



ALLIANCE *for*
CONNECTED CARE

May 13, 2014

Via Electronic Filing

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: **Health Care Workshop, Project No. P131207**
Further Comments of the Alliance for Connected Care

Dear Chairwoman Ramirez:

The Alliance for Connected Care (the “Alliance”) is pleased to submit these further comments regarding the Federal Trade Commission’s (“FTC” or “Commission”) workshop on U.S. healthcare competition.¹ The Alliance appreciates the workshop’s focus on innovations in health care delivery and advancements in health care technology. By utilizing innovative new technologies, telehealth – or “Connected Care” – services have the potential to revolutionize the existing health care delivery model, expanding access, improving quality, and significantly reducing the costs of patient care. As the Alliance emphasized in its initial comments, however, legal and regulatory barriers continue to stifle innovation and present obstacles to the deployment of such innovative delivery models in both rural and urban areas.² For consumers to fully realize the benefits of Connected Care nationwide, it is essential that these barriers are removed.

I. Background.

The Alliance is a 501(c)(6) organization that was formed to promote a statutory and regulatory environment in which every medical provider in America is permitted to deliver, and be adequately compensated for, providing safe, high-quality care using telehealth technology at his or her

¹ See “FTC to Host Public Workshop Examining U.S. Health Care Competition,” Press Release, Federal Trade Commission (Feb. 14, 2014).

² See Letter from Krista Drobac, Executive Director, Alliance for Connected Care, to the Hon. Edith Ramirez, Chairwoman, FTC (filed March 10, 2014) (“Alliance Comments”).

discretion, regardless of care delivery location or technological modality.³ Specifically, the Alliance intends to:

- Demonstrate the importance of Connected Care as a tool for improved quality and efficiency in the delivery of patient care;
- Build significant and high-level support for Connected Care among leaders in Congress and the Administration;
- Include telehealth, remote patient monitoring, and other Connected Care technologies as tools to support new models of patient care and payment;
- Remove federal and state regulatory and statutory barriers to the effective development, deployment, and use of Connected Care; and
- Establish a non-binding and standardized definition of safe, high-quality Connected Care through a multi-stakeholder process.

II. Prioritizing Connected Care on the National Agenda.

To fully realize the benefits of Connected Care, it is important that the Commission, the Administration, and all stakeholders work together to prioritize Connected Care as a critical part of the national health care and technology agenda. This emphasis is consistent with the Administration's ongoing support for robust broadband deployment and infrastructure. Given the importance of our nation's health care system and the significant impact telemedicine can have on patients' lives across the country, the Alliance urges the Administration to similarly prioritize Connected Care by taking steps such as hosting a White House Summit on Connected Care.

As explained in the Alliance's initial comments, significant benefits of Connected Care are already being illustrated by real-life examples.⁴ Indeed, the Veterans Health Administration uses video technology for mental health evaluations and specialty care, and the VHA's Office of Informatics and Analytics announced that its use of telehealth technologies has led to a 56 percent reduction in hospital admissions and a 93 percent patient satisfaction incidence.⁵ In addition to mental health services, telehealth also is already being used in chronic disease care management, dermatology, high-risk pregnancies, and enhanced Neonatal ICU services for fragile infants born in community hospital settings. The Alliance also believes that, with support for equipment and training, telehealth can be used throughout the country's federally qualified community health center system. These urban and rural safety net providers care for vast numbers of patients with chronic health conditions, many of whom face problems with transportation to doctor appointments, even if residing in urban areas.

³ The Alliance's members are leading companies from across the health care and technology spectrum, representing insurers, retail pharmacies, technology and telecommunications companies, and health care entrepreneurs. These companies include Verizon, WellPoint, CVS, Walgreens, Teladoc, HealthSpot, Specialists on Call, Doctor on Demand, Welch Allyn, Cardinal Health, Care Innovations, MDLive and GlobalMed.

⁴ See Alliance Comments at 1-2.

The Alliance’s overarching goal is to make these revolutionary Connected Care services mainstream as a regular option for patients who need telehealth access. To achieve this objective, however, a number of regulatory and statutory barriers must be removed. We are looking to the Administration – in cooperation with the Commission and other stakeholders – to create the momentum necessary to effect this change, prioritize Connected Care as a national priority, and ensure that consumers in all areas of the country can benefit from these revolutionary innovations.

