ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE
February 14, 2020
1:32 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator Cathy Giessel
Senator Mike Shower
Senator Tom Begich

MEMBERS ABSENT

Senator Natasha von Imhof, Vice Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 29
"An Act relating to insurance coverage for benefits provided through telehealth; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 29
SHORT TITLE: INSURANCE COVERAGE FOR TELEHEALTH
SPONSOR(s): REPRESENTATIVE(s) SPOHNHOLZ

02/20/19	(H)	PREFILE RELEASED 1/11/19
02/20/19	(H)	READ THE FIRST TIME - REFERRALS
02/20/19	(H)	HSS, L&C
03/26/19	(H)	HSS AT 3:00 PM CAPITOL 106
03/26/19	(H)	Heard & Held
03/26/19	(H)	MINUTE(HSS)
03/28/19	(H)	HSS AT 3:00 PM CAPITOL 106
03/28/19	(H)	Moved HB 29 Out of Committee
03/28/19	(H)	MINUTE(HSS)
03/29/19	(H)	HSS RPT 3DP 1NR
03/29/19	(H)	DP: CLAMAN, DRUMMOND, SPOHNHOLZ
03/29/19	(H)	NR: PRUITT
04/12/19	(H)	L&C AT 3:15 PM BARNES 124
04/12/19	(H)	-- MEETING CANCELED --
04/15/19	(H)	L&C AT 3:15 PM BARNES 124
04/15/19	(H)	Scheduled but Not Heard

04/24/19	(H)	L&C AT 3:15 PM BARNES 124
04/24/19	(H)	Heard & Held
04/24/19	(H)	MINUTE(L&C)
04/26/19	(H)	L&C AT 3:15 PM BARNES 124
04/26/19	(H)	<Bill Hearing Canceled>
04/29/19	(H)	L&C AT 3:15 PM BARNES 124
04/29/19	(H)	Moved HB 29 Out of Committee
04/29/19	(H)	MINUTE(L&C)
04/30/19	(H)	L&C RPT 5DP 2NR
04/30/19	(H)	DP: HANNAN, STUTES, FIELDS, WOOL, LEDOUX
04/30/19	(H)	NR: REVAK, TALERICO
05/07/19	(H)	TRANSMITTED TO (S)
05/07/19	(H)	VERSION: HB 29
05/08/19	(S)	READ THE FIRST TIME - REFERRALS
05/08/19	(S)	HSS
02/14/20	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE IVY SPOHNHOLZ
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: HB 29 Sponsor.

KASEY CASORT, Intern
Representative Ivy Spohnholz
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided an overview of HB 29.

SARAH BAILEY, Supervisor
Life and Health Section
Division of Insurance
Department of Commerce, Community and Economic Development
Juneau, Alaska
POSITION STATEMENT: Answered questions about HB 29.

VICTORIA KNAPP, Chief Operations Officer
Mat-Su Health Services
Wasilla, Alaska
POSITION STATEMENT: Testified in support of HB 29.

STEWART FERGUSON, Ph.D., Chief Information Officer
Alaska Native Tribal Health Consortium
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HB 29.

ANITA HALTERMAN, President
Alaska Collaborative for Telehealth and Telemedicine (AKCTT)
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HB 29.

CLAUDIA TUCKER, Vice President
Government Affairs
Teladoc Health
Greenwich, Connecticut
POSITION STATEMENT: Testified in support of HB 29.

ACTION NARRATIVE

1:32:07 PM
CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Giessel, Begich, and Chair Wilson. Senator Shower arrived shortly thereafter.

HB 29-INSURANCE COVERAGE FOR TELEHEALTH

1:32:37 PM
CHAIR WILSON announced the consideration of HOUSE BILL NO. 29, "An Act relating to insurance coverage for benefits provided through telehealth; and providing for an effective date."

He stated his intent to hear an initial overview, a sectional analysis, and invited and public testimony. He called Representative Spohnholz and her staff to the table.

1:33:18 PM
REPRESENTATIVE IVY SPOHNHOLZ, Alaska State Legislature, Juneau, Alaska, HB 29 sponsor, said this bill is about increasing access to care and reducing the cost of health care for Alaskans by requiring insurers to cover telehealth in the state of Alaska. Access to telehealth with Medicaid was one of the core elements of Senate Bill 74, the Medicaid reform bill that passed in 2016, and is provided by and covered by Alaska's tribal health system. It has been so effective in those markets that it should be expanded to the private insurance market also.

