Esteemed Legislators and Guests,

Thank you for inviting me to address your committee. My name is Rebecca Madison. I am the Executive Director of the Alaska eHealth Network and am on the Executive board of the Alaska Telemedicine and Telehealth Collaborative. Both are non-profit organizations dedicated to decreasing healthcare costs through effective use of technologies. I also served as chairman of the Alaska Federal Healthcare Access Network for 9 years as that group developed telemedicine technology for the Alaska Native health system.

I would like to speak to the strong need for telemedicine, prescription drug monitoring, and health information exchange as they apply to Medicaid Reform starting with some real world examples from other states.

- Mississippi implemented a home based telemedicine program directed at diabetes and other chronic conditions. The program saved Mississippi Medicaid $189 million in its first year and was so successful that Texas has begun implementation of the same program in Austin.
- Maine showed a cost savings of $2 million dollars in one 60 day period for 162 patients by using telemedicine for patient follow up, thus reducing hospital re-admissions.
- New Mexico implemented a hospital-level care program in patient homes. Patients showed comparable or better clinical outcomes and the program achieved savings of 19% over costs for similar in-patients. Cost savings came through less time in the hospital and fewer tests performed.
- A study in Michigan showed a 59% and 67% reduction in CT scans and chest x-rays respectively, when providers used health information exchange services to review radiology results.

And savings aren't just to Medicaid. Departments of Justice and Corrections also have shown significant savings:

- The University of Texas Medical Branch conducted over 250,000 telemedicine consultations with prison inmates at a net savings to taxpayers of $780 million dollars.
- The Colorado Department of Corrections reported savings of $450 per telemedicine intervention, about $100,000 per year through transportation and security cost reductions.

In our own state of Alaska, Providence Health and Services provides eICU services to Critical Access Hospitals statewide keeping patients and families in their communities.

You also heard from Stewart Ferguson on the Tribal Health system travel savings and the impact on wait times.

SCL Health, a private corporation with services in Montana, Colorado and Kansas saw a combined savings across all payors of $226.7 million by implementing clinician to clinician specialty consults, clinician to patient virtual visits and consumer mobile self-tracking services.

Telemedicine, opioid monitoring and health information exchange without a doubt are definitely becoming mainstream and are no longer specialized projects. One major issue is that much of this data was silo'ed in the past and required providers to sign into many different systems to get the information they needed. This silo'ing of data systems means that many providers don't use the systems because

they don't have time or knowledge to search through multiple databases for all the patient data they need.

In Alaska, we can now leverage the health information exchange infrastructure to provide a single point of entry into health data from many systems – from electronic health records, to telemedicine systems, to drug databases and a host of other services. This single point of entry can further streamline and produce savings to both Medicaid and providers statewide.

Cost savings are accomplished through healthier patients. By putting data in the hands of providers and, yes, also in the hands of patients, we can ensure a healthier population. It takes a team of payers, providers and patients to lower healthcare costs.

Of course, there is also a significant impact on patients and patient care, particularly those patients with chronic conditions, which we could also discuss at length. But in light of our current fiscal situation, I felt it is important today to stress the financial impact which coordinated access to telehealth and other healthcare data has on the healthcare system in general and Medicaid, in particular. We must stem the rising cost of healthcare. We have the systems and the will to do so. Medicaid reform can leverage these systems, in place today, to give all Alaskans an opportunity to receive better care at a lower cost.

Thank you.

References:

http://www.healthcare-informatics.com/article/telehealth-s-maine-supporters

http://telehealth.utmb.edu/presentations/The%20Telehealth%20Promise-Better%20Health%20Care%20and%20Cost%20Savings%20for%20the%2021st%20Century.pdf

http://hsc.unm.edu/community/telehealth/common/docs/benefit-cost-analysis-article.pdf

http://www.americantelemed.org/docs/default-source/policy/examples-of-research-outcomes---telemedicine's-impact-on-healthcare-cost-and-quality.pdf

http://www.radiologybusiness.com/topics/healthcare-economics/study-finds-hie-reduces-duplicate-imaging-provides-cost-savings

Northwest Regional Telehealth Resource Center Conference March 2016, presentation by Peter Kung, System VP, SCL Health, "Virtual Health: The Rise of the Consumer and Strategies for Health Systems"

Northwest Regional Telehealth Resource Center Conference March 2016, presentation by Kristi Henderson, VP, Virtual Care & Innovation, Seton Healthcare Family, "Virtual Care: Building a Sustainable Model with Real Impact"