



The ERISA Industry Committee

Driven By and For Large Employers

701 8th Street NW, Suite 610, Washington, DC 20001

• (202) 789-1400

• www.eric.org

January 30, 2019

Senate Health & Long Term Care Committee
Washington State Legislature
J.A. Cherberg Bldg.
P.O. Box 40466
Olympia, WA

RE: Comment on Senate Bill 5385

Delivered via email to Members of the Committee

Dear Madame Chair Bailey and Members of the Health & Long Term Care Committee:

On behalf of The ERISA Industry Committee (ERIC), thank you for accepting testimony from interested stakeholders as you explore opportunities to expand and improve the delivery of health care through telemedicine in Washington. ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. We speak in one voice for our members on their benefit and compensation interests, including many members with employees and retirees in Washington.

As plan sponsors, our members strive to provide the best health care possible to their employees, retirees, and families at an affordable cost. At ERIC, we seek to enhance our members' ability to provide high-quality, affordable health care. We recognize the significant opportunity provided by telemedicine to modernize health care delivery and improve access to quality medical care for workers and their dependents.

Telemedicine is not only convenient, but it also has tremendous cost savings potential. Telemedicine allows practitioners to be more efficient with their time and see more patients than with traditional in-person practice. According to one estimate, missed appointments alone cost the health care system \$150 billion per year.¹ However, with telemedicine, if a patient is a no-show, rather than that appointment time being vacant, practitioners can move on to another patient, allowing them to mitigate the loss. Additionally, for practitioners, such as specialists, that need to travel between medical sites to see patients, telemedicine allows them to stay in one location and focus on treating patients rather than on travel time. Practitioners are also able to save on overhead costs since telemedicine can be practiced in smaller spaces and with fewer staff than traditional practice.

Large employers have been the biggest innovators in health care, and the vast majority have adopted telemedicine as a way to provide added value for their employees and to help drive down health care costs. For the aforementioned reasons, legislation that mandates that reimbursement for telemedicine be the same rate as that of in-person services is simply illogical and unnecessary. ***If the language in Senate***

¹ Gier, Jamie. "Missed appointments cost the U.S. healthcare system \$150B each year." *Health Management Technology*. May 2017. <https://www.scisolutions.com/uploads/news/Missed-Appts-Cost-HMT-Article-042617.pdf>.

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Bill 5385 is changed so that the reimbursement rate for telemedicine services is not required to be equal to that of in-person services, we would support and encourage passage of this bill. If not, we must oppose; reimbursement rates should be negotiated between providers and insurers, not mandated by government.

Thank you for accepting our input on this legislation. ERIC is pleased to represent large employers with the goal of ensuring telemedicine benefits are accessible for millions of workers, retirees, and their families. If you have any questions or if we can be of further assistance, please contact me at agreathouse@eric.org or 202-627-1914.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Greathouse', written in a cursive style.

Adam Greathouse
Senior Associate, Health Policy