REPRESENTATIVE SPOHNHOLZ explained that telehealth services are important to increase access to health care in rural Alaska, to address behavioral health issues, to support health care transformation in the state of Alaska, and to reduce unnecessary

travel. That means Alaskans will have access to health care even if there is no provider of that health care in their community. This is particularly important in rural Alaska and for the substance abuse and behavioral health crisis. HB 29 supports a hub and spoke model of health care delivery in which primary care can be provided in a community and other providers can be consulted via telehealth. Improving access can reduce unnecessary emergency room (ER) visits. New technologies allow providers to take temperatures and do other things via telehealth. A telehealth provider could look at a wound to help decide if it is serious enough to go to the emergency room or whether a butterfly bandage could be used on the wound overnight until getting stitches the next day.

REPRESENTATIVE SPOHNHOLZ said the Alaska Native Tribal Health Consortium quantified the cost savings for its use of telehealth at $12.4 million in FY 2019. In over eight years, $70 million has been saved in unnecessary travel and unnecessary care with telehealth. She wants to bring that innovation to the private market. Expanding access to telehealth is also important for transforming the health care system. Lori Wing-Heier, Director of Division of Insurance, calls the future of the hospital virtual. Some health care providers, even in urban Alaska, are encouraging people with communicable diseases to stay home and get their health care via telehealth. A telehealth visit is easier and better for people who have the flu, for example.

REPRESENTATIVE SPOHNHOLZ shared that for all the reasons that she described, there is a broad range of support for HB 29. HB 29 is supported by health care providers including Orion Health, Mat-Su Health Services, Teladoc, Dr. Jill Gaskill, Medical Park Family Practice; insurers like Moda Health; and organizations like the Alaska State Hospital and Nursing Home Association, the Alaska Native Health Board, Mind Matters Research, the Alaska Commission on Aging, the Mat-Su Health Foundation, and AARP.

1:38:07 PM
KASEY CASORT, Intern, Representative Ivy Spohnholz, Alaska State Legislature, Juneau, Alaska, said Alaska faces unique challenges with accessing health care, including geography and limited transportation infrastructure. Alaska has some of the highest health care costs in the country because patients often have to travel to access care, especially because Alaska's small population means there are fewer providers and even fewer specialists in its communities.

MS. CASORT reviewed slide 2, How Does Telehealth Work:

Interactive: a patient and provider connect through a secure video or audio call. This is often used for behavioral health services and is especially helpful for patients with limited mobility, like the elderly or Alaskans living with disabilities.

Store-and-forward: the provider sends images, sounds, or pre-recorded video to a patient or other provider for analysis. This can be used to get expert opinions.

Self-monitoring: patients record their symptoms for remote monitoring. This is particularly helpful for high-risk patients, such as someone who no longer needs hospitalization but needs monitoring.

MS. CASORT said that according to the Department of Health and Social Services (DHSS) FY 2019 annual Medicaid reform report, the top diagnoses and conditions treated via telehealth last year were behavioral health followed by injuries, poisonings, and ear infections.

MS. CASORT said telehealth is being used all over the state, especially within the tribal health system. Nontribal health systems have also been adopting telehealth. Over a decade ago, Providence became Alaska's base hospital offering telehealth-based stroke assessments statewide. Its web-based system can connect neurologists with distant stroke patients 24 hours a day. Providence has submitted a letter of support for HB 29. Telehealth is on the rise because it works and is a huge cost saver. Although most providers, unfortunately, do not track their cost savings associated with telehealth, a study by the Alaska Native Tribal Health Consortium found that telehealth averted the need for travel in 40 percent of cases and that number increases to 75 percent when patients are seeing specialists. She reviewed slide 3, and said the same study found that 65 percent of patients were seen the same day and half of patients are seen within an hour.

MS. CASORT reviewed slide 5, Benefits of Telehealth:

- Saves on health care travel costs
- Faster access to critical provider and specialists
- Better access to health care in rural, remote, and urban areas
- Allow contagious patients to stay home and still get care

- Better, faster access means a potential reduction in suicides, domestic violence, and other serious events
- Improves training and support for home caregivers
- Zero impact on the state budget

1:41:42 PM

MS. CASORT said some providers are reluctant to invest in telehealth technology because not all insurers reimburse for telehealth health services. There is a disparity between public and private access to telehealth because Medicaid does cover telehealth services, but private insurers do not consistently cover these services. That is where HB 29 comes in.

She reviewed slide 6, Purpose of HB 29. She said the bill will increase access to health care, allow patients to see their primary care physicians, and decrease the cost of travel for health care.

MS. CASORT gave the following sectional analysis on slides 6-9:

> Section 1:
> An insurer in the state of Alaska that offers health care insurance plans in the group or individual market will provide coverage for benefits delivered via telehealth by a licensed provider without the requirement of an initial in-person meeting
>
> Section 2:
> Health care insurer and telehealth are added to AS 21.42.422.
> Telehealth has the same definition in AS 47.05.270(e). "The practice of health care delivery, evaluation, diagnosis, consultation, or treatment, using the transfer of health care data through audio, visual, or data communications, performed over two or more locations."
>
> Sections 3 and 4:
> Effective July 1, 2020.

