

Insurance Federation of Pennsylvania

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To: The Honorable Members of the House Professional Licensure Committee

From: Samuel R. Marshall

Re: SB 780 – the insurance mandate in the telemedicine licensure bill

“Insurer coverage (of telemedicine) over the past few years has grown substantially and we commend them on their efforts.”

That’s the assessment Children’s Hospital of Philadelphia gave to this committee, and it is worth remembering as you consider the insurance mandate in this bill.

- We recognize the value of telemedicine in providing better and more accessible care to our insureds. And by “recognize the value,” we mean that **we cover telemedicine now**.
- As CHOP noted, our coverage is growing substantially – and with or without this bill, that’s going to continue as telemedicine itself evolves. It (and our coverage of it) is already expanding beyond primary care into behavioral services and many specialties; the impediment so far isn’t so much insurance as patients being comfortable with it.
- But our coverage – whether of telemedicine or any other service – does have a limit: We cover network providers where both the service and the provider have proven to produce quality and value for our policyholders.
- That’s not a popular or easy function, but ensuring that a covered service has proven value is a cornerstone of insurance. It works best when it is a collaborative effort with providers, not a blanket mandate on insurers – especially when the service subject to the mandate is rapidly evolving.

That goes to our concerns with this bill: **We think the insurance mandate in Section 6(a) goes too far.**

- We don't believe every network provider or every service is entitled to coverage for a telemedicine service simply because it would be covered if provided in-person – and that's how we read Section 6(a).

Some services and some providers may not be ready for telemedicine coverage: They may not have established the proven value that is the cornerstone of insurance coverage.

- o That came out in the telemedicine demonstrations. The hospitals noted their programs came with internal controls to assure quality that might not be found in competing providers. We read this mandate, however, as prohibiting insurers from recognizing or being involved in those types of controls.
- Granted, this section also provides that the mandate applies where the service is provided “consistent with the insurer’s medical policies” and is “medically appropriate.” We’re not sure what that means.
 - o Could an insurer determine that a particular network provider, or a particular service, isn't qualified or medically appropriate to be done via telemedicine and therefore deny coverage?
 - o Could an insurer require prior authorization of a service provided via telemedicine that it doesn't require if done in-person?
 - o Maybe, maybe not. These are commonly used in managing benefits, but some may read (or intend) Section 6 as prohibiting their use when dealing with telemedicine. These questions should be answered before, not after, this bill gets enacted.
- Section 6(a)(3) adds to the confusion. It allows insurers and network providers to establish distinct payments for telemedicine.
 - o That makes sense, since many services delivered by telemedicine can be done at a reduced cost.
 - o But what happens if an insurer and provider can't agree? Can the provider still be in the network on an in-person basis? And can an insurer set different rates among its network providers depending on the qualities of those providers?

We also have a concern with the amendments to the licensing sections in the bill. As we read them – especially the one to Section 3(b) – the licensing boards are to promulgate regulations to “provide for and regulate telemedicine”, but would be prohibited from having standards of care and rules of practice unique to telemedicine.

That’s a major shift. Forget insurance for a moment: Why bar licensure boards from recognizing the uniqueness of telemedicine and setting standards of care and rules of practice to acknowledge that? We’re seeing rapid change in what can be done through telemedicine - why limit it to the parameters of in-person care?

Health care works best when insurers and providers are partners, not opponents. You don’t always see that in Harrisburg, but we generally work well with providers to make sure our coverage keeps up with their advances in medical care.

That’s been lost here, as often happens with any mandate. We ask that it be restored rather than enacting a broad (and confusing) mandate that may greatly expand provider payments without any assurance that those expanded payments are for better care and more affordable insurance.