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January 19, 2021

Senator Judy Lee
Chair, Senate Human Services Committee
North Dakota State Capitol
600 E Boulevard Ave
Bismarck, ND 58505

Dear Madame Chair Lee,

On behalf of Medica, I want to express our concern regarding SB 2179. Medica has covered telemedicine, telehealth, and virtual care services for years and have medical processes in place to outline the instances under which we cover these services. As a nonprofit health plan, we are mission-driven to improve the health of the communities we serve by making health care accessible and affordable for our membership. We are concerned about the negative impact that SB 2179, as introduced, could have on affordability.

Medica supports the ability of plans to work with providers to agree on a reimbursement that maximizes quality and value between remote and in-person care and not mandated by state law. We believe telemedicine, telehealth, and virtual care services can be an innovative modality of care, especially during a public health emergency. But, to continue to drive value and bend the cost curve, such services should not universally be paid at the same rate as a comparable in-person visit. We would oppose mandated reimbursement parity, and would instead recommend the preservation of current law, which requires that payment rates be established through negotiation between payments and providers. This would maximize telemedicine, telehealth, and virtual care services' value.

The onset of the COVID-19 pandemic and the need to socially distance increased the need and use of providing health care services via telehealth. Like many other health plans across the country, Medica voluntarily opted to reimburse health care providers for telehealth visits at the same rate under which we would reimburse for the same service delivered in an in-person setting.

The purpose of this temporary increase was an acknowledgement that due to the COVID-19 pandemic, many Americans may decide, or may be required to, postpone or forego medical appointments in order to free up hospital capacity to treat patients with COVID-19 while mitigating the risk of spread.

While North Dakota did not mandate a postponement of elective procedures, a number of states in our service area, including Minnesota, chose to take that step. The enhanced reimbursement reduced barriers and disincentives for safe care delivery to our members. However, we disagree that such a change should be made permanent, as it would increase health care costs as normal utilization of health care services resumes.

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Looking forward, Medica supports the approach of allowing health plans to work directly with providers to build on those strategies that work, with a focus on preserving accessibility and affordability.

We appreciate the opportunity to offer our concerns, and are happy answer any questions related to our concerns.

Respectfully,

Matt Schafer

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