MS. CASORT shared that she has received no verbal or written opposition for HB 29. She has spoken to the largest insurers in Alaska and none have expressed opposition. In fact, Moda Health has submitted a letter of support. As Representative Spohnholz mentioned, this bill has broad support from health care providers, insurers, and health care organizations.

1:44:11 PM

SENATOR BEGICH asked how the bill accounts for meeting HIPAA (Health Insurance Portability and Accountability Act) requirements.

MS. CASORT explained that all providers of telehealth in Alaska must be licensed in Alaska and must be registered with the telehealth business registry. In order to do that, providers must use HIPAA-approved telemedicine technology, which includes video conferencing or instant messaging or email-type services. Providers encrypt their data and monitor for data breaches to receive a certification for being HIPAA-compliant. Services that are not HIPAA-compliant are not legally allowed.

SENATOR BEGICH pointed out that people may find telehealth technologies difficult to access or utilize, perhaps because of education or skillset. There are areas in Alaska with low bandwidth. He asked if the bill takes that disparity into account. He is not in opposition to the bill. He is just wondering if the bill looks at that issue.

REPRESENTATIVE SPOHNHOLZ replied the bill does not address access in terms of the underlying technology. It allows for reimbursement for services provided via telehealth. There are a variety of efforts now to improve access to broadband in rural Alaska. The technologies are evolving quickly. The number of HIPAA-compliant software has expanded significantly in the last few years. Many of the companies that have done videoconferencing for businesses are expanding into telemedicine because it is such a significant market. Every American needs health care. Telemedicine is the future, so the market will provide some of those solutions. There are also governmental efforts to deal with the issues he raised.

SENATOR BEGICH asked if the insurance industry would support the bill.

MS. CASORT responded that industry representatives she has spoken to expressed either neutrality or support.

SENATOR BEGICH said he hopes that telehealth will be part of the developing coronavirus plan. It ought to be, considering the issue of quarantine and an invasive virus.

1:47:59 PM

SENATOR SHOWER spoke about the problems of identity theft and how that applies to health care data. He asked about the process to prove who is at the other end of the line.

REPRESENTATIVE SPOHNHOLZ responded that all providers delivering health care through telemedicine are required to use HIPAA-compliant software, which is designed to protect someone's identity and any information. There is always the risk of breech. The technology is evolving constantly and so are the hackers. It is a valid concern, but the ability to protect people's privacy with technology is growing. The tribal health system has been providing health care through telehealth for many years, as have other providers. The whole impetus of the bill originated after she was elected to the legislature. She called her health care provider in Anchorage to schedule a telehealth visit and her provider said that could not be done because it was not covered by her insurance. She learned that not only was it not covered by her insurance, which is no longer the case, but she also learned a lot about the technology required to ensure privacy. Her health care provider did not have that software to deliver that service, so it was a two-part problem.

SENATOR SHOWER said he wondered how the identity of the person who calls the health provider would be verified. He assumes there are protocols to identify someone's identity.

1:51:57 PM
CHAIR WILSON said the presentation referred to three types of telehealth services. He knows that tribal health, and some behavioral health, visits are interactive. Patients go to a provider for a consult and the provider verifies the identity of someone in person. The state has a service through Teladoc with a two-step identification process for due diligence. Companies do take steps to try to avoid someone falsely claiming to be someone else. He said he knows a company that does a biometric scan through a phone for telemedicine. Someone with identification data for another person could pose as that person, which is alarming. It is hard to get companies to invest in things like biometric scans for validation purposes.

SENATOR SHOWER stated that he is cautious about forcing the private market to do things that are not appropriate. He noted that Representative Spohnholz made a comment that not everyone wants to do this. He asked if there are any companies who do not want to do this but are being forced to. He said HB 29 sounds good in terms of saving money and access, but he is trying to

think of a potential catch and whether the legislature is overstepping its bounds.

REPRESENTATIVE SPOHNHOLZ answered that insurance companies are beginning to provide the service, but there is unequal coverage. Health care providers are reticent to make investments in the necessary infrastructure, particularly the HIPAA-compliant software or any other electronic equipment, if the companies can't be sure that they can recoup their investments when providing these services. This bill is about creating the clarity for the insurance providers that the state does want them to cover this service in Alaska. This is an access and equity issue. People in the private market should have the same access to low-cost, quality health care services that those covered by Medicaid. The other piece is predictability in the market for health care providers. Providers need to know what will be covered and what will not be covered. The legislature made a huge policy call when it allowed coverage for telehealth for behavioral health. Then that coverage was expanded for all health care services. That was largely within Medicaid. The bill says the legislature now wants to expand that to everyone else so health care providers in the private market can make the investments in the kinds of equipment and HIPAA-compliant software needed to provide telehealth, since the investment can be recouped.

