

Florida
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TIME FOR TELEHEALTH

*Florida Lags Behind Much Of The Country In Telehealth,
But Thoughtful Action Can Be The Remedy*

NOVEMBER 2014



Dominic M. Calabro
President & Chief Executive Officer

Dear Fellow Taxpayers,

Telehealth, like the underlying technology that makes it possible, is a reality now and is the way of the future; however, the policy governing the use of telehealth in Florida has not kept pace with technology. This situation is not unique to telehealth: the Communications Services Tax was written before iPhones were invented, the State Court System just recently mandated that briefs be filed electronically, and the 2014 Legislature finally created the position of Florida Chief Information Officer to oversee the state's information technology needs.

Massachusetts, Mexico, and Mongolia are providing their citizens access to the highest quality medical and health care by widely and properly utilizing telehealth, but Florida does not. This Florida TaxWatch research report shows how Florida compares to other states on key metrics of health care service, and shows where our state can catch up. It strives to help Florida policymakers expand access to quality care and improve Floridians' health outcomes so that the state can close the gap in health care service and quality.

Taking advantage of the opportunities for telehealth is vital for Florida's future. Our unique demographic and geographic challenges (a decidedly older population and a state with many rural areas), and the importance of health care to our state economy all combine to make telehealth an especially important health, economic, and taxpayer issue.

Florida has one of the oldest populations in the nation, and Florida was ranked 48th in the nation for health care disparity across counties, meaning that available care and treatment widely varies based on zip code. Just like every student should have access to the same quality education, regardless of geographic location, all Floridians should also be able to access health care that meets the highest standards at the lowest possible costs.

During the 2014 Legislative Session, several changes to Florida's health care policy were proposed to improve access to quality care for all Floridians. One of the best ways for Florida to improve health outcomes across the state is by expanding and incentivizing the proper use of telehealth by Florida's providers. It is our hope that this report can be the catalyst to the next stage of telehealth policy development, for the betterment of all Floridians, our visitors, businesses, and taxpayers.

Sincerely,

A handwritten signature in black ink that reads "Dominic M. Calabro".

Dominic M. Calabro
President & CEO

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ABSTRACT

Florida is falling behind the curve in health care, but the safe expansion of telehealth can move Florida ahead while delivering a high return on investment for the state's taxpayers. The Sunshine State prides itself on being an ideal location to live, work, and play; and while Florida remains competitive across areas such as economic development, business opportunities, cutting-edge research, and arguably leads the nation in tourism, Florida lags behind a majority of states when it comes to addressing the health access needs of its large, rapidly growing, diversely aged population.

Ranked 48th among states for geographic disparity in health across its 67 counties, Florida has yet to successfully enact legislation that could provide safe, remote access to needed health care in a timely fashion. While the 2014 Florida legislative session saw an unprecedented number of bills actively moving telehealth initiatives forward, the legislation ultimately failed to pass.

As of October 2014, 21 states and the District of Columbia legislatively mandate private insurance coverage of telemedicine, and 12 states and the District of Columbia legislatively mandate Medicaid coverage of telemedicine, with all but a small handful of states continuing to propose legislation toward enactment. A recent 50-state report by the American Telemedicine Association gave Florida the grade of "C," with 28 states and the District of Columbia, including Texas, Georgia, and California, receiving higher grades on telehealth coverage and reimbursement matters.

Around the world and across the nation, the case for telehealth continues to grow. In the March 2014 report, *Critical Connections to Care*, Florida TaxWatch estimated a potential savings of \$1 billion to Florida if telehealth could reduce recently reported healthcare charges by even 1 percent. While additional telehealth studies are needed, reported telehealth data at the organizational level shows a notable impact on key health care metrics, such as admissions, emergency room visits, length of stay, and total charges. In addition, high rates of patient and provider satisfaction, improved patient outcomes, the ability to access in-demand specialists, and cost-savings to entire communities through reduced transportation costs, wait times, and full-time specialty staffing also suggest significant return on investment opportunities from telehealth efforts.

Used safely and appropriately, telehealth holds the key to meeting Florida's particular health needs. Telehealth can be the cornerstone of a sustainable and highly effective health care system. Rather than adopting an all-or-nothing approach that could require consensus on more than 40 separate policy decision points, Florida can begin laying the groundwork for telehealth expansion through legislative and regulatory efforts that do not hinder current telehealth practices, while continuing to explore Florida-specific options and selectively moving forward on key issues for which consensus can be reached easily. Looking at other states for model language and creative options will help Florida identify and develop its own unique blend of solutions.

To timely prepare for the health needs of its rapidly changing population, and to regain a nationally competitive position in health care for access, technology, and geographic health disparity, Florida must take steps to facilitate and expand telehealth now. Every year of inaction is potential money lost to the state, savings lost to businesses across a multitude of industries, and less access to necessary, timely health care for Florida's families.

BACKGROUND

Telehealth is the provision of medical and healthcare services at a distance using technology.¹ Telehealth has been successfully used around the world for health care services, including: mental health, radiology, developmental disabilities, geriatrics, neurology, dermatology, otolaryngology (ENT), trauma and emergency care, intensive and critical care, HIV, cancer, care of prison populations, provider and patient education, chronic disease management, and prevention.

