



DATE: January 29, 2019

TO: Chairman Mitch Greenlick and Members of the House Health Committee, Oregon

FROM: Claudia Duck Tucker, Vice President Government Affairs, Teladoc Health

RE: Oregon HB 2693

Thank you for the opportunity to comment on HB 2693 regarding reimbursement for telehealth services. I am the Vice President of Government Affairs for Teladoc Health and in that capacity have responsibility for all legislative and regulatory affairs in all fifty states and for our work in the U.S. Congress. I have enjoyed working with the state legislatures to help them craft telemedicine legislation meets the needs of their citizens while ensuring that patient safety is front and center. Teladoc Health is the world's largest telemedicine company, delivering on-demand healthcare anytime, anywhere, via mobile devices, a web-based portal, video and interactive audio. We are operational in all fifty states and over 124 countries. We connect our U.S. enrollees with our network of more than 3,100 board-certified physicians and mental health providers with an average of 15 years of physician experience. These physicians treat a wide range of conditions such as upper respiratory infection, urinary tract infection, influenza and sinusitis. We have expanded our general medical practice to now include dermatology, smoking cessation and behavioral health. With the acquisition of Best Doctors, a Boston-based company, this completely changed the scope of Teladoc Health. We now cover not just non-emergent illnesses but the most complex of conditions that could require a second opinion from some of the best physicians in the world. More than 24 million enrollees now benefit from access to Teladoc Health 24 hours a day, seven days a week, 365 days a year. In 2018, Teladoc Health completed over 2 million virtual visits. With more than 100 proprietary clinical guidelines, NCQA certification and HITRUST certification, nothing is more important to Teladoc Health than quality health care.

I wish that I could be there in person for the hearing, but weather-related difficulties made travel problematic. However, I wanted to share with you some of the information that we have regarding the subject of reimbursement for telemedicine. Although commonly referred to as "reimbursement parity," the issue of reimbursement for telemedicine requires closer examination. Teladoc Health has not traditionally been involved in reimbursement issues. However, that changed when we saw a trend that though well intended, had the unintended consequence of creating an artificial payment system which would mandate that all telemedicine consultations be reimbursed at the same rate as an in-person visit. Teladoc Health does not oppose reimbursement language as long as it stays within the confines of the payer provider contractual relationship. Oregon has taken a unique approach in the 80% requirement mandate for general medical and the 90% requirement rate for behavioral health.

Telemedicine is one of the sharpest tools in the toolbox of employers looking to increase access to quality healthcare while reducing healthcare costs to the employees and it is a much-appreciated benefit to the patients of Oregon who are looking for a safe and convenient way to access quality healthcare. An average telemedicine visit with Teladoc Health is \$45; an average in-person office visit is \$141, and the average cost of an ER visit for a non-emergent illness is \$2,561. As much as all of us would like for every person in the United States to have a primary care physician, that is not the case. Approximately 40% of Americans do not have a PCP, and in the younger demographic that number is even higher. According to the National Center for Health Statistics, approximately 80% of ER visits are due to lack of access to other healthcare providers – in other words the patient is using the ER as a doctor's office for non-emergent care. Access and convenience are the leading reasons for the use of telemedicine.

If passed, HB 2693 will significantly impact the savings that Oregon patients and employers currently enjoy with a telemedicine benefit and will instead create a mandatory reimbursement system that does nothing to increase access to quality healthcare but instead will force Oregon patients to pay more and require some physicians to accept more reimbursement than they were willing to charge. In fact, in the preamble of the bill the author accurately states “Whereas quality telemedicine services may be provided at a lower cost than health services delivered in person due to a reduced need for capital and lower overhead and staffing costs...”

That is a very true statement and one of the main reasons that over 90% of large employers across the country now have a telemedicine benefit available to their employees. In order to protect the savings for all Oregonians, Teladoc Health respectfully requests the following amendments:

OPTION 1: Section 3, strike (a) and (b) and insert the following:
(3) Health services covered in accordance with subsection (2) of this section may be reimbursed in an amount equal to the negotiated reimbursement rate between the provider and the health benefit plan

OPTION 2: After Section 3 (b), add the following as (c):
(c) “Provided however that this section shall not force a healthcare provider to accept more reimbursement than he/she is willing to charge.”

We also urge that the committee analyze the unintended consequences of H2693 and instead of initiating a one-size-fits-all approach for telemedicine reimbursement, consider an approach that does pay physicians for providing a service while allowing technology to help increase access and decrease costs. In other words, allow the current contractual relationships between provider and payer to determine the appropriate reimbursement while **requiring** the coverage of telemedicine. Teladoc Health would welcome the opportunity to assist the committee if needed. Thank you for your time.