, the company's partnership with Apple dabbles into wellness and prevention, leveraging innovative wearable technologies to monitor an otherwise healthy population and guide proactive interventions. This healthcare surveillance approach will have dramatic implications in years to come, potentially shaping healthcare's future.

The Countdown to January 2020: Expanded Medicare Telehealth Benefits

The Centers for Medicare and Medicaid Services (CMS) will extend virtual care access to Medicare Advantage patients starting January 1st, 2020, breaking down the most significant barrier to widespread adoption. As the single largest insurer in the US, CMS coverage will expand telehealth access to over 20 million people, mostly composed of adults aged 65 and older.

American Well worked with CMS in Washington and health plans and physician organizations running Medicare Advantage programs across the country to prepare for January 1st. While popular today, Frost & Sullivan expects that telehealth will increase exponentially. as the people having more to gain from the technology attain access. Telehealth is now transitioning from urgent and acute care and post-acute care services, e.g., abdominal pain, fever, rash, and recovery follow-ups, to chronic care management, e.g., cancer, renal failure, heart disease, and diabetes. The expectations are high, and the anticipated impact dramatic.

With its sights set on January 2020 and beyond, the company is developing newer intuitive capabilities to extend healthcare into the home to elderly and non-elderly patients in a way they can utilize the technologies. In addition to its partnership with Cisco to deliver healthcare services to the frail and homebound via home television sets, American Well is working with a broad range of retail, remote patient monitoring and technology players who share a common focus and commitment to change the wellbeing of patients without changing anything in their lives, a giant leap for value-based care. Theoretically, extending access, equity, affordability, and overall life quality for patients

⁵ <http://med.stanford.edu/news/all-news/2019/03/apple-heart-study-demonstrates-ability-of-wearable-technology.html>

will decisively move the needle on healthcare costs, as chronic diseases contribute about 90% of the \$3.3 trillion in annual health.⁶

Conclusion

Today, virtual care is a must-have solution in healthcare. Frost & Sullivan monitors how population changes, consumerization, digitization, new business models, the Internet of Things, and other major trends are driving a seismic shift in market needs and expectations for today's and tomorrow's healthcare services and solutions.

Frost & Sullivan applauds American Well's pioneering strategy and collaborative leadership, driving telehealth's next growth wave. A trusted and established innovator, the company's approach to healthcare delivery connects and engages all healthcare stakeholders through a single, comprehensive telehealth platform — software, hardware, and services — spanning the care continuum. An early entrant with a unique telehealth centric approach, American Well continues to expand its programs, services, and partners, making major strides in the telehealth services market and bolstering a successful move to value-based care delivery.

With its visionary leadership and unwavering commitment to extending access to high-quality care to people anywhere, American Well earns the 2019 Frost & Sullivan Company of the Year Award.

⁶ <https://www.cdc.gov/chronicdisease/about/costs/index.htm>

Significance of Company of the Year

To receive the Frost & Sullivan Company of the Year Award requires a market participant to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company's future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact.



Understanding Company of the Year

Driving demand, brand strength, and competitive differentiation all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation and Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation & Performance

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

Customer Impact

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> Conduct in-depth industry research Identify emerging sectors Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> Interview thought leaders and industry practitioners Assess candidates' fit with best-practice criteria Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> Confirm best-practice criteria Examine eligibility of all candidates Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> Brainstorm ranking options Invite multiple perspectives on candidates' performance Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> Share findings Strengthen cases for candidate eligibility Prioritize candidates 	Refined list of prioritized Award candidates
6 Conduct global industry review	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> Hold global team meeting to review all candidates Pressure-test fit with criteria Confirm inclusion of all eligible candidates 	Final list of eligible Award candidates, representing success stories worldwide
7 Perform quality check	Develop official Award consideration materials	<ul style="list-style-type: none"> Perform final performance benchmarking activities Write nominations Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> Review analysis with panel Build consensus Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> Present Award to the CEO Inspire the organization for continued success Celebrate the recipient's performance 	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 Take strategic action	Upon licensing, company able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> Coordinate media outreach Design a marketing plan Assess Award's role in future strategic planning 	Widespread awareness of recipient's Award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.