

SENATE SPECIAL COMMITTEE ON AGING TELEMEDICINE ROUNDTABLE
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We are on the cusp of a health technology revolution that will save lives, improve quality of life and reduce costs...but outdated laws must be modified if we are to take advantage of these advances. Verizon believes that there are tremendous opportunities to toapply new technologies to existing needs improving the lives of consumers and the health of communities – espically Americas aging population.

Medicare currently covers 49 million elderly and disabled Americans. There has been a sharp decline in primary care providers, especially for Medicare providers. According to the New England Journal of Medicine, the number of U.S. graduates entering family practice residencies dropped by 50 percent between 1997 and 2005. Today, 70 percent of physicians work in higher-paying specialty fields. Less than 15 percent of graduates will chose primary care, due to medical school debt and lower incomes than specialists.

A recent American Medical Association survey indicated that nearly one-third of primary care providers are limiting the number of Medicare patients they see. Nearly 20 percent of all, including specialists, are limiting the number of Medicare patients they accept. Given current trends, over 50 percent of providers will limit the number or stop taking new patients. More disturbing, one-third indicated they would stop taking Medicare patients completely.

Seniors will be one of the hardest hit groups by the shortage of Medicare providers. Seniors may travel more, living part of the year in warmer climates, but still want continuous coordinated care from their trusted physician back home. Additionally, as Medicare costs increase, telemedicine can play a critical role in bending the cost and access curves.

Moreover, more than 70 million Americans ages 50 and older-four out of five adults-suffers from at least one chronic condition. More than half of older adults have one chronic condition, and 11 million live with five or more chronic conditions.

In a recent study led by Dr. Rashid Bashshur from the University of Michigan entitled “The Empirical Foundations of Telemedicine Interventions for Chronic Disease Management, found that the use of telemedicine can help dramatically improve the management of chronic diseases such as congestive heart failure, stroke, and chronic obstructive pulmonary disease (three of the leading causes of death in the U.S.). The report showed the use of telemedicine can yield clear benefits including fewer and shorter hospital stays, fewer emergency room visits, less severe illness, and even fewer deaths.

Disadvantaged and underserved communities also stand to benefit by the implementation of anywhere anytime health care. Many suffer from chronic health conditions like heart disease

and diabetes. They receive less preventive care such as mammography and pap smears for women or routine foot, eye, and blood testing for diabetes and other manageable conditions. Over 50 million Americans lack access to primary care services due to doctor and provider shortages at local practices, community health centers, and hospitals. In many rural communities, patients must travel long distances, some in excess of an hour each way, to health care providers to receive treatment. Health care anywhere anytime connects the patient and provider virtually at the point and time of when care is needed.

The convergence of medical advances, health information technology, adaptive mobile medical devices, and a nationwide broadband network can transform the delivery of care for the aging community by bringing the provider and patient together virtually, especially those in isolated areas. As seniors become more mobile, people demand and expect access to care from anywhere and at any time – whether it is from a home in rural area, an apartment in the city, or on the go.

The baby-boomer generation is bringing a wave of tech-savvy seniors into the health care market and the health care providers need to prepare for this new type of aging patient.

- A recent Accenture study (“Tech-Savvy Seniors Seek Digital Tools to Manage Health, According to Accenture Survey”; <http://newsroom.accenture.com/news/tech-savvy-seniors-seek-digital-tools-to-mange-health-according-to-accenture-survey.htm>) reported that 57% of the estimated 3.5 million U.S. citizens a year expected to reach 65 years-old through 2023 are seeking digital options for managing their health services remotely. Although many seniors want access to healthcare technology, such as virtual physician consultations (42 percent) and self-serve tools (62 percent) like online appointment scheduling, research shows only a third of healthcare providers currently offer such capabilities.

As an employer, Verizon provides coverage to more than 700,000 employees, retirees, and dependents on which the Company spent nearly \$3.2 billion in 2013.

Last year, we introduced a new benefit to employees, Health Online, which will allow employees who have non-urgent matters to have a doctor’s visit using live video conferencing from their computer or mobile device. Service is accessible 24 hours a day in states where it is allowed.