III. Regulatory and Statutory Obstacles to Innovation.

A. Barriers to Reimbursement.

A number of existing regulatory and legal restrictions continue to hamper the expansion of Connected Care. For example, Section 1834(m) of the Social Security Act also imposes strict requirements on the reimbursement of telehealth expenses for Medicare beneficiaries, which effectively limit access to Connected Care. Medicare generally reimburses telehealth services only when the “originating site” – *i.e.*, where the patient is located – is in a Health Professional Shortage Area or in a county that is outside of any Metropolitan Statistical Area. The originating site also must be a medical facility and not the patient’s home, and Medicare only pays for face-to-face interactive video consultation services where the patient is present.

States also have adopted varying standards by which their Medicaid programs reimburse telehealth expenses, and there is no single widely-accepted standard for private payers. While some insurance companies value the benefits of telehealth and will reimburse a wide variety of services, others have yet to develop comprehensive reimbursement policies.

Furthermore, licensing can be a burden for physicians who practice telehealth. Most states require physicians to be licensed to practice in the originating site’s state. Therefore, with limited exceptions, telehealth consultations with a physician across state lines often require multiple licenses. The process of applying for multiple licenses can be administratively and financially burdensome, if not prohibitive.

B. Need for a Uniform Definition of Telehealth or “Connected Care” to Guide Legislative and Regulatory Efforts at the Federal and State Levels

The concept of Connected Care has evolved in recent years, mostly as a result of technological advancement. Consequently, in many cases, there are no legislative or regulatory definitions in effect that adequately describe modern technologically-supported care delivery mechanisms. The descriptors that do exist are often disparate and imprecise. To date, there has not been an inclusive, stakeholder-driven process to build consensus around the definition of Connected Care to guide legislative and regulatory efforts at the Federal and State levels. As a result, different definitions have emerged in various forums.⁶ This has resulted in a patchwork approach that has made it difficult to implement consistent policies making Connected Care available to all Americans.

The Alliance supports the establishment of a multi-stakeholder process to develop a standard definition of safe, high quality “telehealth services” and Connected Care, eliminating restrictions that

⁶ See, *e.g.*, the National Defense Authorization Act for FY 2014 (H.R. 1960) and the TELEmedicine for MEDicare Act (H.R. 3077).

hinder access to those services, including limits on applicable technology. This definition would serve as non-preemptive guidance to states and policymakers.

The Alliance has encouraged the Office of the National Coordinator (“ONC”) to engage stakeholders in the development of a specific definition for Connected Care to guide legislative and regulatory efforts at the Federal and State levels.

C. Cumbersome Licensure Requirements

A solution is needed to enable licensed physicians and other practitioners to deliver telehealth services to patients who need it, even if the patients are located in a different state. The Alliance submitted comments to the FSMB as they developed their compact. We do not believe the FSMB compact as currently written solves the problem. It is a step forward, but we need more to truly make cross-state practice feasible.

IV. Alliance to Host Capitol Hill Event on May 21.

The Alliance, which is co-led by Senators Tom Daschle, Trent Lott, and John Breaux, will hold an event on Capitol Hill on May 21 from 4-6 p.m. to announce the release of a new study highlighting the impact of Connected Care on improving health care access, quality, and costs associated with chronic diseases. This event will provide an opportunity to continue raising the profile of Connected Care as an important national priority. Attendees will also have an opportunity to view live demonstrations of Alliance members’ Connected Care technologies. The Alliance encourages policymakers and stakeholders to attend this event and join the Alliance in its efforts to advance access to Connected Care for providers and patients nationwide, regardless of location or modality.

V. Conclusion.

The Alliance appreciates the opportunity to submit these comments on Connected Care and its potential to revolutionize the existing health care delivery model. By working together to make Connected Care a priority on the national agenda, we can expand access, improve quality, and significantly reduce the costs of health care for patients across the country. The Alliance looks forward to working with the Commission, the Administration, and all stakeholders to eliminate the remaining regulatory and statutory barriers discussed above so that consumers and providers can fully realize the benefits of Connected Care regardless of location or delivery model.

Sincerely,



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