Common categories of telehealth delivery include via interactive videoconferencing, store and forward, and remote patient monitoring. “Originating” or “presenting site” often refers to the patient’s location at the time of service and “distant” or “receiving site” often refers to the provider’s location at the time of service. Various delivery models exist including use of a central base or call center in a “hub-and-spoke” design and new delivery models are in development.²

Some entities use “telehealth” or “practicing medicine by electronic means” interchangeably with “telemedicine,” while some use “telehealth” to reference a broader spectrum of health-service delivery.³

As of October 2014, 21 states and the District of Columbia legislatively mandate private coverage of telemedicine,⁴ and 12 states and the District of Columbia legislatively mandate Medicaid coverage of telemedicine.⁵ Whether with or without a legislative requirement, 43 states and the District of Columbia provide some degree of Medicaid reimbursement for telehealth services.⁶ Florida has proposed such telehealth legislation without passage; however, certain services are currently reimbursable and covered within the Medicaid State Plan.⁷

For a more detailed background on telehealth, including a discussion of Medicaid coverage in Florida, please see the Florida TaxWatch report, *Critical Connections to Care* (March 2014).⁸

Florida's Special Incentives for Telehealth

Perhaps more than many other states, Florida has several unique and compelling reasons to consider expanding and facilitating telehealth, including an estimated potential savings of \$1 billion in health care charges if telehealth could reduce, by even 1 percent, the need for more costly interventions such as emergency department visits and hospital stays.⁹ Also among these reasons are the state’s rapid population growth, its documented geographic disparity in health, the increasing aging and disabilities populations, and emergency management needs. More specifically, Florida will soon be the third most populous state in the nation with more than 19.5 million diverse residents.¹⁰ Also, in a little more than a decade, more than

1 This is a simplified definition. For a discussion of telehealth and telemedicine definitions, see, e.g., Florida TaxWatch (March 2014). *Critical connections to care: Expanding the use of telemedicine in Florida will improve health outcomes and generate savings*, at 5-6. Available at <http://www.floridatxwatch.org/resources/pdf/CriticalConnectionsFINAL.pdf>

2 *Ibid.*

3 *Ibid.* For the purposes of this report, “telehealth” is used as the preferred term except in cases where “telemedicine” appears in a name or title, or is specifically referenced as “telemedicine” in the cited research piece.

4 American Telemedicine Association (2014). 2014 State Telemedicine Legislation Tracking (as of 10/31/2014). Available at <http://www.americantelemed.org/docs/default-source/policy/state-telemedicine-policy-matrix.pdf>. Fifteen other states have proposed legislation for private coverage in telemedicine.

5 *Ibid.*

6 National Conference of State Legislatures (NCSL) (2014). State coverage for telehealth services. Available at <http://www.ncsl.org/research/health/state-coverage-for-telehealth-services.aspx>

7 For more information on reimbursement and coverage in Florida, see Florida TaxWatch (March 2014). *Critical connections to care: Expanding the use of telemedicine in Florida will improve health outcomes and generate savings*, at 15-16. Available at <http://www.floridatxwatch.org/resources/pdf/CriticalConnectionsFINAL.pdf>

8 Florida TaxWatch (March 2014). *Critical Connections to Care: Expanding the use of telemedicine in Florida will improve health outcomes and generate savings*. Available at <http://www.floridatxwatch.org/resources/pdf/CriticalConnectionsFINAL.pdf>

9 See number 2.

10 U.S. Census Bureau, Population Division (June 2014). Annual estimates of the resident population for selected age groups by sex for the United States, states, counties, and Puerto Rico commonwealth and municipios: April 1, 2010 to July 1, 2013.

24 percent of Florida's population will be 65+ years of age.¹¹ This will correspond to less mobile, potentially non-ambulatory patients, and transportation concerns for health care access. In addition, developmental disabilities such as autism spectrum disorder continue to increase in prevalence,¹² along with congenital, injury-related, and age-related disabilities. For those individuals and their families, mobility, caregiver assistance, and transportation will remain issues for accessing needed health services. As demographics change, a viable alternative to in-person health care consultations and services is essential.

Even for its existing population, Florida has been seeking to improve access to care across its diverse 67 counties but falls behind other states in comparison. America's Health Rankings in 2012 ranked Florida 48th out of 50 states in geographic disparity, suggesting that mortality and health care varied significantly across the state's counties.¹³ In 2013, Florida ranked 41st on the revised metric of disparity in health status, which reflected health disparities across education levels.¹⁴

Of important note, established telehealth may be a game-changer for emergency management. In a state prone to hurricanes, when travel may be dangerous or impossible, remote access to quality health care can save lives. Furthermore, during public health crises from influenza to ebola, remote health care can provide a means of treatment that may reduce the transmission of communicable diseases.¹⁵

FLORIDA LAGS BEHIND OTHER STATES IN TELEHEALTH PROGRESS

Despite many beneficial reasons to move forward with telehealth initiatives, Florida still lags behind a majority of states in significant areas of telehealth implementation.

As of October 2014, 21 states and the District of Columbia have passed legislation mandating private coverage of telemedicine, with another 15 states including Florida having proposed private coverage legislation without passage.¹⁶ Twelve states and the District of Columbia have legislatively mandated Medicaid coverage, with another 11 states including Florida having proposed mandatory Medicaid coverage legislation without passage.¹⁷

In September 2014, the American Telemedicine Association (ATA) published two gap analysis reports that reviewed all 50 states' progress across coverage and reimbursement,¹⁸ and physician licensure and standards.¹⁹ In the gap analysis report looking at coverage and reimbursement issues, ATA graded all 50 states and the District of Columbia on 13 selected indicators.

