Oregon House Committee on Health Care Friday February 5, 2021
Representative Rachel Prusak, Chair
Representative Cedric Hayden, Vice-Chair
Representative Andrea Salinas, Vice-Chair

Chair Prusak, Vice-Chairs Hayden and Salinas, and Members of the Committee:

Thank you for the opportunity to enter **testimony in support of HB 2508.**

I am an MD/family physician/PhD in Portland who has served a diverse population of Oregonians for 20 years, and also teaches new primary care physicians. I have worked through the Center for Outcomes Research and Education as a Clinical Advisor for the State of Oregon's value-based care and payment transformation efforts over the last decade.

Federal and state policy requirements regarding telemedicine parity in response to the COVID-19 pandemic have removed barriers inhibiting innovation around the delivery of health care, serving as an opportunity to directly address gaps in health care access, and potentially offering a lever to improve care and outcomes for all Oregonians.

Evidence shows ensuring telemedicine access may reduce costs overall, not raise costs. Opponents to HB2508 have made arguments about the potential effects on cost, access, and outcomes which appear be rooted in 'gestalt', rather than an assessment of recent evidence and facts on the ground. Among other benefits, policies that encourage telehealth and remote patient monitoring can directly lead to improved chronic disease management, an area of underutilization and high cost to the health care system. It is important the Oregon Legislature utilize available expert telemedicine policy resources and the most accurate/up-to-date data on the effects of telemedicine on cost and care to form policy.

This reference: National Committee on Quality Assurance (NCQA) Task force on Telehealth Policy Findings and Recommendations - Latest Evidence (**SEE PAGES 19-25** re: cost) may be helpful for evaluating the potential benefits of HB 2508:

1. **Substitution of in-person care.** Telemedicine often does not occur in addition to other care, it is a substitute for other care that may be more costly. For example, one financial study estimated that up to $250 BILLION worth of US health care could be adapted to telemedicine, and most current data seems to support this. There is no evidence which suggests this benefit would be limited to "video" or broad-band internet technology – instead benefits from the appropriate innovative care strategies can occur with various technologies, and should be determined by the health professionals and patients involved in care, not insurers.
2. **Preventing more costly care.**
    - Ascension Health found that, from March to May 2020, ***nearly 70% of patients would have gone to either urgent care or the ED had they not had access to virtual care.*** These patients would have used more costly options without access to telehealth.

- An Anthem study of Medicare Advantage claims data for acute and non-urgent care utilization found ***savings of 6%, or $242 per episode of care costs, by diverting members to telehealth visits who would have otherwise gone to an ED.*** The study also found less use of imaging, lab tests and antibiotics.

3. **Lower no-show rates.** Health systems and clinician practices consistently report lower no-show rates with telehealth – dropping by almost 50% in evaluation of primary care clinics, and by more than 70% for Behavioral Health visits specifically. Improved no-show rates are likely due to telehealth's convenience, especially its impact on travel burdens that create barriers to care in accessing transportation, taking time off from work and finding childcare – and effect seen across all ages, but particularly in the commercial and Medicaid populations. That being said, *telemedicine has been estimated by CMS to save Medicare patients more than $100 million on travel.*

Telemedicine Parity via Fee-For-Service IS compatible with Value-based payment strategies in Oregon. I fully support the movement to value-based care and payment for our entire population. However, it is important to understand that Fee-For-Service (FFS) and value-based payment care policies and strategies are not mutually exclusive as some opponents have suggested. In fact, FFS payment claims are the benchmark upon which every payer in Oregon currently determines their value-based payments. FFS payment is a component of every value-based payment methodology in use – with the exceptions of "full capitation" and population-based payments e.g. for primary care homes (PCPCHs) - neither which are widely utilized outside of Medicaid, despite 10 years of value-based payment efforts in Oregon. Importantly, HB 2508 allows telehealth payments to be wrapped into value-based payment arrangements, and payers can take steps internally to limit patient-cost sharing for evidence-based services such as primary care and behavioral health. Therefore, HB 2508 provides the necessary flexibility for payers and clinicians to start by ensuring equitable coverage, access, and reimbursement, and then allowing movement to value-based arrangements over time as parties are willing and able.

There are multiple resources payers could utilize for implementing telemedicine and other value-added services if they want to develop comprehensive value-based payment arrangements voluntarily. For example, see the Oregon Primary Care Payment Reform Collaborative recommendations for value-based payment implementation – which could incorporate telemedicine services - and/or national health policy recommendations specific to telemedicine as a guide (e.g. Health Affairs article from October 2020- "Establishing a Value-based 'New Normal" for Telehealth"

Thank you for your consideration and I hope your support for HB 2508. Passing this legislation will be an important step towards ensuring more equitable access, care, and better health and financial outcomes for Oregonians.

Sincerely,

Evan Saulino MD, PhD