



**Senate Human Services Committee**  
**SB 2179**  
**January 20, 2021**

Chair Lee 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 at the Pearce Durick law firm.

Essentia Health is an integrated health system serving patients in North Dakota, Minnesota, and Wisconsin. Headquartered in Duluth, Minnesota, we have 13,500 employees serving patients and communities throughout our 14 hospitals, 70 clinics, and 12 assisted care and long term care facilities. Since March 2020, Essentia Health has conducted approximately 340,000 virtual visits, which have assured that its patients have access to high quality, comprehensive, and integrated health care services directly to their homes. This has allowed our patients to avoid unnecessary risks of infection, taking time away from work, or having to find childcare in order to seek health care services. In June, Essentia received the Blue Cross and Blue Shield of Minnesota Trailblazer Award for its nation-leading efforts to improve access to virtual care during the COVID-19 pandemic.

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, Medicare and numerous states afforded various regulatory and payment policy flexibilities that allowed patients access to care from primary and specialty care providers using a phone, tablet, laptop, or personal computer, and to do so without having to leave home. These flexibilities also required that these virtual visits be reimbursed at rates similar to or equal to in-person visits. This is commonly referred to as “payment parity.”

In North Dakota, Governor Burgum and Insurance Commissioner Godfreed mandated expanded insurance coverage of telehealth services through Executive Order 2020-05.1 and Bulletin 2020-3.<sup>1</sup> According to these mandates, insurance carriers were required to “start or continue to provider covered services via telehealth.”<sup>2</sup> These services included:

- Office visits for existing patients;
- Physical therapy, occupational therapy, and speech therapy plan evaluations;
- Behavioral health and substance use disorder treatment;
- Diabetes education; and
- Nutrition counseling<sup>3</sup>

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<sup>1</sup> See Executive Order 2020-05.1; Bulletin 2020-3 (relating to expansion of telehealth services).

<sup>2</sup> Bulletin 2020-3.

<sup>3</sup> Id.

Governor Burgum and Commissioner Godfreed also prohibited insurance carriers from imposing any specific requirements on the technologies used to deliver telehealth, virtual check-ins, and e-visit services.<sup>4</sup> These mandates are currently in effect and required throughout the duration of the peacetime emergency.

Because of the various flexibilities granted during the pandemic, health care providers are now offering two distinct telehealth services: virtual visits and e-visits. When we discuss the costs of delivering of telehealth services, it is important to understand the difference between the costs of virtual visits and the costs of e-visits because the costs to deliver are drastically different.

Simply stated, a “virtual visit” allows a patient to see their primary and specialty care provider using a phone, tablet, laptop, or personal computer directly from the patient’s home. These virtual visits have allowed patients to maintain access to health care services without taking time away from work, having to find childcare, or without subjecting themselves to unnecessary risks of infection. In addition to the traditional fixed costs of delivering health care – which includes the costs of maintaining care facilities and infrastructure, employing health care staff, and billing and coding health services as required by insurance carriers – virtual visits require new, additional costs, such as:

- Technology infrastructure costs, including hardware, software, applications, and licenses;
- Expanded data storage costs;
- Implementation and training costs;
- Maintenance and integration costs; and
- Increased IT support

By utilizing these virtual visits, North Dakota’s providers and hospitals alike have ensured that they are prepared to care for patients during the pandemic in a manner that not only assures easy access to health care services, but one that also protects patients and workforce from unnecessary risks of infection and preserves PPE, bed capacity, and other medical resources.

In addition to virtual visits, providers offer what we call an “e-visit,” which is a virtual visit for a specific set of acute conditions, such as allergy symptoms, colds, eye infections, skin conditions, and UTIs. These visits cost anywhere between \$30 and \$50 and are often paid directly by the patient. Although North Dakota providers like Essentia Health and Sanford Health offer e-visits,<sup>5</sup> national, out-of-state vendors like Teledoc and AmWell are most well-known for offering e-visits. These out-of-state vendors do not maintain emergency rooms, hospitals, urgent care, labs, or pharmacies and, in some instances, do not need to hire the same level of staff to authorize services and submit claims to insurance companies. As a result, Teledoc and AmWell can offer these e-visits for a lower cost than compared to the more robust “virtual visits” offered by hospitals like Essentia which must maintain infrastructure for both in-person and virtual care and provide patients with high quality, comprehensive, and integrated care from North Dakota providers.

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4 Executive Order 2020-05.1; Bulletin 2020-3 (relating to expansion of telehealth services).

5 See e.g., Sanford Health, E-visits, <https://www.mysanfordchart.org/MyChart/Authentication/Login?mode=stdfile&option=evisit> (Jan. 20, 2021).

Unfortunately, despite the glaring difference between virtual visits and e-visits, North Dakota insurance plans reimburse virtual visits substantially lower than in-person services. 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, despite 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. Because of the substantial costs of virtual care, the current reimbursement rates for virtual visits are simply unsustainable and serve as a barrier to future innovation in virtual care – especially in rural and undeserved communities where access to primary and specialty care is needed most.

Momentarily, you will hear from numerous health care providers that will attest to the overwhelming benefits of virtual visits and the costs of this new virtual care delivery model. Before handing it over to them, I want to quickly address the actuary analysis that was completed by Deloitte in conjunction with Sanford Health's insurance plan and encourage this committee to look past this incomplete analysis.

As you will see, in the analysis, the consultant claims that virtual visits “cost[] less compared to an in-person visit.” To support this claim, the consultant suggests that a virtual visits costs \$45 – the costs of a Teledoc visit. This analysis is misguided in that virtual visits offered by hospitals like Essentia are markedly different than the product offered by out-of-state vendors such as Teledoc and AmWell – and cost much more. In fact, Essentia and some of the providers here today have found that the cost of providing a virtual visit with a primary or specialty provider currently cost the same or slightly more than an in-person visit.

Said otherwise, the analysis before you fails to provide a meaningful analysis of the cost of virtual visits – not e-visits – and the overall impact of SB 2179.

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.

For these reasons, Essentia joins the ND Medical Association, the ND Psychiatric Society, and numerous providers and health care systems to respectfully request your support of SB 2179 and its goal of requiring health plans to reimburse providers for all covered telehealth services delivered to patients at home at the same rate as in-person services. 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 throughout the remainder of the pandemic and beyond.

Thank you for your time and consideration.