11 Florida Legislature Office of Economic & Demographic Research (March 17, 2014). Florida's economic future and the impact of aging [PowerPoint presentation]. Retrieved from http://edr.state.fl.us/Content/presentations/economic/FlEconomicFuture&theImpactofAging_3-17-14.pdf

12 Centers for Disease Control and Prevention (2014). Autism spectrum disorder (ASD): Data & Statistics – Prevalence. Showing the new prevalence rate of 1 in 68. Available at <http://www.cdc.gov/ncbddd/autism/data.html>

13 See America's Health Rankings (2012). Florida: Geographic disparity, at 67. Available at <http://cdnfiles.americashealthrankings.org/SiteFiles/Reports/Americas-Health-Rankings-2012-v1.pdf>

14 See America's Health Rankings (2013). Florida: Disparity in health status. Available at http://www.americashealthrankings.org/FL/healthstatus_disparity/2013

15 Personal communication with Florida Department of Health (October 2014).

16 American Telemedicine Association (2014). 2014 State Telemedicine Legislation Tracking (as of 10/31/2014). Available at <http://www.americantelemed.org/docs/default-source/policy/state-telemedicine-policy-matrix.pdf>

17 American Telemedicine Association (2014). 2014 State Telemedicine Legislation Tracking (as of 10/31/2014). Available at <http://www.americantelemed.org/docs/default-source/policy/state-telemedicine-policy-matrix.pdf>

18 Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Physician practice standards & licensure. *American Telemedicine Association*. Available at: <http://www.americantelemed.org/docs/default-source/policy/50-state-telemedicine-gaps-analysis-physician-practice-standards-licensure.pdf>

19 Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. *American Telemedicine Association*. Available at: <http://www.americantelemed.org/docs/default-source/policy/50-state-telemedicine-gaps-analysis-coverage-and-reimbursement.pdf>

Overall, seven states received an A, while three states received an F. Florida received a C, with 28 states and the District of Columbia receiving higher scores. The data shows clear evidence that Florida is behind a majority of states when it comes to coverage and reimbursement policy for telemedicine/telehealth.

These 13 indicators (grouped into two larger categories: “Parity” and “Medicaid Service Coverage and Conditions Of Payment”) not only reflect what other states have done and suggest in what order to make changes, but can serve as a road map of policy considerations when planning for the expanded adoption of telehealth at the state level. The Parity category addresses whether a state mandates private insurance coverage, Medicaid coverage, and State Employee Health Plan coverage of telemedicine the same as for in-person health services.

Table 1 - Coverage & Reimbursement Grades

	FLORIDA'S GRADE	NUMBER OF STATES ABOVE FLORIDA	NUMBER OF STATES BELOW FLORIDA	NUMBER OF STATES EQUAL TO FLORIDA	NUMBER OF STATES NOT APPLICABLE
*Overall Grade	C	28 + D.C.	3	18	
PARITY TOPICS					
Private Insurance	F	21+DC	0	28	
Medicaid	C	24+DC	8	17	
State Employee Health Plan	F	8+DC	0	41	
MEDICAID SERVICE COVERAGE & CONDITIONS OF PAYMENT					
Patient Setting	F	38+DC	0	11	
Eligible Technologies	F	22	0	26+DC	
Distance or Geography Restrictions	A	0	9	40+DC	
Eligible Providers	F	26+DC	0	23	
Physician-provided Services	B	10+DC	10	29	
Mental/behavioral Health Services	B	9+DC	6	34	
Rehabilitation	F	10	0	24	14+DC
Home Health	F	13+DC	0	36	
Informed Consent	F	34+DC	0	12	3
Telepresenter	C	36+DC	0	10	3

Table Source: Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. *American Telemedicine Association*.

In telehealth coverage and reimbursement matters where Florida was reported as having no set provisions, other states have shown advancement: statewide network (14 states), Medicaid managed care (22), Medicare-Medicaid dual eligibles (2), home health (5), corrections (21), HCBS waivers (3), innovative payments/service delivery/other (5).

In the categories of Physician Practice Standards and Licensure, four indicators were measured: physician-patient encounter, telepresenter, informed consent, and licensure and out-of-state practice. The ATA also reported on whether each state had either a formal policy or a medical board statement on ‘internet prescribing.’

Florida received the composite grade of B, along with 25 other states. Twenty-three states and the District of Columbia, received an A; and only one state, Alabama, received a C grade.

Table 2 - Physician Practice Standards & Licensure Grades

	FLORIDA'S GRADE	NUMBER OF STATES ABOVE FLORIDA	NUMBER OF STATES BELOW FLORIDA	NUMBER OF STATES EQUAL TO FLORIDA
Physician-patient encounter	B	27+DC	6	16
Telepresenter	A	0	6	43+DC
Informed Consent	A	0	12	37+DC
Licensure & Out-of-State Practice	C	13+DC	5	31
Policy/Statement on Internet Prescribing	YES	N/A	N/A	N/A

Table Source: Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. *American Telemedicine Association*.

Within these issues, some states have examined specific guidelines regarding whether in-person exams should be required prior to telehealth use for initial exams and the establishment of a physician-patient relationship, or subsequent to telehealth for follow-up purposes. Other state telehealth policy discussions have focused on informed consent and portability of health care provider licensure.

As this reconstructed data suggests, aside from falling behind a majority of states in telehealth coverage and reimbursement issues, Florida remains less progressive on issues such as patient setting, eligible providers, and informed consent in Medicaid. Notably, more populous states Texas and California, and closer southeastern states such as Georgia, Tennessee, and Virginia received higher grades in coverage and reimbursement. Similarly populated New York received the same overall grade as Florida in coverage and reimbursement, but a higher grade on physician practice standards and licensure. The following section will take a closer look at some specifics of other states policies on telemedicine.

A CLOSER LOOK AT STATES GETTING AHEAD WITH TELEHEALTH

Florida has much to consider as it grows into the third most populous state in the nation, from how to excel at economic competition, to how to provide access to appropriate health care for its residents. While some found the 2014 Florida discussions of telehealth to be a relatively new and unexplored concept, other states that compete with Florida in terms of population and economic opportunities have been making strides in access to quality care through telehealth for many years. Table 3 provides a general side-by-side comparison of select states and Florida across issues of population demographics, physical health status of residents, and business/economic health status from industry rankings. Table 4 provide a side-by-side comparison of the same select states and Florida, and shows the 2014 American Telemedicine Association grades on coverage and reimbursement, and physician licensure and standards for telehealth. Collectively, the tables suggest that business/economic health does not necessarily equate to physical health of residents, and that changing populations and needs may be better met through attention to telehealth options for health care delivery sooner rather than later.

