

# Teladoc expands Primary360 platform as telehealth use drops across the US

Article

**The news:** Teladoc expanded its virtual primary care platform (**Primary 360**) to give members better access to more convenient care.

- Primary360 members will now receive health plan in-network referrals, same-day medication delivery with digital pharmacy **Capsule**, and on-demand, at-home blood draws with Scarlet Health, per a press release.

**Why now?** The telehealth giant is likely trying to boost consumer retention and acquisition to recoup the record-high losses it reported earlier this year.

Teladoc reported a total net loss of \$6.6 billion in Q1 and a “goodwill impairment charge” of **\$6.6 billion**. Stakeholders allege they are now suffering “significant losses and damages” because of the charge.

- The company attributed its Q1 losses to high advertising costs and smaller competitors eating up market share.
- During Teladoc’s April earnings call, CEO Jason Gorevic attributed about three-quarters of the revenue outlook decrease to Teladoc’s BetterHelp business, which sucked in higher marketing spend but delivered lower-than-expected returns.

**The larger trend:** Telehealth use is declining overall, and that likely won’t change as the urgency around COVID-19 fades and states repeal pandemic-era virtual care policies.

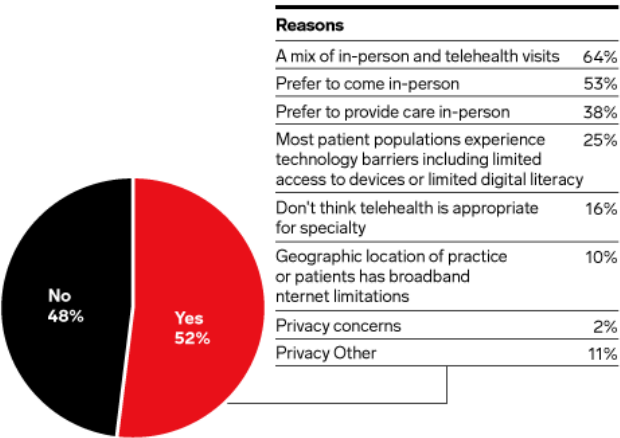
US adults’ **telehealth use (measured by medical claim lines) decreased 6.1% in March alone**, per nonprofit Fair Health. Researchers attributed the drop in telehealth use to the falling COVID-19 cases that month. That could have led more people to tap in-person healthcare visits.

And many states, like **Alabama** and **Illinois**, peeled back their pandemic-era telehealth policies. That means many out-of-state physicians will no longer be able to conduct telehealth visits without state-specific licenses.

- This could pose a staffing problem for telehealth vendors like Teladoc in certain states. Teladoc relies on its national network of physicians to offer virtual primary care to members across the US.

Why US Physicians' Use of Telehealth Has Decreased Since They First Offered Telehealth, Dec 2021

% of respondents in each group



Decrease in telehealth use

Note: physicians who have used telehealth n=1,705; physicians who have decreased used of telehealth n=879  
Source: American Medical Association (AMA), "2021 Telehealth Survey Report"; Insider Intelligence calculations, March 23, 2022