

March 19, 2018

Senate Public Health and Welfare
Testimony In support of HB 2674

Madam Chair and Members of the Committee:

I am testifying in favor of House Bill 2674. FreeState Connect is a Wichita, Kansas-based multi-specialty medical practice providing care to rural areas via innovative and cost-effective telemedicine technology. We have one goal: Making high-quality care accessible to everyone, regardless of their location, age, or the time of day. Using telemedicine, we currently provide access to twenty-three different medical specialties (**Appendix A**) at 28 locations (**Appendices B and C**) across Kansas. We are the only rural telemedicine provider in Kansas, and among very few in the entire country, that offer a wide breadth of service without being subsidized by a large healthcare system or grant money. We are also the only rural telemedicine provider in Kansas that creates its own technology, and thus can control that cost.

Rural healthcare has long been plagued with provider shortages. Small communities spend large amounts to recruit and retain primary care providers, with variable success. Subspecialty care is often impossible to secure. Telemedicine – defined as the use of internet-based technology to securely interview and do a full physical examination on a remote patient – is an excellent solution to this problem. It enables tiny towns to have instant access to the full cognitive resources of a large medical center.

Until recently, the biggest hindrance to the spread of telemedicine was technology. It cost too much, did not work well, and often was not easily portable. These legacy systems are still widely marketed and are usually installed after a community secures grant funding to pay for them. Ironically, the communities that most need telemedicine due to lack of financial resources or enough population to support a visiting specialist have traditionally also been those least likely to get it – they simply cannot afford it without grants. Our technology platform, which takes advantage of recent advances in multiple fields, has eliminated this obstacle (**Appendix D**).

The second biggest hindrance to the spread of rural telemedicine is the cost of medical services. Until recently, no insurance company would cover telemedicine despite it being equivalent to in-person care in the vast majority of use cases. As a result, physician services have often been funded by grants, charity, subsidies from large healthcare systems, or block payments from rural communities. As with the technology, this put access out of reach of many small towns. Roughly four years ago,

Medicare opened the door to reimbursement for rural telemedicine. KanCare also reimburses for telemedicine in some instances. This has made it possible for physicians providing care to rural areas to bill Medicare or KanCare, and not to have to charge up front, or depend as heavily on the other payment mechanisms outlined above. Unfortunately, private insurance payers have been much slower to adopt reimbursement for rural telemedicine.



When our group started, we approached Blue Cross Blue Shield of Kansas, United Healthcare, Aetna, and Humana about becoming in-network providers. In the case of United, Aetna, and Humana we were told they did not cover telemedicine at all, though in multiple cases, they covered it in surrounding states. Blue Cross Blue Shield, which publicly claims to cover some rural telemedicine, told us they would not contract with us because we were a telemedicine group. We approached these companies' multiple times in an attempt to talk about what we were doing, how it helps rural communities, and how to address any concerns they had about telemedicine but were consistently turned away. As a legislative solution picked up steam last year, we began having more communication and several solutions were identified with several insurance companies. This legislation is needed to continue that progress and ensure insured Kansan's have coverage parity.

As physicians, our commitment to patients supersedes questions of payment. This technology raises the standard of care in rural Kansas, so we have never turned away a patient because they have the "wrong" insurance. However, this problem is hurting rural patients, rural hospitals, and our efforts to serve them both in concrete ways. Patients have been harmed because they are unable to see a specialist in their own town or are unable to be treated in their local hospital via telemedicine because their insurance will not pay for the care.

Kansas is one of the most rural states in the nation. Telemedicine is critical to our ability to supply high quality, affordable, reliably-accessible healthcare to our rural citizens for years to come. Kansas can and should be a leader in this area, yet we currently lag many surrounding states and most of the country, largely due to an unfavorable reimbursement situation. We feel HB 2674 is a legislative step to improving things. Thank you for your consideration.

Sincerely,

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President

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Appendix A **Medical Specialties**