Specifically, the tables suggest that Florida has significant room for improvement.

California

California, the most populous state at more than 38 million residents,²⁰ also has the task of planning access to health care for its nearly 5 million residents ages 65 years and older, and its more than 9 million residents enrolled in Medicaid.²¹

California received an overall B grading on Coverage and Reimbursement. California has legislation covering a breadth of telehealth issues, including private insurance parity, Medicaid coverage, coverage under the state employee health plan, and recent legislation regarding informed consent, dental services, and telehealth for individuals with developmental disabilities. California also uses telecare for corrections, covers Medicaid managed care, and has a statewide network, the California Telehealth Network.

Texas

Texas, the second-most populous state at more than 24 million residents,²² competes with Florida in many arenas, including business opportunities²³ and economic outlook.²⁴ Texas also has significant considerations in its growing number of individuals over 65 years of age,²⁵ and growing number Medicaid enrollees.²⁶ While Texas has room to improve telehealth and telemedicine policies, it received a higher grade (B) in coverage and reimbursement from the ATA, and utilizes telecare for corrections.²⁷

Texas has been looking toward telemedicine/telehealth as critical to health care for many years. Texas enacted, and subsequently revised legislation mandating private insurance parity²⁸ and Medicaid coverage.²⁹ In 2002, the gubernatorially appointed Texas Statewide Health Coordinating Council, in collaboration with the Texas State Telemedicine/Telehealth Workgroup, issued a 337-page special report of recommendations to ensure a strong telehealth system in the state.³⁰

Georgia & Other Southeastern States

Florida's nearest neighbor, Georgia, ranking 8th in population with approximately 10 million residents,³¹ also competes with the Sunshine State in the business arena.³² Georgia has private insurance parity laws, which also include state employee health plan coverage. It does not have Medicaid legislation for telehealth. Georgia has room to improve telehealth and telemedicine

20 U.S. Census Bureau, Population Division (June 2014). Annual estimates of the resident population for selected age groups by sex for the United States, states, counties, and Puerto Rico commonwealth and municipalities: April 1, 2010 to July 1, 2013.

21 Medicaid.gov (2014). State Medicaid & CHIP Profiles: Total Medicaid & CHIP Enrollment (August 2014) (Preliminary). Available at <http://www.medicaid.gov/medicaid-chip-program-information/by-state/by-state.html>

22 See footnote 20

23 See Chief Executive (May 2014). 2014 Best & worst states for business. Available at <http://chiefexecutive.net/best-worst-states-for-business-2014#ranking> "In Chief Executive's tenth annual survey of CEO opinion of Best and Worst States in which to do business, Texas continues its 10-year historical position as the best state overall; but Florida, which ranks No. 2, is edging up and even overtaking Texas in its quality of living environment."

24 See Laffer, A.B., Moore, S., & Williams, J. (ALEC) (2014). Rich state, poor states (7th ed.) ALEC-Laffer state economic competitiveness index. Available at <http://www.alec.org/publications/rich-states-poor-states/> In the American Legislative Exchange Council (ALEC) ranking for Best State Economic Outlook, Texas was ranked 13, and Florida was ranked 16. ALEC ranked Texas 1 and Florida 19 in Best State Economic Performance.

25 See footnote 20

26 As of August 2014, Texas had approximately 4.44 million Medicaid and CHIP enrollees, while Florida has approximately 3.1 million. These numbers changed following initial open enrollment of the health insurance exchanges, as July-September 2013 average enrollment was approximately 3.71% less for Texas, and 7.91% less for Florida, according to Medicaid.gov (2014). State Medicaid & CHIP Profiles: Total Medicaid & CHIP Enrollment (August 2014) (Preliminary). Available at <http://www.medicaid.gov/medicaid-chip-program-information/by-state/by-state.html>

27 Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. American Telemedicine Association, at 69. Available at: <http://www.americantelemed.org/docs/default-source/policy/50-state-telemedicine-gaps-analysis--coverage-and-reimbursement.pdf>

28 Codified at Tex. Ins. Code Ann. § 1455.004. Chapter 1455 of the Texas Insurance Code is dedicated to "Telemedicine and Telehealth." See also 1 Tex. Admin. Code §§354.1430 (Definitions), 354.1432 (Telemedicine and Telehealth Benefits and Limitations), 354.1434 (Home Telemonitoring Benefits and Limitations) and 355.7001 (Reimbursement Methodology for Telemedicine, Telehealth, and Home Telemonitoring Services).

29 Codified at Tex. Govt. Code Ann. § 531.0216 et seq.

30 Texas Statewide Health Coordinating Council (2002). The state of telemedicine and telehealth in Texas: A special report of the Texas Statewide Health Coordinating Council and recommendations for ensuring a strong telemedicine/telehealth system in Texas, 1-337. Available at <http://www.dshs.state.tx.us/chs/shcc/reports/tmreport.pdf>. The Texas Statewide Health Coordinating Council consists of members appointed by the Governor and works with the Texas Department of State Health Services. For more information, please visit <http://www.dshs.state.tx.us/chs/shcc/>.

31 See footnote 20

32 See, e.g., CNBC (2014). America's top states for business. Available at <http://www.cnbc.com/id/101758236> (Georgia ranks 1, Florida ranks 20); Chief Executive (May 2014). 2014 Best & worst states for business. Available at <http://chiefexecutive.net/best-worst-states-for-business-2014#ranking> (Florida ranks 2, Georgia ranks 10); Laffer, A.B., Moore, S., & Williams, J. (ALEC) (2014). Rich state, poor states (7th ed.) ALEC-Laffer state economic competitiveness index. Available at <http://www.alec.org/publications/rich-states-poor-states/> (Georgia ranks 9, Florida ranks 16 for economic outlook).

policies, receiving a higher grade (B) in Coverage and Reimbursement.³³ Georgia also uses telecare for its corrections population, and has a statewide network through the Georgia Partnership for TeleHealth.³⁴ Among southeastern states, several received higher grades than Florida (C) on Coverage and Reimbursement, including Alabama and Kentucky, which received B grades, and Mississippi, Tennessee, and Virginia, which received A grades.