1:57:06 PM
CHAIR WILSON said his interpretation of Senator Shower's question was whether asking providers to make this infrastructure investment could increase costs for consumers.

SENATOR SHOWER agreed; there is a cost attached even if it does not cost the state.

REPRESENTATIVE SPOHNHOLZ replied that health care providers are being asked to make investments but need certainty about compensation to recoup the capital cost. The cost that Senator Showers is referring to is for insurance companies. She has tried to illustrate the significant savings from reducing unnecessary travel. The Alaska Native Tribal Health Consortium estimates it saved the state of Alaska $12.4 million in FY 2019 as a result of using telehealth and $70 million over the last eight years. For people in Senator Shower's district, people could use their phones and HIPAA-compliant software to have a wound looked at when considering whether a long drive to Mat-Su Regional from Talkeetna is necessary at 10 p.m. She has been in that situation. She was in Talkeetna with her husband, wondering

whether he needed to go to a hospital. Alaska spends a lot of money on travel expenses for health care. The state of Alaska has saved a lot of money with telehealth in the public sector. That should be extended to those in the private market as well.

1:59:39 PM
SENATOR BEGICH pointed out that that could be a savings for the insurance industry because the costs of covered services would be less. That lowers the burden on insurance companies and should increase profit margins, which might lead to lower costs in the long run for the consumer. Legislators are always concerned that if the legislature mandate something it could end up costing more. In this case, legislators could be mandating something that will profit the insurance industry, the patient, and the state.

REPRESENTATIVE SPOHNHOLZ added that Moda Health submitted a letter of support. The cost of medical travel is expensive. Just to eliminate a couple of medevacs a year will save significant money. One medevac can cost $100,000 in Alaska. Just eliminating a few of those would pay for the bottom line for an insurance company and individual Alaskans.

CHAIR WILSON shared that when he was getting his MBA in health services administration, the Medicaid cost of travel to the state was just above $50 million. When he graduated, it was $56 million. Now, the state is approaching almost $70 million a year for Medicaid travel.

2:01:42 PM
SENATOR GIESSEL said she views this from the perspective of a private health care provider and an advocate for the state budget. Her questions are only to highlight challenges, not to disparage the good the sponsor is trying to accomplish. She agreed that the points on slide 5 about the benefits of telehealth are spot on, except she would argue that the last point, the zero impact on the state budget, may not be 100 percent true.

SENATOR GIESSEL said that questions have revolved around the infrastructure that providers will need, HIPAA-compliant communications tools. There are providers who are reluctant to even invest in electronic medical records. This is much like an investment in the North Slope with drilling a well and cash flow. Digging a well takes money and then it takes of several years to make a profit. The same applies for investment in this kind of infrastructure. While it may not be a direct cost to the

state, it is a cost to the private provider. When legislators initially talked about authorizing telehealth in Alaska, one of the caveats was that the provider providing that health care without being in contact with the patient must transmit a record of that visit to the primary health care provider, who may not be the person providing the telehealth visit. She wants to make sure that is not being eroded.

SENATOR GIESSEL said she interprets Representative Spohnholz's reference to Teladoc as Alaska hire. That was a discussion when legislators talked about telehealth. Teladoc is a Lower 48 organization with Lower 48 providers of various certifications. She asked if these providers were eroding Alaska hire and access to Alaska physicians and other health care providers. She agreed with Representative Spohnholz about the Alaska Native Tribal Health Consortium. It has done phenomenal work with telehealth for many years. Although she acknowledged the ANTHC has had those savings, it is also a closed system that is federally funded. About eight years ago she took a health care provider from Greenland to various facilities around Anchorage. He observed that Alaska has three health care systems, each with different rules: the private health care system, Medicaid, and Native health. She is not sure the ANTHC system will translate to the state.

SENATOR GIESSEL then referred to the 80th percentile rule. She related that she introduced a bill to change that rule, working with the Division of Insurance. Her question is how the 80th percentile rule will impact reimbursement if the telehealth provider is outside of the network and will that help costs. Also, Alaska Retirement and Benefits pays at the 90th percentile. That is a little known fact that is not fully appreciated, so the state of Alaska pays a little more.

SENATOR GIESSEL said it is hard to diagnosis an ear infection over the phone for an infant without doing a urine analysis for infection. Telehealth won't necessarily alleviate the necessity of contacting a physical health care provider in a clinic. "That is not to say I don't support this. There are caveats here that we have to appreciate and perhaps find answers to, like reimbursement rates," she said.

