



# Essentia Health

## House Human Services Committee

SB 2179

March 15, 2021

Chair Weisz and committee members, thank you for this opportunity to weigh in on this important issue to health care in North Dakota. My name is Andy Askew, and I serve as Essentia Health's Vice President of Public Policy. Prior to joining Essentia last February, I served as its contract lobbyist here in Bismarck while working as an attorney.

Essentia Health is an integrated health system serving patients in North Dakota, Minnesota, and Wisconsin. Headquartered in Duluth, Minnesota, we have 13,300 employees who serve patients and communities through our 14 hospitals, 71 clinics, and 6 long term care facilities. Essentia Health is an accredited accountable care organization by the National Committee for Quality Assurance and is focused on the triple aim of better health, improving patient experience, and lowering costs.

Prior to the pandemic, telehealth was limited to a small set of services and usually required patients to be at a clinic or a health care facility. However, to aid in the response to COVID-19, President Trump directed CMS to add more than 80 new telehealth services to the list of services covered by Medicare and, more importantly, to reimburse these telehealth services at the same rate as in-person services.<sup>1</sup> This is commonly referred to as "payment parity." There are currently 13 other states that require reimbursement parity for covered telehealth services.<sup>2</sup>

Since March 2020, Essentia Health has conducted approximately 390,000 virtual visits, which have assured that its patients have access to high quality, comprehensive, and integrated health care services directly to their homes - without having to travel hours or incurring the costs of taking time away from work or to finding childcare. This has also allowed hospitals to increase the integration and coordination of care among providers within the community, and reduce avoidable hospitalizations, admissions, and transfers. As a result, telehealth has improved the quality of care for our patients and lowered overall costs.

Despite the similarities of telehealth visits and in-person visits, and the overwhelming success of this new virtual care delivery model, North Dakota's insurance plans are reluctant to negotiate fair and competitive reimbursement rates for virtual visits. More specifically, the reimbursement health care providers throughout the state receive for virtual visits can be anywhere from 20% to 40% lower than in-person services. This is a drastic deviation from Medicare and some of North Dakota's sister states. Simply said, the current reimbursement rates are unsustainable, and risk North Dakota providers' ability to offer continued access to timely,

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<sup>1</sup> See CMS.gov, *Trump Administration Makes Sweeping Regulatory Changes to Help U.S. Healthcare System Address COVID-19 Patient Surge*, available at <https://www.cms.gov/newsroom/press-releases/trump-administration-makes-sweeping-regulatory-changes-help-us-healthcare-system-address-covid-19> (March 14, 2021).

<sup>2</sup> States that require payment parity for covered telehealth services include: AR, CA, DE, GA, HI, KY, MA (limited and only through 2023) MN, NH, NM, TN (only through April 1, 2022), UT, and WA.

high-quality, and coordinated health care, especially in rural communities where essential services may not be financially viable given low patient volumes.

While the number of virtual visits leveled off since the early months of the pandemic, virtual visits still account for roughly 20% of Essentia's encounters and will remain an important tool to ensuring access to care throughout the rural communities we are privileged to serve. By continuing to utilize these virtual visits, providers and hospitals alike will be able to provide three very important elements, which are:

- Continuity of care – Virtual visits allow patients to be cared for by their care team or an extension of this team – not a third party from a national vendor.
- Access to the entire patient record – Virtual visits ensure that nothing is left unaddressed with regard to patients' past medical history, medication lists, previous health events, etc.
- Access to comprehensive and integrated health care -- Virtual visits allow providers to easily handover care needs to other members of the health care team, such as future testing needs, follow up, or referrals to a specialist – all of which can be done within EPIC to ensure that the patient is receiving comprehensive care. This is not easily done with a third party like Teledoc or AmWell.

Because of the importance of ensuring North Dakotans continue to have access to high-quality, comprehensive telehealth services, Essentia Health urges North Dakota to join these states in requiring reimbursement parity for these telehealth services. If our state's hospitals and health care providers are continued to be paid 20% to 40% less for telehealth services, they will not be able to afford to invest in expanding their telehealth capabilities or competing with national telehealth vendors like Teledoc and AmWell. Therefore, Essentia joins the ND Medical Association, the ND Rural Health Association, the ND Psychiatric Society, and numerous providers and health care systems in requesting that this committee amend engrossed SB 2179 to require that covered telehealth services are reimbursed at a rate not less than in-person services as part of a two-year pilot program, which sunsets on July 31, 2023.

We believe this is an important step to ensuring that North Dakotans continue to have access to high quality, integrated care from local primary and specialty care providers. It will also give the Legislature an opportunity to monitor the benefits of competitive reimbursement rates during the pilot program and how these rates spur continued investment and innovation in telehealth services.

Thank you for your time and consideration.

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