Verizon is not alone in this, according to a survey recently released by the National Business Group on Health almost half (48 percent) of large employers plan to offer telehealth services as a benefit to employees in 2015, up from the 28% of large employers who said they planned to offer telemedicine in 2014.

Verizon believes that there are tremendous opportunities to grow and innovate by applying technology to existing needs can improve the lives of consumers and the health of communities. Our healthcare system needs a cure. Technology is part of the prescription to improve the overall “wellness” of our healthcare system. Technology can disrupt traditional healthcare models and transform the way doctors and patients interact by putting new tools in

the hands of consumers, thereby placing the consumer at the center of the healthcare circle. Technology helps physicians achieve better patient outcomes by bridging the information gap between physicians and patients.

Telemedicine holds the power to ease common burdens that face the aging community.

- Technology enables seniors to be closer to their providers and caregivers and more quickly address issues that surface, as we grow older.
- Primary care providers can do a quick follow-up to ensure seniors are not experiencing problems adhering to medicines or side effects. Seniors should not need to travel to a medical office for a five-minute visit.
- Providers can use video to check wounds and healing for possible problems, whereas, there may be a delay or complication due to timing.
- Dermatologists can do a follow-up visit, post-op care of some procedures, or initial analysis of a skin condition.
- Psychologists and Mental Health providers can use video for occasional and urgent visits with seniors who are experiencing depression and isolation.
- Occupational and Physical Therapy providers can use HD video and remote devices to observe range of motion and exercises of post-rehab joint replacements. This allows seniors to better comply with recovery therapy and avoid future complications.
- Providers have another tool to use to provide care, maintain a relationship, and coordinate care for their patients and involve caregivers.

Skeptics believe that telemedicine will make it too easy to seek care and costs will increase without improved outcomes. Both the Department of Defense (DoD) and the Veterans Administration (VA) have implemented what is essentially a one-license practice anywhere model to enable providers to treat patients anywhere they may be at the time of need. The DoD and VA have proven that patients who have access to virtual-care recover more quickly, are engaged and compliant with treatment programs, are healthier, and overall costs are at a fraction of the traditional in-facility care model.

Congress should remove barriers, such as interstate licensure requirements, in all federal programs, including Medicare, Medicaid, and Federal Employee's Health Benefits (FEHB). Using the successes from the DoD and VA model and expanding care to those who may have trouble traveling long distances or times and to those who have chronic conditions live longer and healthier lives when they have coordinated care and adhere to treatment programs. Doing so will help realize the benefits of a nation-wide health network to improve population health,

create jobs, and stimulate innovation.

Policy Barriers

Technology is no longer a barrier to improvements in the health care system, but we need to modernize the laws and regulations to allow the best use of the technology to solve these critical problems.

- **Policymakers should reform state licensure requirements for physicians to increase access to health care:**
 - According to a study done at the Duke Fuqua School of Business, there are 69 different state medical licensure jurisdictions in the United States. Each state's medical licensing board uses slightly different requirements for issuing licenses to physicians.
 - As such, healthcare providers are required to obtain multiple state licenses and adhere to multiple state rules in order to provide telemedicine services across state lines.
 - Such requirements present a barrier to the wider use and adoption of telemedicine products and services that cross state lines. We think these licensing barriers are in need of a 21st Century update.
 - Telemedicine is a perfect tool to use as our population grows older and thus the need for medical attention increases. For seniors with chronic health conditions such as diabetes, heart failure, or chronic obstructive pulmonary disease (COPD) receiving treatment can be inconvenient and complicated. For the aging population, these conditions can make it difficult to independently live in their home and in many cases require them to live in assisted living in order to have vital signs and symptoms routinely monitored. For seniors with mobility or transportation challenges, the use of telemedicine could save patients and their caregivers from time consuming and expensive trips to see their doctor or specialist.
 - Today's video conferencing and remote patient monitoring technology allows seniors to have access to a health care professional whenever and where ever they may be. Video conferencing technology also allows for patients and their caregivers (who may live in different states) to stay connected with their network of health care providers to enable increased family engagement and better coordination of care. However, outdated regulations regarding state medical licensure do not allow patients to be "seen" by their own health care providers when traveling and make care coordination more difficult for family caregivers.
 - Interstate licensure has already been proven successful in other government agencies. In the 2011 Department of Defense Reauthorization Bill, Congress included a provision that allowed Department of Defense and Veterans Administration doctors to be treat their patients without additional state licenses.