New York

Although 18 other states received overall C grades in Coverage and Reimbursement, as did Florida, some of these states have actively invested additional time and resources in researching telehealth and/or proposed legislation for private coverage and Medicaid coverage with an eye toward progress. For example, similarly populated New York, another economic competitor of Florida by some standards,³⁵ issued a 46-page report³⁶ by the Legislative Commission on Rural Resources in collaboration with the State and Assembly Health & Insurance Committees summarizing telehealth and telemedicine discussions and recommendations from a January 2012 roundtable discussion.

A Global Note

Around the world, both developed and developing nations are actively exploring and advancing telehealth to meet the healthcare needs of their residents. The World Health Organization has been monitoring telehealth use and advancements across its member states, and has observed a growing number of telehealth initiatives, with 25 percent of all responding countries reporting a national telemedicine policy or strategy in 2010, and countries such as Mongolia and Norway reporting specific telehealth programs. Countries continue to make progress, with Southeast Asian and European regions having the highest proportion of countries with established national telemedicine agencies. In addition, even countries without national policies report extensive use of telemedicine across all health care issues. For example, 28 countries reporting use for cardiology. More recently, South Korea legislated a telehealth pilot that, if successful, would be adopted country-wide in 2015.³⁷

33 Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. American Telemedicine Association, at 36. Available at: <http://www.americantelemed.org/docs/default-source/policy/50-state-telemedicine-gaps-analysis--coverage-and-reimbursement.pdf>

34 Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. American Telemedicine Association, at 36. Available at: <http://www.americantelemed.org/docs/default-source/policy/50-state-telemedicine-gaps-analysis--coverage-and-reimbursement.pdf> For more information on the Georgia Partnership for TeleHealth, please visit <http://www.gatelehealth.org>

35 See, e.g., Forbes (November 2014). The best states for business and careers (ranking New York 17 and Florida 19). Retrieved from <http://www.forbes.com/best-states-for-business/list/>

36 (NY) Legislative Commission on Rural Resources (March 2012). Telemedicine and telehealth: Putting the pieces together, 1-46. Available at <http://www.nysenate.gov/files/pdfs/Telemedicine%20and%20Telehealth%20Report.pdf>.

37 World Health Organization (2011). Global observatory for eHealth series, volume 2: Telemedicine opportunities and developments in member states. Available at: http://www.who.int/goe/publications/ehealth_series_vol2/en/

Table 3 - State Comparisons: Demographics, Health, Business

	FL	CA	GA	NY	TN	TX	VA
TOTAL AREA (SQ. MILES) ^A	65,758	163,695	59,425	54,555	42,144	268,596	8,260,405
TOTAL AREA RANK	22	3	24	27	36	2	35
POPULATION ^B	19,552,680	38,332,521	9,992,167	19,651,127	6,495,978	24,448,193	8,260,405
POPULATION RANK	4	1	8	3	17	2	12
PERCENT OF STATE POPULATION 65+ ^C	3,647,617	4,791,731	1,195,955	2,832,481	952,376	2,966,167	1,105,381
PERCENT OF STATE POPULATION 85+ ^D	505,719	668,466	128,018	424,290	108,838	347,892	135,747
NUMBER OF MEDICAID ENROLLEES (1,000s) ^E	3,290.00	7967.7	1,536.30	5,141.70	1,305.60	3,644.20	851.4
GEOGRAPHIC DISPARITY ^F	48	42	37	14	17	39	40
DISPARITY IN HEALTH STATUS ^G	41	48	18	24	11	46	37
OVERALL AMERICA'S HEALTH RANKINGS ^H	33	21	38	15	42	36	26
FORBES RANKING BEST STATES BUSINESS & CAREERS ^I	22	39	10	21	15	7	1
CHIEF EXECUTIVE RANKING BEST STATES FOR BUSINESS ^J	2	50	10	49	3	1	11
CNBC RANKING BEST STATES FOR BUSINESS ^K	20	32	1	40	14	2	8
ALEC RANKING BEST STATE ECONOMIC OUTLOOK ^L	16	47	9	50	19	13	11
ALEC RANKING BEST STATE ECONOMIC PERFORMANCE ^M	19	43	27	35	25	1	14
TAX FOUNDATION RANKING BUSINESS TAX ENVIRONMENT ^N	5	48	32	50	15	11	26

Table Data Sources

- A. U.S. Census Bureau, State & County Quick Facts (2014). Total area in square miles, 2010. Query by state available at <http://www.census.gov/>.
- B. U.S. Census Bureau, Population Division (June 2014). Annual estimates of the resident population for selected age groups by sex for the United States, states, counties, and Puerto Rico commonwealth and municipios: April 1, 2010 to July 1, 2013. Customizable search available at <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>
- C. Ibid.
- D. Ibid.
- E. Kaiser Family Foundation (2014). State health facts: Monthly Medicaid enrollment (in thousands), as of Dec. 2013).
- F. See America's Health Rankings (2012). Florida: Geographic disparity, at 67.
- G. See America's Health Rankings (2013). Florida: Disparity in health status.
- H. See America's Health Rankings (2013). 2013 annual report.
- I. Forbes (November 2014). The best states for business and careers.
- J. See Chief Executive (May 2014). 2014 Best & worst states for business.
- K. CNBC (2014). America's top states for business 2014.
- L. See Laffer, A.B., Moore, S., & Williams, J. (ALEC) (2014). Rich state, poor states (7th ed.) ALEC-Laffer state economic competitiveness index.
- M. Ibid.
- N. Tax Foundation (2014). 2015 State Business Tax Climate Index Ranks and Component Tax Ranks.