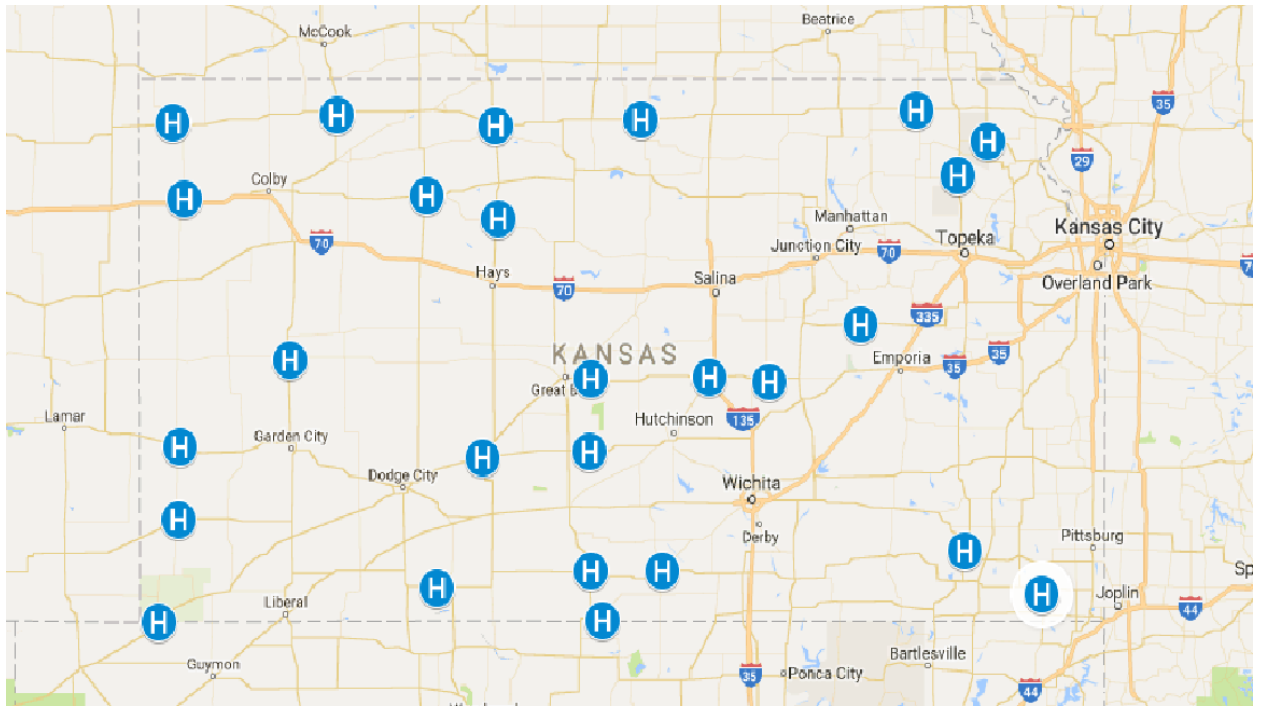
- Allergy and Immunology
- Cardiology
- Complex Diabetes
- Dermatology
- Dietitian/Certified Diabetic Educator
- Emergency Medicine
- Endocrinology
- Family Medicine
- Hospitalist, including ICU
- Hospice and Palliative Care
- Infectious Disease
- Internal Medicine
- Mental Health
- Nephrology
- Neurology
- Non-Narcotic Pain Management
- Pediatrics
- Pediatric Hospitalist
- Pediatric Infectious Disease
- Pediatric ICU
- Physical Medicine and Rehabilitation
- Rheumatology
- Wound Care



Appendix B **Kansas Locations**

Ashland Health Center
Bluestem Communities PACE (Program All-
Inclusive Care for the Elderly)
Cheyenne County Hospital
Community Health Center of Southeast
Kansas
Decatur Health Systems
Edwards County Hospital and Healthcare
Center
Ellinwood Hospital and Clinic
Goodland Regional Medical Center
Graham County Hospital
Hamilton County Health
Harper Hospital District #5
Hillsboro Community Hospital
Holton Community Hospital
Horton Community Hospital
Jewell County Hospital
Kiowa District Healthcare
Medicine Lodge Memorial Hospital and
Physicians Clinic
Morris County Hospital
Morton County Health Systems
Nemaha Valley Community Hospital
Oswego Community Hospital
Phillips County Health Systems
Rooks County Health Center
Scott County Hospital
Stafford County Hospital
Stanton County Hospital
St. Luke Hospital and Living Center
Wilson Medical Center





Appendix C
Sample of Services Supplied in December/January, and In-Person Alternatives to Receive Same Service

Specialty	Patient Home	Closest town with Specialist	Wait for In-Person visit
	Medicine		
Endocrinology	Lodge	Wichita - 1.5 hrs.	April
Endocrinology	Agra, KS	Wichita - > 3 hrs.	April
Endocrinology	Kiowa, KS	Wichita - 1.5 hrs.	July
Endocrinology	Woodston, KS	Wichita - > 3 hrs.	April
Dermatology	Hazelton, KS	Wichita – 1.5 hrs.	Late February
Dermatology	Macksville, KS	Great Bend - 50 min.	Mid-March
Hospitalist	Neodesha, KS	Wichita – 1.75 hrs.	4 hrs. + ambulance; instead treated in
Nephrology	Kiowa, KS	Wichita - 1.5 hrs.	Late March
	Medicine		
Neurology	Lodge	Wichita – 1.5 hrs.	Mid-April
Neurology	Logan, KS	Hays KS - > 1 hr.	Late March
Neurology	Chanute, KS	Independence - 47 min.	Mid-April
Rheumatology	Neodesha, KS	Girard - 1 hr.	Mid-March
Rheumatology	Tyro, KS	Girard – 1.5 hrs.	Mid-March



Appendix D Telemedicine Technology

[Video of technology in action:](http://www.bizjournals.com/wichita/video/FkdXdwnjE6hRV006G2Y08WYflqFCkoQs?autoplay=1)

<http://www.bizjournals.com/wichita/video/FkdXdwnjE6hRV006G2Y08WYflqFCkoQs?autoplay=1>

MITEE (“Mighty”) 2.0 - The Smartphone-based Telemedicine Cart



Powerful

- 1080p-capable, 8-megapixel video camera
- Handheld exam tool enables incredible zoom, easy examination of any body part
- Omnidirectional microphones with noise and echo reduction
- 17” screen in base model

Reliable

- Connects via WIFI, cellular, or satellite
- 6-12 hour active-use battery life
- 7-day standby battery life, and optional solar charging

Comprehensive

- Full examination of heart, lungs, ears, eyes, nose, throat, and skin
- Included stethoscope/otoscope peripherals

Ultraportable

- Full unit weighs 3-4 pounds
- Handheld exam tool weighs a few ounces

Easy to Use

- No keyboard or mouse required
- Touch screen functionality

