

SB

98

**<TARGET><BILL>SB 98</BILL><SUBJECT>SB
98</SUBJECT><COMM>SHSS29</COMM></TARGET>**

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 4/7/15

FURTHER: Labor and Commerce

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/3/16

Health and Social Services considered SENATE BILL NO. 98

SB 98-PRESCRIPTION WITHOUT PHYS. EXAM.

"An Act relating to diagnosis, treatment, and prescription of drugs without a physical examination."

and recommends:

- be replaced with CS SB 98 (HSS) [] Same Title [] New Title
- [] adopt previous CS _____ (_____) [] Same Title [] New Title
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CED	✓			1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	JEFF GALT			✓	
	STEADMAN			✓	
	Giesse	✓			
CHAIR:	STEADMAN			✓	

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: SB 98
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB098-DCCED-CBPL-04-10-15
Title: PRESCRIPTION WITHOUT PHYS. EXAM.
Sponsor: MICCICHE
Requester: (S) HSS

Department: Department of Commerce, Community and
Economic Development
Appropriation: Corporations, Business and Professional
Licensing
Allocation: Corporations, Business and Professional
Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services	261.4		261.4	261.4	261.4	261.4	261.4
Travel							
Services	32.5		112.3	112.3	112.3	112.3	112.3
Commodities	15.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	308.9	0.0	373.7	373.7	373.7	373.7	373.7

Fund Source (Operating Only)

1156 Rcpt Svcs	308.9		373.7	373.7	373.7	373.7	373.7
Total	308.9	0.0	373.7	373.7	373.7	373.7	373.7

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	308.9		373.7	373.7	373.7	373.7	373.7
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Janey Hovenden, Director Phone: (907)465-2536
Division: Corporations, Business and Professional Licensing Date: 04/10/2015 05:50 PM
Approved By: Catherine Reardon, Director Date: 04/10/15
Agency: Division of Administrative Services, DCCED

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. SB 98

Analysis

SB 98 expands the practice of telemedicine from prescribing, dispensing, or administering a prescription drug without conducting a physical examination (as authorized under HB 281 during the 2014 Legislative session) to also include diagnosing and treating patients without conducting a physical examination, allowing these practices by a physician who is not located in the state of Alaska, changing the patient consent requirements, and allowing prescription of controlled substances under certain circumstances.

The significant expansion of the practice of telemedicine authorized under this bill will require substantial administrative and investigative resources to pursue complaints pertaining to a rapidly expanding body of licensees who are practicing "in Alaska" but operating in locations across the nation.

The division has seen a 400% increase in license applications since telemedicine was expanded through legislation effective November 2014. This bill would exponentially increase the number of applicants, the geographic reach of applicant licensure, and the volume of supporting documentation required to examine fitness to practice. It will also multiply the potential for pre-application investigations. These changes will result in more costly investigative and legal support to respond to complaints, to discipline licensees for violations occurring across the nation, and to comply with increased licensee appeals of board actions.

This fiscal note requests one Occupational Licensing Examiner, range 13, to examine license applications and issue licenses. In addition, this fiscal note requests two Investigator III's, range 18, to investigate and enforce Alaska laws on this new population of licensees.

If the bill passes the following expenses will be incurred:

Personal Services: \$261.4 (one full time permanent Occupational Licensing Examiner (OLE), range 13, and two full time permanent Investigator III, range 18)

Services: \$2.5 (legal costs to amend regulations, printing, and postage)

\$97.8 (legal cost of investigations and appeals beginning in year two)

\$30.0 (department-wide services support for three new positions)

Commodities: \$15.0 in first year (computers, office panels, office furniture and other one-time needs for three new positions)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

IMPACT OF TELADOC USE ON AVERAGE PER BENEFICIARY PER MONTH RESOURCE UTILIZATION AND HEALTH SPENDING

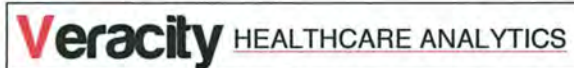
Prepared by:

Niteesh K. Choudhry, MD, PhD

Arnie Milstein, MD, MPH

Joshua Gagne, PharmD, ScD

on behalf of Veracity Healthcare Analytics



February 2015

1.0 EXECUTIVE SUMMARY

This report examines the impact on health spending and resource use of Teladoc's services among beneficiaries of the nation's largest home improvement retailer (hereafter referred to as "the employer").

The analysis was conducted using healthcare utilization data and employed two basic analytic approaches:

- A "**per member per month**" analysis that evaluated average resource use and spending among all beneficiaries of the employer after, as compared to before, Teladoc began offering services in May 2012. These analyses provide an overall assessment of the impact of Teladoc on population-wide per capita health spending regardless of whether or not an enrollee actually had a Teladoc encounter.
- An "**episode-based**" analysis that evaluated short-term spending and resource use by the employer's beneficiaries who used Teladoc as compared to similar beneficiaries who instead received care for the same conditions in physician offices or emergency departments. These analyses provide an assessment of the implications of using Teladoc for individuals that actually did, independent of the uptake of services among the entire population of beneficiaries.

