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TO: The Honorable Thomas Mac Middleton, Chairman
Members, Senate Finance Committee
The Honorable Catherine Pugh

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise

DATE: March 7, 2012

RE: **SUPPORT** – Senate Bill 781 – *Health Insurance – Coverage for Telemedicine Services*

The Maryland State Medical Society (MedChi), which represents over 7,600 Maryland physicians and their patients, supports Senate Bill 781.

Senate Bill 781 is an outgrowth of a Telemedicine Task Force (Task Force) which met in the Summer of 2011. The work of the Task Force and recommendations are outlined in a Report which is available online at the following link: <http://mhcc.maryland.gov/electronichealth/telemedicine/index.html>. One of the key recommendations of the Task Force majority was to implement the requirement that electronic medicine be reimbursed by insurance carriers just as carriers now reimburse face to face encounters. Senate Bill 781 accomplishes that purpose in that it defines a Telemedicine Service as "...use of interactive audio, video, or other telecommunications... by a licensed health care provider to deliver a health care service ... at a site other than the site at which the patient is located." MedChi believes that this definition properly defines telemedicine and Senate Bill 781 goes on to indicate what telemedicine is not; it is not a telephone conversation or an e-mail or a fax between a health care provider and a patient. Page 2, line 30 through page 3, line 2.

As determined by the Task Force, there is a practical future to telemedicine only if the reimbursement is recognized and followed. The Task Force made the following recommendation (page 6): "State-regulated payers should reimburse for telemedicine services."

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MedChi is aware of a letter to the Chairman of this Committee suggesting a delay until later this year to determine “an appropriate reimbursement model.” This letter is signed by the Health Secretary, the Acting Executive Director of the Maryland Health Care Commission and the Executive Director of the Maryland Institute for Emergency Services. MedChi does not understand why an “appropriate reimbursement model” has to wait while government agencies consider other issues relating to telemedicine. The letter seems to assume that telemedicine must be developed as a “top down” model to be dictated and controlled by government agencies. Such a “top down” model is clearly not required and contrary to the notion of innovation in health care to which telemedicine is one indication.

MedChi would urge a favorable report on Senate Bill 781.

For more information call:

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