



February 3, 2014

The Honorable Laurie Monnes Anderson
Chair, Senate Committee on Health Care and Human Services
State Capital
Salem, Oregon

Re: SB 1560, Parity for telemedical services

Dear Chair Monnes Anderson and Members of the Committee:

Providence Health & Services is actively pursuing innovative ways to improve health care access and affordability in the communities we serve. Telemedical services are an important part of this strategy and, to that end, we supported SB 24 passed in 2009 requiring insurers to cover and pay for telemedical services. While we do support coverage, we do not support mandated payment parity for telemedical services, as outlined in the proposed SB 1560.

While we are encouraged by recent discussions about amendments that allow feedback from a broad group of stakeholders, it is unlikely an interim work group would address any of our fundamental concerns. A reimbursement mandate, like the one proposed in SB 1560, removes any opportunity for providers and insurers to collaborate around new and innovative reimbursement models. This is particularly concerning for providers like Providence who are looking to technology as a tool for increasing affordability, not increasing cost.

This policy is particularly inconsistent with the new clinical and reimbursement models spurred by federal and state reform. Providence would request that the committee consider the:

- Need for continued alignment with health care transformation and the Triple Aim. If our objective is to shift away from fee-for-service payment models toward greater risk-sharing and incentivizing outcomes, mandated payment rates are both unnecessary and counter-productive.
- Unique resource-use characteristics of many telemedical services; in some cases the cost structure for these services is not the same as service provided in-person.
- Patient's experience and that "virtual" primary care is only one of many medical home tools that should coincide with broader patient engagement strategies proven to increase the effectiveness of preventive care.
- Potential impact on patient safety, which remain our focus. As we continue to invest resources in telemedical services and new models of care, a dialog that identifies safe, affordable and effective strategies is necessary.

Providence looks forward to working with legislative leaders, along with our hospital and health plan colleagues, around this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dave Underriner".

Dave Underriner
Chief executive
Providence Health & Services – Oregon