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TO: The Honorable Thomas M. Middleton, Chairman
Members, Senate Finance Committee
The Honorable E.J. Pipkin
The Honorable Catherine Pugh

FROM: Joseph A. Schwartz, III
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J. Steven Wise

DATE: February 23, 2011

RE: **SUPPORT** – Senate Bill 298 – *Health Insurance – Reimbursement for Covered Services Rendered by Telemedicine*
SUPPORT WITH AMENDMENT – Senate Bill 406 – *Task Force to Study the Use of Telemedicine in Medically Underserved Populations and Areas*
SUPPORT WITH AMENDMENT – Senate Bill 744 – *Health Insurance – Coverage for Telemedicine Services*

The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, supports the effort to increase the focus on telemedicine and acceptance of telemedicine. It is an important tool that holds great potential to enhance access to and the quality of medical services, particularly for individuals in underserved areas. MedChi supports the above referenced bills and believes they reflect the importance of focused attention on the issues attendant to the expanded use of telemedicine.

Senate Bills 298 and 744 address the issue of reimbursement for telemedicine services. While both bills address the need to require reimbursement for telemedicine services, MedChi prefers the definition of telemedicine services reflected in Senate Bill 298 and objects to the exclusion of telephonic communication and e-mails reflected in the definition in Senate Bill 744. MedChi believes that the appropriate provision of care through all electronic means should be reimbursable.

The use of telemedicine is receiving increased attention by policy makers and health care professionals alike because it removes the barriers of time and distance. Further, telemedicine has the potential to reduce health care disparities whether due to mal-distribution of physicians, socio-economic status, geographic location of the patient,

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or disparities related to delayed delivery of care. However, without reimbursement there will be no incentives for the development and adoption of the technology to implement effective telemedicine programs. Reimbursement is a critical component to realizing the potential that telemedicine holds.

Senate Bill 406 establishes a Task Force to study the use of telemedicine in medically underserved populations and areas. MedChi supports a focused review of telemedicine by affected stakeholders but believes that work should be broadened to include its potential beyond medically underserved areas and populations. There currently exists a Task Force on Telemedicine, convened in the spring of 2010 through the Governor's Health Quality and Cost Council, which focuses specifically on the use of telemedicine with respect to patients who suffer a stroke. While the deliberations to date have focused on stroke management, there are plans to expand the focus of the Task Force to more broadly consider the potential benefits and limitations of telemedicine both in medically underserved areas and in the health care delivery system generally. MedChi would encourage the Committee to direct this Task Force to incorporate relevant issues into their deliberations and to expand the participating parties to include a broader range of stakeholders as appropriate.

The Board of Physicians has also been working to develop a regulatory framework for the use of telemedicine and other electronic forms of patient communication. The Board's efforts in that regard illustrate the challenge of appropriately structuring programs that enhance access to high quality services while ensuring proper protection of the patient and regulatory oversight. The use of telemedicine holds great promise but also raises significant issues with respect to liability, patient communication, physician patient relationships and other issues that must be carefully considered. MedChi applauds the sponsors of these bills for their foresight in recognizing telemedicine as an avenue to address both access and quality issues provided there is corresponding reimbursement. We look forward to working with them and the balance of the Committee on the appropriate use and reimbursement of telemedicine services.

For more information call:

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