



April 15, 2015

Representative Matt Dean
100 Rev. Dr. Martin Luther King Jr. Blvd
401 State Office Building
St. Paul, MN 55155

Dear Representative Dean and Members of the House Health and Human Services Committee:

On behalf of Children's Hospitals and Clinics of Minnesota, I am writing in support of Senate File 981, which would provide reimbursement parity for telemedicine services.

We launched our telemedicine program in early 2014 based on increasing evidence that telemedicine is becoming a key component of effective, cost-efficient, modern health care delivery. Our goal is to extend the expertise of our pediatric emergency physicians to support physicians and caregivers based in areas outside of the metro area so that children are able to receive quality care near home. By late summer 2015, we expect to be providing telemedicine services to between four and eight rural Minnesota emergency departments, and expect to develop a much more extensive network moving forward.

In our pilot program with an outer suburban emergency department, our pediatric emergency physicians have provided consultations that have prevented costly and unnecessary transfers to our hospital. Every year we receive a few children by ground or even air transport who are able to go home directly from the emergency department without needing inpatient care. Our telemedicine program has helped avert those cases, kept families close to home and allowed critically ill children to begin receiving intensive care treatment before the transport begins.

Children's is expanding its telemedicine program to provide virtual general pediatric and subspecialty care. Next month, families of our patients with hemophilia will be able to connect from home to their hematologist, which allows children and families to receive treatment at home instead of the costly emergency department. Soon we will have virtual clinics in selected specialties. With this model, a pediatric specialist in genetics, pulmonary disease, eating disorders, or another specialty, from an office at Children's, will be able to evaluate several children in a single morning, from Worthington to Grand Marais, without having those children and families miss one or two full days of school and work to travel great distances for a thirty- minute visit in the Cities.

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Minneapolis, Hospital and specialty clinics
St. Paul, Hospital and specialty clinics
Woodbury, Specialty and rehabilitation clinics
Maple Grove, Rehabilitation clinic
Roseville, Rehabilitation clinic
Minnetonka, Outpatient surgery,
diagnostic center and rehabilitation clinics

As you consider the economics of these sorts of telemedicine programs, it is important to factor in the quality of life impact on families. Consider the amelioration of travel costs and lost wages to families, lost time from school, lost productivity for businesses, and other economic costs currently inflicted by our only-in-person, on-site system of care delivery.

A study of 700 children, over 66 percent of who were on Medicaid, showed that telemedicine was able to prevent all but ten percent of children from being sent home despite minor ailments. Their parents, when surveyed, indicated that without this program, 93.8 percent of those problems, out of 940 telemedicine encounters, would have led to an emergency room or office visit.

The benefits are clear but for these programs to succeed, medical personnel and facilities must be paid. The California Association for Health Services at Home pointedly notes: "The realization of benefits from widespread telehealth is caught in a chicken and egg scenario; where payer sources don't see the need to reimburse for telehealth services until it is more widely adopted, but the wide adoption of telehealth is dependent on the reimbursement of costs to providers."

Our young program is built upon grants and hospital operational funds with minimal reimbursement, a model unsustainable in a robust program. For us to fully achieve the goals of the Triple Aim and to reduce the cost of health care – our ability to meet families through telemedicine in or near their homes is critical.

If Minnesota is to maintain its position in the vanguard of quality medical care, if we are serious about transforming the way healthcare is delivered to meet the requirements of the 21st Century, fair payment is critical for us to continue to innovate and coordinate care.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Wright" followed by a stylized flourish and the letters "FAAT".

Dr. Gregory Wright
Chief of the Division of Critical Care Services
Children's Hospitals and Clinics of Minnesota