2:07:59 PM
REPRESENTATIVE SPOHNHOLZ said telehealth does not eliminate the need for every emergency room visit or every clinic visit. It never will. Telehealth increases access to care, and it can reduce travel and unnecessary emergency room visits a lot of the

time. Sometimes telehealth can encourage people to go to an emergency room or get the level of care needed, such as Nurseline. Telehealth is the next level of Nurseline. People who call the AlaskaCare [Employee Health Plan] Nurseline get high-quality advice from health care providers who are experts in their field about the level of care the patient needs and a high-quality telehealth visit is the next step. She underscored how important telehealth is for access to behavioral health care because Alaska has a shortage of providers. A psychiatrist will never be in Healy, but someone could call a psychiatrist from Healy in a HIPAA-compliant software environment. She said telehealth will increase access to care.

REPRESENTATIVE SPOHNHOLZ, in response to the 80th percentile, said the bill does not change the underlying fundamentals of the health care economic system, but provides a very specific, small fix. Two of the three systems of health care in Alaska already have access to telehealth. However, parties in the private market do not have access to it. She said her own experience of not being able to access health care via distance from a provider she has seen for 20 years nudged her to push this conversation along.

REPRESENTATIVE SPOHNHOLZ reframed Senator Giessel's question about Alaska hire by asking whether Alaska could end up with a system of health care providers from the Lower 48 who nudge out providers in the state of Alaska. She also would like Alaska to have experienced professionals in all ranges of specialties available. However, she also wants to make sure that health care providers who are functionally small businesses have a stable marketplace. She noted of the 369 providers licensed in the telemedicine business registry, 254 are Alaskans. That means 69 percent of the telehealth providers are Alaskan-based. Alaska still has a shortage of some health care providers, including psychiatrists. The Anchorage Community and Mental Health Services (ACMHS) provide mental health services in Fairbanks but struggles to recruit enough psychiatrists, so ACMHS has a psychiatrist on contract in Arizona. Although the ACMHS would prefer to use an Alaskan psychiatrist, Alaska's residents need access to specialists.

2:12:45 PM
REPRESENTATIVE SPOHNHOLZ said HB 29 would only require that insurers for the private market cover telehealth, which is about 17 percent of the market. It is not undermining any of the safeguards to ensure that people are getting good care.

REPRESENTATIVE SPOHNHOLZ acknowledged that information technology systems and the electronic equipment are expensive, but the health care market wants to do this. Dr. Jill Gaskill previously testified that she likes providing telehealth health care. It is part of the delivery model at her Medical Park Family Practice in Anchorage. She tells people who have the flu to stay home and use telemedicine. Health care providers need assurance that insurance will cover telehealth for all patients and not just some. When that happens, providers can make decisions based on what is best for the patient and not on insurance coverage. The health care providers and small business owners must make decisions, not the insurance companies.

REPRESENTATIVE SPOHNHOLZ explained that there is zero impact to the state budget because this does not require any capital equipment. The state's health plan already covers telehealth, as does Medicaid, which is the bulk of health care services in the state. She was unsure if the retirees' plan covers telehealth, but the bill does not require the state to build any new infrastructure. The bill simply says that insurance companies in Alaska should cover telehealth services. She said she is considering a committee substitute that would require telehealth pay parity within the private market.

2:16:08 PM
MS. CASORT explained that telehealth pay parity would ensure that insurance companies reimburse providers at the same rate as in-person.

REPRESENTATIVE SPOHNHOLZ agreed that several providers asked to be compensated at the same rate as an in-person consultation.

SENATOR GIESSEL shared that she is pondering pay parity with an in-person visit since the overhead costs are quite different. For example, medical assistants do not bring patients into the room since rooms are not being used.

SENATOR BEGICH asked for confirmation that the bill does not mandate that a company provide telehealth.

REPRESENTATIVE SPOHNHOLZ answered that is correct.

SENATOR BEGICH said medical costs are quite high in Alaska. He assumed that telehealth out of state would be less expensive, but telehealth could become more attractive to providers who are reimbursed for those services. He said he would rather use telehealth services from a provider in Alaska than one in the

Lower 48, just in case further care was needed. He expressed interest in the overlap between providers who are in network and those who are not.

2:19:41 PM
REPRESENTATIVE SPOHNHOLZ replied that the committee would have an opportunity to talk with individual providers at the next hearing. Although she cannot speak for them, several providers told her that the ability to decide which kinds of technology to invest in will provide fiscal certainty.

REPRESENTATIVE SPOHNHOLZ, in reference to pay parity, said an in-person visit may include a medical assistant, but telehealth providers still will incur costs to maintain their software. Telehealth is often provided from a clinic, such as community mental health centers. These providers indicate that their offices must pay to have someone at both ends of a telehealth visit. For example, if a patient comes to a clinic in Talkeetna for a telehealth consultation at the Heart Institute in Anchorage, someone is onsite in Talkeetna and in Anchorage. It is difficult to anticipate all the costs associated due to the wide-ranging telehealth services. She asked Ms. Casort to mention the most frequently offered telehealth services.