Per member per month analyses

The impact of Teladoc on average per member per month spending for the employer's beneficiaries is presented in **Table 1.1**. The introduction of Teladoc was associated with a significant reduction in the slope (or trend) of per member per month spending (by an average of \$1.16 per month). The level of spending, which represents the immediate impact of offering Teladoc services, was also reduced (by \$9.68 per beneficiary) although this change was not statistically significant at the typical level of $p=0.05$. When these change are expressed as a single number, the introduction of Teladoc by the employer was associated with a significant reduction of \$21.30 ($p<0.01$) in per member per month spending, as a result of reductions in rates of office visits, emergency room visits and hospitalizations.

TABLE 1.1: Changes in per member per month spending after the introduction of Teladoc for the employer's beneficiaries

STATISTICAL MODEL	Impact on per member per month spending (p value)
Time-series model	
Immediate impact ("Level change")	-\$9.68 (0.09)
Trend ("Slope change")	-\$1.16 (0.03)
Difference in average observed and average expected spending	-\$21.30 ($p<0.01$)

*negative numbers represent reductions in spending

Episode-based analyses

Spending on the employer's beneficiaries who used Teladoc as compared to matched individuals who instead received care for the same conditions in other settings, 30-days after the initial encounter, is summarized in **Table 1.2**.

Chuck Kopp

Subject: FW: SB 98 Telemedicine Practice
Attachments: MED_Guide_Telemedicine.pdf; MED_Guide_Telemedicine2.pdf

1. Good for Gov. Parnell for allowing HB281 to go into law over and above the Medical Board's objection.
2. The Board's subsequent Resolution calling for its Repeal was meaningless, and unknown to any legislator.
3. As to adding "diagnosis and treatment" to the continuum of a telemedicine consult - The "Model Policy For The Appropriate Use of Telemedicine Technologies in the Practice of Medicine" that the State Medical Board refers to in its guidelines on telemedicine as the mandatory standard of care that must be employed states in *Section Two. Establishing the Physician-Patient Relationship*, "The relationship is clearly established when the physician agrees to undertake diagnosis and treatment of the patient, and the patient agrees to be treated, whether or not there has been an encounter in person between the physician (or other appropriately supervised health care practitioner) and patient.
4. Yes, SB 98 expands telemedicine practice to out-of-state physicians, **prescription of controlled substances was already allowed under HB281**, this is not something new in SB98.
5. The "corporate model of telemedicine practice" that the State Medical Board rails against, is exactly what they recommend as best practice in their guidelines to physicians on telemedicine. See attached. Version 1 was up online for a few months before they took it down after Sen. Micciche confronted the Board with the inaccurate statements and representations of what was currently allowed in the law. Version2 (minus all the inaccuracies) is still posted online by the Board, and refers to the "Model Policy For The Appropriate Use of Telemedicine Technologies in the Practice of Medicine" as best practice of care for telemedicine.
6. Please address the five bullet points with a proper response to such outrageous statements.

From: Chuck Kopp
Sent: Friday, January 22, 2016 3:34 PM
To: Dennis DeWitt (dewittllc@me.com) <dewittllc@me.com>; Denny DeWitt (ddewitt@gci.net) <ddewitt@gci.net>; Henry DePhillips (hdephillips@teladoc.com) <hdephillips@teladoc.com>; Eldon Mulder (emulder@gci.net) <emulder@gci.net>
Subject: FW: SB 98 Telemedicine Practice

Medical Board attack letter. We need to prepare a response ASAP.

From: Chuck Kopp
Sent: Friday, January 22, 2016 3:32 PM
To: Chuck Kopp <Chuck.Kopp@akleg.gov>
Subject: FW: SB 98 Telemedicine Practice

From: Stovern, Debora J (CED) [<mailto:debora.stovern@alaska.gov>]
Sent: Friday, January 22, 2016 8:53 AM
To: Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>
Cc: Sen. Bert Stedman <Sen.Bert.Stedman@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>; Walker, Bill M (GOV)

<bill.walker@alaska.gov>; Peterson, Darwin R (GOV) <darwin.peterson@alaska.gov>

Subject: SB 98 Telemedicine Practice

Senator Micciche,

The Alaska State Medical Board has recently considered and taken a position on Senate Bill 98 (see position statement attached). Please let me know if you need anything further.

Sincerely,

Debora Stovern

Executive Administrator

Alaska State Medical Board

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Telephone: 907-269-8163

Fax: 907-269-8196

Website: <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/StateMedicalBoard.aspx>

Cc: Sen. Stedman, Chair of Senate Health and Social Services Committee
Sen. Costello, Chair of Senate Labor and Commerce Committee
Sen. Kelly, Co-Chair of Senate Finance Committee
Sen. MacKinnon, Co-Chair of Senate Finance Committee
Office of the Governor

Bullet Points for SB 98

1. Clarifies that legislative intent is to support telemedicine in Alaska
2. Prevents Medical Board blocking telemedicine to private sector insurance programs
3. Assures the patient controls their medical records including psychiatric records
4. Removes requirement that physician must be located in Alaska
5. Maintains requirement that physicians be licensed in Alaska
6. Provides substantive cost savings to individuals and public programs

**THE FOLLOWING DOCUMENT
HAS NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL FILE**



Telehealth Policy Trends and Considerations



NATIONAL CONFERENCE *of* STATE LEGISLATURES