

## Teladoc: Potential Outcomes and Consequences of NCQA Reaccreditation Request

Teladoc's (TDOC) NCQA accreditation is currently set to expire on May 14, according to NCQA's website. NCQA will either render a final decision on the company's reaccreditation request by that date or extend the expiration date. NCQA may also list a status as under review, under corrective action, suspended, or revoked, according to a March 8 emailed statement from Andy Reynolds, VP of External Relations at NCQA.

In response to a question about NCQA on the company's most recent earnings call, Teladoc CEO Jason Gorevic said "I'd start by saying we've got a good relationship with NCQA. We've been first certified and then accredited for years dating back to 2013. We are in the middle of this process. There's been much, I would say, ado about nothing with respect to the date moving by 2 weeks. That's just part of the process as they go through their review process. We're highly respectful of that process, and we expect . . . to be reaccredited."

*The Capitol Forum* interviewed two former NCQA employees who have served as surveyors for accreditation reviews, and a third source who works with managed care companies and is familiar with NCQA's accreditation process. All of the sources provided insight into NCQA's evaluation procedures and potential outcomes. None of the sources have any direct knowledge of Teladoc's current NCQA review process.

*The Capitol Forum* also interviewed a separate source who is familiar with NCQA's on-site visit of Teladoc. Teladoc did not respond to request for comment about the potential outcomes of its NCQA accreditation request.

### NCQA Site Visit

NCQA arrived earlier than scheduled for its reaccreditation survey in March, according to the source familiar with the matter.

NCQA's manual states that NCQA may conduct an unannounced survey in response to a receipt of a complaint or allegation of fraud or misconduct. *The Capitol Forum* [previously wrote](#) about two former Teladoc employees submitting anonymous complaints to NCQA.

The two NCQA auditors who appeared for the on-site visit prohibited credentialing department employees from accessing the file room and provider files for the duration of the visit, the source said.

## **Potential Outcomes of NCQA Accreditation and Implications**

**Renewal.** A renewal of Teladoc’s NCQA status maintains the status quo. The company was first accredited in June of 2013 and has subsequently been recertified by NCQA.

Teladoc’s accreditation could be renewed for either two or three years. The duration of the extension depends on how well NCQA determines Teladoc is performing verification and monitoring of practitioner credentials. Accreditation status is awarded for three years to organizations that meet the highest requirements and for two years to those companies that meet basic requirements, according to NCQA’s manual.

**Renewal with Corrective Action Plan.** When a company is placed on a corrective action plan, it is required to submit a proposal to NCQA that addresses the deficiencies found during the review, one former NCQA employee said.

According to that source, NCQA will conduct site visits to ensure that the company is complying with the corrective action plan. If NCQA is satisfied that the company is complying with the corrective action plan, the company will be removed from the corrective action plan. If NCQA finds that the company is not complying with the corrective action plan, NCQA can deny accreditation.

In the opinion of the source who works with managed care companies, health plans would be concerned about an NCQA imposed corrective action plan. The health plans could start asking questions about why a company is put on a corrective action plan.

One of the former NCQA employees previously told *The Capitol Forum* anything short of an unencumbered recertification could raise red flags for third parties that do business with an entity accredited by NCQA. “If I have a delegate that doesn’t get recertified when they are supposed to, I’d be asking questions,” that source said.

**Denial.** If Teladoc’s accreditation is denied, the company may not be able to reapply for accreditation until one year from the date of the denial, according to Reynolds. However, NCQA does grant requests for reaccreditation in less than a year in specific circumstances, Reynolds added.

*The Capitol Forum* has [previously written](#) about the weight some entities that do business with Teladoc place on NCQA accreditation.

On the most recent earnings call, Gorevic said that Teladoc had reached an agreement with United Healthcare to “expand to a much larger population.”

United's [2019-2021 Credentialing Plan](#) states that United undertakes a more comprehensive review of non-NCQA accredited entities before entering into credentialing delegation agreements than it does for NCQA accredited entities. Non-NCQA accredited entities may also require more oversight than NCQA accredited entities during reviews, according to the plan.

"If the delegated telehealth company is not accredited, someone has to credential those practitioners," the source that works with managed care plans said. "No health plan wants to perform that credentialing themselves, as it is additional administrative overhead, and everyone is trying to be administratively leaner."

"To depend on an unaccredited company to continue to credential practitioners by NCQA requirements is high risk, as delegated files have the potential to be reviewed under the health plan's accreditation process," the source continued, explaining that health plans are subjected to their own accreditation requirements. "Why keep a company that loses accreditation when you can go out and engage another telehealth company that is NCQA-accredited and decrease risk and avoid overhead?"

Teladoc competitors MDLive, Doctors on Demand, American Well and MeMD all have NCQA accreditation in credentialing.

**Switching between Telemedicine providers may not be burdensome.** American Electric Power, which self-insures its employees and provides a telemedicine offering in [select plans](#), switched from Teladoc to LiveHealth Online in January 2018, according to an emailed statement from a spokesperson for American Electric Power.

The switch was "generally easy," the spokesperson said, adding that the company "sent letters to anyone who had used Teladoc in the last year letting them know about the change, which helped with the transition."

### **Extension of Expiration Dates**

Teladoc's NCQA accreditation was initially set to expire on March 27, but the expiration date was pushed back three times. A spokesperson for NCQA said that one of the extensions was due to a clerical error inside NCQA.

One former NCQA employee stated that in their experience, they had never seen a company get so many extensions. "If everything was being performed in accordance with NCQA standards, the accreditation should be renewed fairly easily and quickly," the source said.

The other former NCQA employee source said that repeated extensions to NCQA accreditation expiration dates are “somewhat unusual but may occur if there are scheduling problems or credible unavoidable delays for either party in completing the steps necessary to perform a survey or reach an outcome decision.”

Speaking generally about their own experience in the industry and not about the current process involving Teladoc, the third source who is familiar with NCQA procedures and works with managed care organizations said, “What is happening is that there are events going on behind the scenes that can delay the decision. I’ve seen situations where there has been feedback from the organization about rectifying some issues or they had to review some files over again or where they are trying to do everything behind the scenes before they issue a final status. So, in those cases, where it’s up in the air whether the organization is accredited or not accredited, you’ll see this delay of a decision.”

This source said that in their experience, most of the time the organization does end up receiving accreditation.