MS. CASORT added that the most frequent telehealth services are for behavioral health, injuries, such as broken bones in the hands and arms, poisonings, and ear infections.

SENATOR GIESSEL said that for several decades, the Girdwood Clinic has taken an X-rays and transmitted them to a radiologist in Anchorage. In addition, the nurse practitioner had an otoscope that can transmit a picture to an ear, nose, and throat specialist in Anchorage to diagnose ear infections.

SENATOR GIESSEL elaborated on the network costs. If someone calls a hospital with a telemedicine question, even though the hospital may be in the caller's network, the emergency room doctor may be in a separate group not in the caller's network. She explained that is how patients get surprise bills, usually paid at a very high rate. However, that is a different subject, she said.

CHAIR WILSON said members have raised questions that can be answered in future hearings. He said he understood the pay parity issue. He worked for an entity that had behavioral health consultations with Alaska Psychiatric Institute. The entity

always took a loss on those visits because it was never reimbursed at the appropriate rates.

2:25:07 PM
SARAH BAILEY, Supervisor, Life and Health Section, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, introduced herself.

CHAIR WILSON said certain telehealth providers will only handle patients in the state. He asked if there were any state regulations barring providers from seeing Alaskans when these patients are not in the state or preventing insurance companies from paying for those visits.

MS. BAILEY replied she was not aware of the provider requirements. The insurance contract for insurers would indicate which providers are in network, out of network, or not covered. It would depend on the circumstances and the contract language.

2:26:50 PM
VICTORIA KNAPP, Chief Operations Officer, Mat-Su Health Services, Wasilla, Alaska, said she works for a federally-qualified health center in Wasilla with a satellite clinic in Big Lake. The center uses telemedicine for psychiatric evaluations and psychiatric medication management. The center went to a telemedicine model about four years ago because they were unable to find psychiatric providers in Alaska. Some providers use telepsychiatry, both in Alaska and out of state. A person comes into the office, is seen by a medical assistant, and then sent to a room to connect via computer to either a psychiatrist or psychiatric nurse practitioner. The center has been very successful using this model. She said staying on psychiatric medications is the key for patients to function normally, including maintaining employment and managing symptoms. If insurance carriers do not cover telepsychiatry but cover in-person psychiatric services, it often means patients are unable to receive psychiatric care when needed because of the shortage of providers. The wait list in the Mat-Su Borough is very long, she said.

2:29:02 PM
STEWART FERGUSON, Ph.D., Chief Information Officer, Alaska Native Tribal Health Consortium, Anchorage, Alaska, said he has been a member, vice-president, and president of the Board of the American Telemedicine. Much of what he is going to share comes from 20 years of experience in operating a statewide telehealth program to serve the Alaska Tribal Health System, which has been

using telehealth since 2001. The system has served 135,000 patients at over 200 locations. Questions with telehealth are often is the cost of telehealth worth it and why are people doing it. When tribal health built the system, they asked doctors how they would know if telehealth gave value. The answer was that if they are still using it, then it provides value because doctors are not interested in wasting time and money. After 20 years, over five-and-half thousand providers have used the system with over 400,000 patient encounters. Annually, there are about 38,000 telehealth encounters.

DR. FERGUSON said the tribal health consortium has developed some efficient processes. The committee heard some data earlier, but it has actually gotten better. The Alaska Native Medical Center turns around 50 percent of the consults in 60 minutes and 80 percent within the same day. That level of care exceeds that of an in-person visit. No one can get a specialty consult in 60 minutes in Anchorage or Seattle, but someone can in a rural location. They have embraced the store-and-forward model where they capture information and send it. That has been very effective. They started doing that in rural Alaska because of bandwidth challenges, but they have done more live video conferencing lately as bandwidth improves. They do about 2,400 follow up visits each year with patients from the Alaska Native Medical Center, and it is used extensively for primary care. The Alaska Native Medical Center provides over 40 pediatric surgical and adult medical services and accepts specialty consults over video conferencing. They, as a tribal health system, are investing in expansion this year and are deploying over 120 more video conferencing units specifically to address opioid and substance use treatment, as well as education and broadening mental health offerings.