Table 4 - State Comparisons: Telehealth Decision Points

	FL	CA	GA	NY	TN	TX	VA
COVERAGE & REIMBURSEMENT							
OVERALL	C	B	B	C	A	B	A
# STATES HIGHER OVERALL GRADE	28 + D.C.	7	7	28 + D.C.	0	7	0
PARITY							
PRIVATE INSURANCE	F	A	A	F	A	A	A
MEDICAID	C	B	C	C	B	B	B
STATE EMPLOYEE HEALTH PLAN	F	A	A	F	A	F	A
MEDICAID SERVICE COVERAGE & CONDITIONS OF PAYMENT							
PATIENT SETTING	F	A	C	F	A	A	C
ELIGIBLE TECHNOLOGIES	F	C	F	C	C	B	C
DISTANCE OR GEOGRAPHY RESTRICTIONS	A	A	A	A	A	A	A
ELIGIBLE PROVIDERS	F	C	F	F	A	C	C
PHYSICIAN-PROVIDED SERVICES	B	B	C	C	A	B	B
MENTAL/BEHAVIORAL HEALTH SERVICES	B	B	B	C	A	B	B
REHABILITATION	F	F	N/A	F	A	F	B
HOME HEALTH	F	F	F	F	B	F	F
INFORMED CONSENT	F	C	F	A	A	B	A
TELEPRESENTER	C	B	B	A	A	C	A
PHYSICIAN PRACTICE STANDARDS & LICENSURE							
OVERALL	B	B	B	A	A	B	A
NUMBER OF STATES WITH A HIGHER OVERALL GRADE THAN FLORIDA	23 + D.C.	23 + D.C.	23 + D.C.	0	0	23 + D.C.	0
PHYSICIAN-PATIENT ENCOUNTER	B	B	C	B	A	F	A
TELEPRESENTER	A	B	A	A	A	B	A
INFORMED CONSENT	A	C	A	A	A	B	A
LICENSURE & OUT-OF-STATE PRACTICE	C	C	C	B	B	B	B
POLICY/STATEMENT ON INTERNET PRESCRIBING	YES	YES	YES	NO	YES	YES	YES

Table Source: Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. *American Telemedicine Association*.

Table 5 - Service Delivery Model Availability

STATE	STATEWIDE NETWORK	MEDICAID MANAGED CARE	CORRECTIONS	MEDICARE-MEDICAID DUAL ELIGIBLES	HOME HEALTH
FL	NO	NO	NO	NO	NO
CA	YES	YES	YES	NO	NO
GA	YES	NO	YES	NO	NO
NY	NO	YES	NO	YES	YES
TN	NO	YES	YES	NO	NO
TX	NO	NO	YES	NO	NO
VA	YES	YES	YES	YES	NO

Table Source: Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. *American Telemedicine Association*.

CASE STUDIES OF RETURN ON INVESTMENT

As telehealth adoption has largely been left to the discretion of individual entities, readily available return on investment (ROI) data is sparse, varied, infrequent, and challenging to compare in an “apples-to-apples” way, and yet remains convincing. Across these telehealth efforts, patient and provider satisfaction levels are typically 90 percent or higher.³⁸ Some ready examples can be found among early telehealth adopters, among federal actors and payers, and in successful programs in various states.

Snapshot ROI

While formal ROI studies for telehealth are limited, a sample snapshot of programs, such as the one below, provides some insight as to the possibilities. In addition to notable cost savings, readmission rates and lengths-of-stay showed significant reductions of greater than 20% across these programs.

Table 6A - Snapshot ROI For Several Programs

STATE	SYSTEM	TELEHEALTH DELIVERY	PATIENT CONDITION(S)
CO	Centura Health at Home (CHAH)	integrated home telehealth services with remote monitoring and a clinical call center	Congestive heart failure, chronic obstructive pulmonary disease, and diabetes
FL	Baptist Health South Florida	eICU LifeGuard remote 24/7 physician monitoring	Varied
FL	University of Florida/UF Health	Florida Initiative in Telehealth and Education (FITE), videoconferencing rural areas to UF specialists	Diabetes (pediatric)
MA	Partners HealthCare along with the Center for Connected Health (CCH)	Connected Cardiac Care Program (CCCP) telemonitoring	Heart failure
TX	CHRISTUS Health System	Videoconferencing, home monitoring (Remote Patient Monitoring Solution (RPMS) Pilot)	Heart failure
U.S.	Veterans Health Administration	Care Coordination/Home Telehealth (CCHT) Program	At-risk patients with chronic conditions

Table 6B - ROI for Metric 1 for Above System

STATE	METRIC 1	ROI IMPACT ON METRIC 1
CO	Cost savings	\$1000 and \$1,500 per patient
FL	Total Savings in 1 Year Snapshot	\$15 million (\$1,800/day)
FL	Total program savings per year (excluding transportation savings)	\$27,860
MA	Net savings	\$8,155 per patient
TX	Cost of care	Decreased from \$12,937 to \$1,231
U.S.	Utilization in comorbid conditions	Reduced 26%

³⁸ See, e.g., Malasanos, T., & Ramnitz, M. S. (2013). Diabetes Clinic at a Distance: Telemedicine Bridges the Gap. *Diabetes Spectrum*, 26(4), 226-231.