- In 2013, the Department of Veterans Affairs reported more than 600,000 veterans accessed VA care using telemedicine programs -- for a total of more than 1.7 million episodes of care.
 - Increasingly, veterans of the wars in Iraq and Afghanistan are accessing telemedicine for mental health services, including treatment of post-traumatic stress disorder.
 - Last year, VA tested a program that allows veterans to access those services from their homes via a secure video connection. It reached 2,284 veterans in the pilot phase, and the VAs anticipates reaching 7,000 this year as the program is expanded. (<http://fcw.com/Articles/2014/02/13/How-VA-is-driving-telemedicine.aspx?>)
- Today's state licensure requirements are placing geographic barriers between patients and patient access to high-quality care. Policymakers need to pass legislation allowing providers to practice telemedicine with their patients across state lines.
- We urge Congress to explore federal proposals to address the inefficiency and costliness of multistate licensure that will effectively enable providers to deliver telemedicine services to their patients across state lines.
- In the House, Representative Nunes and Pallone have introduced a bill that would allow Medicare doctors to see a Medicare patient via telemedicine across state lines without separate state licenses. The "TELE-MED" bill has bipartisan support and has garnered 64 co-sponsors. Hopefully, as a result of this Roundtable, we urge the Senate to undertake similar legislation.
- Policymakers should update the CMS reimbursement rules to allow for the coverage of telemedicine in the Medicare program to increase access to health care:
 - Medicare relies on an outmoded approach to manage the needs and costs for the growing number of beneficiaries with multiple chronic conditions and those who are homebound. The Medicare program originally identified telemedicine as a solution exclusively for rural patients, and reimbursement continues to be limited to patients in rural clinical settings.
 - Today, in-home, remote patient monitoring technologies allow the patient (and their families) to stay connected with their network of health care providers. Staying connected helps those with chronic disease manage their condition (thus reducing trips to the emergency room), improves medication adherence, and improves overall care coordination.
 - However, under today's Medicare regulations, not all telemedicine costs are reimbursed. Medicare reimbursement rules for telemedicine services are excessively restrictive and do not provide adequate incentives for health care providers to embrace these technologies.

- Today, Medicare only reimburses for telemedicine services when patient's location is considered a rural area designated as a Health Professional Shortage Area (HPSA) or in a county that is outside of any Metropolitan Statistical Area (MSA), defined by HRSA and the Census Bureau, respectively.
- The patient must also be "seen" only in certain types of medical facilities and not the patient's home. Medical facilities include practitioners' offices, hospitals, and rural health clinics. Medicare will only pay for "face-to-face", interactive video consultation services when the patient is present.
- Based on these geographic and site restrictions, there is no coverage for telemedicine for the 80% of Medicare beneficiaries who live in areas not considered "rural". In dollar terms, Medicare pays approximately \$6 million for telemedicine services compared to more than \$3 billion in one year for the electronic health records incentive program.
- Congress needs to give health care providers viable incentives to adopt the increasing number of innovative health IT and mobile health products that are showing tremendous potential to improve care coordination, access to quality care and reduce care costs. Reimbursement laws should be modernized to remove the geographic limitations for telemedicine reimbursement and so that all seniors can benefit from the capabilities of today's technology in all settings—urban, rural, and in the home.
- We urge Congress to lift the geographic and site restrictions that exist in the Medicare fee-for-service telehealth services program. Eliminating these restrictions would enable Medicare beneficiaries to receive telemedicine services in less costly settings, such as a beneficiary's home, ensure access to health care services regardless of whether they live in rural or metropolitan areas and improve care coordination and outcomes for the Medicare population. By doing so, Congress will ensure that all beneficiaries can receive high quality, more convenient and less costly care.

I thank you for the opportunity to discuss the possibilities of transformative technologies to affect the course of health care for seniors and all Americans and I look forward to working with Congress to remove the obstacles to pave the way.