DR. FERGUSON said the ability of telehealth to save on travel is extremely important, but not all telehealth saves travel. They find that about 15 to 20 percent of telehealth causes travel, but that's good travel because they are catching something earlier in the disease state and oftentimes avoiding unnecessary complications or expenses of medevacs. When they try to estimate travel savings, they ask providers on every encounter if it impacted patient travel, so they can precisely estimate what cases prevented travel, where the patient was, the age of the patient, and the provider location to get fairly accurate estimates on travel savings. When they look at the Alaska Medicaid population that they serve in the tribal health system, they estimate a total travel savings in FY 2019 of $12.4 million through all of their telehealth efforts and a total savings for

the past eight years of $70 million, and that's just Medicaid. If they look at all the patients they serve in Alaska, they estimate a total travel savings in FY 2019 of about $27 million and a total of $156 million in the past years. That is a pessimistic view because they only count travel when a provider says it saves travel. If they counted all their cases, as many in the lower 48 do, they could roughly double those figures. When patients travel, they run the risk of accidents, but they also lose workdays and children miss school.

2:33:44 PM
DR. FERGUSON shared that an analysis of 5,925 telehealth specialty consults billed to Alaska Medicaid showed that for every five telehealth encounters, they prevented four lost workdays and one lost school day. So, looking at an eight-year history of all the patients in the tribal health system, they have saved about 245,000 workdays and 61,000 school days for patients using telehealth.

DR. FERGUSON said they applaud the language in HB 29 that removes the need for an in-person exam prior to telehealth. They have some evidence to support this. Dr. Phil Hofstetter, an audiologist at the Norton Sound Regional Hospital, led a groundbreaking 20-year retrospective study which looked at the waiting time for new referrals to see a specialist in person. He looked at the changes in wait time when he implemented telehealth to do that initial exam. Prior to telehealth, for a 10-year period, 47 percent of new patient referrals waited five months or longer to see a specialist. Once telehealth was implemented, that dropped to 8 percent. Three years later, as they improve processes, it is now 3 percent. So, moving from the requirement for in-person exam to a virtual visit saves time, improves outcomes, and allows more patients to be treated.

DR. FERGUSON said they have done similar studies looking at diabetic retinal exams, village-based hearing exams, and triage models using virtual visits with a specialist to access care and treatment without an in-person visit. Every single study that has been done demonstrates faster treatment path, lower cost, greater access, and improved outcomes. None of this is possible without connectivity. The Alaska tribal health organizations, in fact all rural organizations, depend on a subsidy program that is regulated by the FCC (Federal Communications Commission) and funded through the Universal Service Administrative Company (USAC). The cost for connectivity in rural Alaska is 50-100 times higher than the Anchorage rates for connectivity. USAC subsidizes that additional cost beyond the Anchorage rate for

health care organizations, schools, and libraries, but homes are not subsidized. That is the great digital divide. In the lower 48, people are talking about 5g and 6g. In Alaska, 50 percent of villages do not even have 3g and when they do have connectivity, it is expensive and restricted to monthly allotments.

DR. FERGUSON said they have demonstrated they can move telehealth into homes. They take care of end-of-life or palliative care patients in that way. An extremely vulnerable population is newborns. Those with congenital abnormalities or respiratory issues account for 70 percent of all Medicaid costs for children in their first year of life. Bringing specialists and subspecialists into the home is a strong step toward taking care of that vulnerable population. The Norton Sound School District is trying to treat ear disease in a place with the highest rates in the world by bringing the health care system into the schools.

2:37:01 PM
DR. FERGUSON said his staff is working on the next generation of tools and apps to do all this. They intend in the coming year to empower their patients to participate in their health care from their homes. The FCC for the first time is offering free licenses to tribes and tribal organizations to license radio spectrums in their villages. That allows the health care system to get into their homes, the last mile issue. Low earth orbit satellites may offer solutions to connect villages to the rest of the world. Together, these technologies could revolutionize connectivity for all of Alaska with low-cost, high-performance bandwidth.

DR. FERGUSON said:

> Why am I saying this? We invest, in the tribal health system, and I know that Providence and other providers do the same, we invest millions of dollars each year in connectivity and telehealth technologies because we know it works. But, unfortunately, in the past, federal, and state policies have greatly lagged the advances in investment in telehealth technology and program design. For example, the department recently proposed telemedicine regulations that, thankfully, have been withdrawn that would have eliminated reimbursement for store-and-forward processes, something that accounts for 90 percent of our telehealth. This is troubling and we should instead be protecting and supporting our telehealth progress and

infrastructure. We truly are a state of innovators and we've built successful telehealth programs because we work together, all of us, to meet the common goal of better health closer to home. I'll finish by saying I applaud this committee for considering a bill that can expand the users of telehealth. I would ask all of you on this committee and all of our legislators to stay connected to the advances in what's happening in technology and health care. I believe together we will build and provide better health care.

SENATOR GIESSEL asked who reimburses for the telehealth provided by the Alaska Native Tribal Health Consortium.

DR. FERGUSON answered that they do seek reimbursement through all payers. They have been thankful that Medicaid has reimbursed for telehealth since 2001 as have many other payers. He knows of at least one payer that does not reimburse. The power of this bill is that all payers would reimburse.