Table 6C - ROI for Metric 2 for Above System

STATE	METRIC 1	ROI IMPACT ON METRIC 1
CO	Thirty-day readmission rates	Reduced by 62 %
FL	Length-of-Stay (7 year period)	Reduced 29% ICU stay; reduced 33% hospital stay
FL	Hospitalizations of children with diabetes per year	Decreased from 13 to 3.5
MA	Heart failure hospital readmissions	Reduced by 50 %
TX	Average admissions	Decreased from 1.43 to 0.20
U.S.	Health care resource utilization (hospital days of stay)	Reduced 20.4% for diabetes; reduced 56.4% for depression

Table 6C - ROI for Metric 3 for Above System

STATE	METRIC 1	ROI IMPACT ON METRIC 1
CO	Emergency department use	Decreased from 283 in the previous year to 21 visits in one year
FL	Lives saved in 1 Year Snapshot	More than 380 lives saved over predicted number
FL	Access to care as mean visit interval	Decreased from 149 days to 89 days (by year 2)
MA	Non-heart failure hospital readmissions	Reduced by 44 %
TX	Overall ROI	\$2.46 (246%)
U.S.	Bed days of care/utilization	Reduced by >40 % on pre-enrollment figures

Telehealth Addresses Significant Substantive Areas for Florida

While telehealth has previously been reported to safely and successfully address the full spectrum of health care practices, from teleneurology and emergency care to geriatrics and developmental disabilities care,³⁹ it can be of particular advantage in accessing hard-to-reach specialists. For example, to bridge the challenging access gaps in pediatric endocrinology,⁴⁰ the Florida Initiative in Telehealth and Education (FITE) diabetes project was created to treat Florida patients with type 1 diabetes in the rural counties of Volusia and Flagler, by connecting patients and nurse patient presenters with endocrinology specialists at the University of Florida through videoconferencing after an initial in-person visit.⁴¹ Initially funded through grants, the project became self-sustaining through patient billing, and has generated significant cost savings of nearly \$28,000 per year for its approximately 50 pediatric diabetes patients,⁴² not including transportation cost savings.⁴³ During a two-year period, hospitalizations of children with diabetes decreased from 13 to 3.5 per year, emergency department visits decreased from 8 to 2.5 per year, and access to health care increased, with visit intervals decreasing from 149 pre-program to 98 days after year one, and 89 days in year two.⁴⁴

39 Florida TaxWatch (March 2014). Critical connections to care: Expanding the use of telemedicine in Florida will improve health outcomes and generate savings, at 5-6. Available at <http://www.floridatxwatch.org/resources/pdf/CriticalConnectionsFINAL.pdf>

40 See, e.g., Malasanos, T., & Ramnitz, M. S. (2013). Diabetes Clinic at a Distance: Telemedicine Bridges the Gap. *Diabetes Spectrum*, 26(4), 226-231, (discussing the dearth of pediatric endocrinology, with long wait time for appointments, and that other researchers have made "a special appeal" for telemedicine use in endocrinology).

41 Malasanos, T., & Ramnitz, M. S. (2013). Diabetes Clinic at a Distance: Telemedicine Bridges the Gap. *Diabetes Spectrum*, 26(4), 226-231.

42 Personal communication with Dr. Toree Malasanos (November 2014).

43 *Ibid* 41.

44 *Ibid* 41.

Early Adopters

A 2013 study⁴⁵ by The Commonwealth Fund reviewed case studies of three early adopters of remote patient monitoring (RPM), such as telemonitoring or home telehealth that included Centura Health at Home, Partners HealthCare, and the Veterans Health Administration.

In Colorado, Centura Health at Home (CHAH) engages in integrated home telehealth services with remote monitoring and a clinical call center. The integrated program underwent a one-year pilot in 2010-2011 to capture the impact of the program on hospital readmissions and home nursing visits for three targeted conditions (congestive heart failure, chronic obstructive pulmonary disease, and diabetes). Thirty-day readmission rates were reduced by 62 percent, emergency department use decreased from 283 in the previous year to 21 visits in the pilot year, and home visit frequency decreased from two or three visits during a one-week period before intervention to approximately three visits over a 60-day period. Cost savings were estimated between \$1,000 and \$1,500 per patient.

In Boston, Partners HealthCare along with the Center for Connected Health (CCH), provides a Connected Cardiac Care Program (CCCP) which has provided more than 1,200 heart failure patients with telemonitoring since 2006, and generated a savings of more than \$10.3 million in the process. CCCP has consistently seen an approximate 50 percent reduction in heart failure hospital readmissions and a 44 percent reduction in non-heart failure hospital readmissions. The program has demonstrated high levels of patient and practitioner satisfaction and greater patient self-management. Internal program calculations show a cost of \$1,500 per patient, with a total net savings of \$8,155 per patient based on a total savings from reduced hospitalization cost at \$9,655 per patient.

The Veterans Health Administration (VHA) has a national telehealth program, and offers home telehealth services through its Care Coordination/Home Telehealth (CCHT) Program, first introduced in 2003. During the period 2004-2007, telehealth program outcomes across more than 20,000 at-risk patients with chronic conditions demonstrated a range of, at minimum, a 20.4 percent decreased health care resource utilization (as hospital days of stay) for diabetes to, at maximum, a 56.4 percent decreased utilization for patients with depression. For the more than 6,000 patients with comorbid (multiple) conditions, a 26.0 percent decrease in utilization was seen using telehealth. Through the end of the 2010 fiscal year, patient satisfaction with home telehealth was greater than 85 percent in CCHT, and reduction of bed days of care/utilization was in excess of 40 percent on pre-enrollment figures.

