

## **Teladoc: NCQA Accreditation Up for Recertification; Teladoc Believes it Will be Recertified, But Former Employees Raise Concerns About Practices That Could Hurt Chances for Renewal**

The National Committee for Quality Assurance (NCQA) gives out various types of accreditation to health care providers and practices, health plans and other health care organizations.

The NCQA also has standards for how organizations ensure that medical professionals have proper credentials.

Teladoc (TDOC), a virtual healthcare services provider that gives patients the ability to consult with physicians through the internet, by phone or a mobile application, currently has an [accreditation](#) in credentialing by the NCQA, a designation which shows Teladoc complies with NCQA standards when it verifies practitioners' credentials and clears them to see patients.

Teladoc's accreditation expires on April 14, according to the NCQA's [website](#). The website was updated on March 15. Prior to the update, the website listed the credential expiration date as March 27.

Teladoc expects to be reaccredited in the normal course as it has since 2013, according to Courtney McLeod, Director of Communications at Teladoc.

McLeod added in an emailed statement, "Teladoc Health is committed to delivering high quality care: it's one of our core values. We have a thorough credentialing process with multiple layers of quality control, stand by the credentials of the physicians in our network, and have been certified by the NCQA since 2013. The NCQA is currently conducting its biennial recertification process and until that work is complete, we cannot release any further information."

Three former Teladoc employees *The Capitol Forum* interviewed raised concerns about whether Teladoc was complying with the NCQA's standards. If the former employees' concerns have merit and are uncovered by the NCQA during the recertification process, it could harm Teladoc's chances at reaccreditation.

The accreditation lasts for up to three years after the successful completion of an offsite and onsite process, according to Andy Reynolds, assistant vice president, external relations for the NCQA, who provided emailed responses to questions from *The Capitol Forum*.

The reaccreditation process is the same as the initial accreditation process detailed on the NCQA's [website](#), according to Reynolds. The one difference is the lookback period—the period of time

before the NCQA review for which the organization must meet the NCQA’s standards—is 24 months and not the shorter six-month period for initial accreditation, Reynolds said.

**Significance of the NCQA accreditation.** Companies consider NCQA accreditation in determining whether to work with other companies, Reynolds said.

NCQA accreditation “is frequently part of requests for proposals from contracting companies. Organizations that achieve the status are able to publicly demonstrate this achievement, which helps other companies with contracting decisions,” Reynolds said.

In SEC filings and press releases, Teladoc has discussed the importance of the NCQA credential. In a June 26, 2015 press [release](#) announcing that Teladoc had received reaccreditation from the NCQA, the company stated that the NCQA seal of approval “is a reliable indicator that an organization is well-managed and delivers high quality care and service.”

**Former employees raise concerns.** To receive NCQA accreditation, organizations need to verify practitioner credentials, review practitioner credentials and monitor sanctions and complaints made against practitioners, according to Reynolds.

The *Capitol Forum* interviewed three former Teladoc employees—all of whom were terminated or laid off by the company—who raised serious concerns about whether Teladoc was complying with the NCQA standards.

Two former employees, who spoke on the condition of anonymity due to concerns about retaliation from the company, said they each submitted an anonymous complaint to the NCQA detailing their concerns—one by phone and one online. The NCQA website urges anyone who suspects fraudulent activity to [report](#) it through a confidential reporting hotline system “by phone, email, online or fax.”

Neither source received any follow-up from the NCQA. It is unclear if the NCQA is considering the complaints in its decision to reaccredit Teladoc.

The NCQA declined to comment about any specific organizations.

A third source—who did not submit a complaint to the NCQA—corroborated the concerns raised by the two former employees who said they submitted anonymous complaints to the NCQA.

The “one must-pass element” of the CR accreditation credential, according to Reynolds is “Credentialing Verification.” He explained, “The element addresses verification of the practitioner’s current/valid license, DEA or CDS certificate [controlled substances prescribing permits], education and training, board certification, work history and history of liability claims. If

the results of this file review correlate to an element score lower than 50%, the organization may be denied accreditation in credentialing.”

It is not known whether the practices described by the former employees would cause Teladoc to score lower than 50 percent on this element.

**References to the NCQA credential removed from most recent annual filing.** In prior years, Teladoc has included information about the NCQA credential in the “Competitive Strengths” section of its annual filings, but in its most recent annual filing, the company removed all references to the NCQA credential.

For example, in the 2017 annual filing, the company stated, “High Quality Provider Network. We were the first to deliver nationwide access to board certified physicians 24 hours a day, seven days a week, 365 days a year and establish over 100 proprietary Evidence Based clinical guidelines specifically designed for the virtual delivery of care. In addition, we are the first telehealth company to have received certification by the National Committee for Quality Assurance, or the NCQA, an independent, not for profit, healthcare oriented organization founded in 1990 dedicated to improving healthcare quality and verifying adherence to national standards of excellence in the provision of healthcare for our physician credentialing processes. We have implemented the highest credentialing requirements resolutions and implemented ongoing quality review processes, ensuring quality interactions and outcomes.”

When asked why this language was removed from the 10-K, McLeod said the company removed the language because it is catering to a more global audience and the NCQA credential doesn’t necessarily resonate with a global audience.

In a [proxy statement](#) dated April 6, 2018, Teladoc stated that board member Helen Darling, who services on Teladoc’s Quality of Care and Patient Safety [committee](#), “participates on the Committee on Performance Measurement of the National Committee for Quality Assurance (co-chair for 10 years) . . .” Darling could not be reached for comment.

**Where to get an update from the NCQA on Teladoc’s status.** Reynolds declined to comment on when the on-site inspection for Teladoc would take place and how long on-site visits typically last.

Information about the Teladoc’s status will be listed on the company’s [report card](#), Reynolds said. “Depending on the circumstances at the time of the renewal survey outcome, the status could be listed as Denied or Revoked on our report card,” he added.

Discrete elements of the NCQA’s examination will not be listed publicly, according to Reynolds. “NCQA only posts information on an organization’s overall status for Accreditation in Credentialing.” In addition to a company’s overall status on the report card, the NCQA could also list a company’s status as “Under Review by NCQA, Under Corrective Action, Suspended or Revoked depending on the circumstances,” Reynolds said.

**If Teladoc loses its credential, could harm Teladoc’s business.** To be sure, Teladoc could likely continue to operate without the NCQA credential. However, Teladoc and the companies that do business with Teladoc view the NCQA credential and NCQA standards for how organizations ensure that medical professionals have proper credentials as important.

Aetna [contracts](#) with Teladoc to provide telehealth visits to Aetna members. A [September 2018](#) Aetna credentialing overview states, “Aetna shall maintain a network that will be credentialed and recertified consistent with the accrediting bodies of National Committee for Quality Assurance (NCQA)...”

Aetna did not respond to request for comment.

And the “General Representations and Obligations of Teladoc” section of a [Services Agreement](#) between Teladoc and the San Francisco Health Plan, states that “Teladoc warrants and represents that all administrative functions will be performed in compliance with applicable . . . NCQA standards . . .”

In addition, the “Revocation and Resumption of Administrative Functions” section of the contract allows the San Francisco Health Plan to revoke the administrative functions if they were not being performed in accordance with NCQA regulations and “in the event of revocation of some or all Administrative Functions . . .” the San Francisco Health Plan reserved the right to adjust Teladoc’s Per Member Per Month Payment.