2:39:12 PM
CHAIR WILSON asked if he knew of beneficiaries who seek telehealth services when out of the Indian Health Services coverage area. He gave the example of someone who might get ill or injured while on a trip to Florida and want a health consult.

DR. FERGUSON answered that he is not aware of patients who seek care through telehealth when outside of the state.

CHAIR WILSON said the Alaska Native Medical Center saw a lot of nonbeneficiaries through the Anchorage service unit. He asked if that service is still available for nonbeneficiaries who receive that through dual IHS and CHC facilities.

DR. FERGUSON replied he thought the issue Senator Wilson was addressing was whether a nonbeneficiary who is seen at a primary care site can be referred to the Alaska Native Medical Center. The center does take nonbeneficiaries. That change happened some years ago.

2:41:40 PM
CHAIR WILSON opened public testimony on HB 29.

2:42:39 PM
ANITA HALTERMAN, President, Alaska Collaborative for Telehealth and Telemedicine (AKCTT), Anchorage, Alaska, said telemedicine is a mode of delivery. Standards of practice don't change, or

shouldn't, based on that mode of delivery. The Alaska Collaborative for Telehealth and Telemedicine is highly supportive of HB 29. The collaborative asks that there be consideration of licensing issues moving forward so as not to limit access to providers who may not be subject to an Alaskan license. AKCTT also asks that payment parity issues be addressed. It is critical for the success of telemedicine. Payment parity will ensure that practices in the lower 48 will not undermine the infrastructure available here in Alaska. She would like the state to maintain the providers in the state and payment parity will ensure that those practices will not be eroded. New modes of delivery do save insurance companies money. Kaiser Permanente, a self-insured provider in the lower 48, expanded the use of telemedicine because it drives cost savings for insurance companies and drives better health outcomes. Alaska could benefit in the same way if it moves forward with this type of legislation.

MS. HALTERMAN said the American Medical Association has been pleading for medical boards to remove barriers to telemedicine. Boards are slowly responding but not fast enough for Alaska. A fee-for-service environment does not motivate change. When insurance companies don't pay for telemedicine for their patients, patients may be dumped on Medicaid programs for services that insurance companies would typically provide. Medicaid bears the brunt of funding care through cost avoidance for telemedicine because that scope of delivery is not available through an insurance company and insurers often don't pay for travel. Patients who are unable to receive their services through insurance companies often fall on hard times. If they are sick, they may lose their insurance and Medicaid ends up footing the bill. AKCTT will be writing a letter of support for HB 29. Hospitals are starting to explore relationships with out-of-state contractors and are providing these services and piloting programs. Those should be expanded to the entire state and that will create cost savings for Medicaid.

SENATOR BEGICH asked her to elaborate on her first point.

MS. HALTERMAN asked if he meant her statement regarding consideration of licensing issues moving forward so as not to limit access to providers who may not be subject to an Alaskan license. She continued to say:

> We are facing a changed environment and right now there's the possibility that with the expansion of telemedicine, there will be new delivery methods

available using new provider types. For instance, with remote patient monitoring, many of the providers that may be subject to those kinds of services are not subject to licensure. They're an atypical service provider under the Social Security Act. So, I would just caution to be careful about being too restrictive with licensing requirements in this particular statute.

SENATOR BEGICH said he would talk to the sponsor after the meeting to get more clarity about the issue.

SENATOR GIESSEL said she had the same question.

2:48:50 PM

CLAUDIA TUCKER, Vice President, Government Affairs, Teladoc Health, Greenwich, Connecticut, said she was also the chair of the American Telemedicine Association policy board. Teladoc operates in all 50 states and 120 countries, so it has a good perspective on telemedicine. In reference to security measures, employees can only access the Teladoc portal through their health plan, so Teladoc verifies that. Teladoc also makes sure that their physicians provide patients with their licensure number and credentials. While Teladoc is in health care, it really is a technology company that is focused on health care.

MS. TUCKER said Teladoc has resident physicians in Alaska. When a call comes in from an Alaska resident, the first chance to pick up that call goes to a physician who is an Alaskan resident. If that physician does not pick it up, another physician who is licensed in Alaska will pick up the call. Teladoc gives preference to Alaskan physicians. Teladoc strongly supports HB 29. It believes that if providers provide a service, they should be reimbursed. However, Teladoc realizes that there are savings in telemedicine. While a bricks-and-mortar visit might be $145, an average visit with Teladoc or its competitors is about $49. Teladoc cautions that the committee should not set the floor. If telehealth physicians are willing to accept less, they shouldn't be forced to take more. The savings will be taken from the patient and the health plan.

2:51:27 PM

CHAIR WILSON closed public testimony and held HB 29 in committee.

CHAIR WILSON made upcoming committee announcements.

2:52:51 PM

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee at 2:52 p.m.