Texas Health System

In the pro-telehealth/telemedicine Texas environment, CHRISTUS Health System instituted a Remote Patient Monitoring Solution (RPMS) Pilot program as a one-year study to determine if remote monitoring of heart failure patients could increase efficiency, reduce readmissions, empower patients, increase satisfaction, and improve quality of care within its existing, but travel-time limited, Care Transition Program.⁴⁶ Nurse-initiated videoconferencing with patients over secure, HIPAA-compliant transmissions, were achieved using tablets given to the patients. These tablets could record vitals, and automated monitoring could be done according to individualized plans. Patient training was completed prior to home monitoring, and continued coaching was an integral part of the program. During a 33-day sample period, ROI was \$2.46 (246%), costs of care decreased from \$12,937 to \$1,231, average admissions decreased from 1.43 to 0.20, and overall patient satisfaction measured 95 percent. Based on this success, the program was expanded to rehab and other patient types, to additional

⁴⁵ Broderick, A. & Lindeman, D. (2013). Scaling telehealth programs: Lessons from early adopters. Commonwealth Fund pub. 1654 Vol. 1. Available at:

⁴⁶ Webster, S.L. (2014). Expanding Healthcare at Home: Remote Patient Monitoring [PPT slides]. Presented at the mHealth & Telehealth World Congress, July 2014, Boston, MA.

conditions such as diabetes, hypertension, and COPD, and more staff were added. Expansion results were measured with ROI steady at \$2.45 (246%), cost of care decreased from \$14,229 to \$1,626, average admissions were decreased from 1.35 to 0.25, and overall patient satisfaction reached 100 percent.⁴⁷

Savings for Payers: Medicare

A 2014 study⁴⁸ suggested that full nursing home utilization of telehealth for off-hours coverage could generate significant cost savings for Medicare: approximately \$120,000 per nursing home per year in net savings at more-engaged facilities, which experienced 11.3 percent reduction in hospitalization when examining pre-intervention and post-intervention hospitalization rate per 1,000 resident days.⁴⁹ With an estimated Medicare spend of \$10,000 per hospitalization, the potential cost-savings is tremendous.⁵⁰

Entire Communities Benefit

The return on investment in telehealth can extend beyond hospital and provider metrics to an entire area's economy. For example, in a 2011 study of 24 rural hospitals across four states in the Midwestern U.S., the economic impact of telemedicine was found to be significant, ranging from a \$20,000 to \$1.3 million annual economy boost.⁵¹ Economic impact estimates to the community centered around hospital cost savings from outsourcing telehealth procedures (reduced full-time employees), patient transportation cost savings, patients missing less work, and the local pharmacy/lab work.⁵²

RECOGNITION OF STATEWIDE IMPORTANCE

As discussed in *Critical Connections to Care*, the call to expand telehealth has transcended political lines, industries, and type of healthcare entity.⁵³

Industry

In the last year, telehealth has grown as a key focus of statewide gatherings hosted by statewide business and healthcare leaders, including several of our conference partners and collaborators, such as the Mayo Clinic's 2013 Telemedicine Public Policy Symposium⁵⁴ and Associated Industries of Florida's telemedicine panel discussion at its 2014 Florida Health Care Affordability Summit.⁵⁵ In addition, Florida TaxWatch, in conjunction with business and health care industry leaders throughout Florida, is hosting the Telehealth Cornerstone Conference in November 2014.

The Florida TeleHealth Workgroup was formed in 2014. Comprised of statewide thought-leaders, practitioners, providers, educators, and business community representatives, and collaboratively guided by leaders at the Southeastern TeleHealth Resource Center and the Florida State University College of Medicine, the Florida TeleHealth Workgroup is compiling a master inventory of existing telehealth programs in Florida.

⁴⁷ *Ibid* 46.

⁴⁸ Grabowski, D. C., & O'Malley, A. J. (2014). Use of telemedicine can reduce hospitalizations of nursing home residents and generate savings for Medicare. *Health Affairs*, 33(2), 244-250.

⁴⁹ *Ibid*.

⁵⁰ *Ibid*.

⁵¹ An average of \$52,000. Whitacre, B. E. (2011). Estimating the economic impact of telemedicine in a rural community. *Agricultural and Resource Economics Review*, 40(2), 172-183.

⁵² *Ibid*.

⁵³ For example, in a newly released 2014 Telemedicine Survey, 9 out of 10 senior healthcare executives reported that their organizations have already begun developing or implementing telemedicine programs. Vernaglia, L.W., & Lacktman, N. (Nov. 2014). 2014 Telemedicine survey executive summary, Mayo Clinic (August 27, 2013). 2013-2014 Telemedicine Public Policy Symposium Program Agenda.

⁵⁵ For more information on the AIF 2014 Florida Health Care Affordability Summit, please visit: <http://healthcareflorida.com/>.

The Workgroup continues to increase its membership and hosts regular conference calls and meetings to share telehealth advancements and further policy discussions. The Southeastern TeleHealth Resource Center is also hosting a Florida telehealth summit in December 2014.⁵⁶

Board of Medicine

The Florida Board of Medicine and the Florida Board of Osteopathic Medicine convened a joint committee on telemedicine that proposed and adopted regulations addressing telemedicine by physicians and physician assistants.⁵⁷ The new 2014 rules, now 64B8-9.0141⁵⁸ and 64B15-14.0081,⁵⁹ Florida Administrative Code, define telemedicine, keep the current standard of care, do not limit use of HIPAA-compliant equipment, allow the establishment of a physician-patient relationship, exclude certain transmissions such as audio-only telephone from telemedicine, and provide certain emergency exemptions.

The Florida Legislature

Florida legislation in support of telehealth has failed to become law over several years. For example, in the 2013 Legislative Session, SB 898 by Senator Arthenia Joyner, which would have required policy coverage of telemedicine services, died in the Senate Banking & Insurance Committee. However, the public and health industry push for telehealth placed it as a top priority issue heading into the 2014 Legislative Session, with four telemedicine/telehealth bills: SB 70, HB 167, HB 751, and SB 1646. Week 6 of the 2014 Legislative Session saw the introduction of a fifth bill that covered telehealth as part of an omnibus health bill package, PCS for CS/HB 7113. By the end, there remained only the omnibus bill, which eventually died in returning messages on the final day of the 2014 Legislative Session. On the other hand, the Legislature included money for three telehealth projects across the state in the General Appropriations Act, but they were vetoed by the Governor.⁶⁰

The substantive telehealth bills were frequently amended throughout legislative session, and the bills varied greatly in how they addressed critical telehealth components. For purposes of analysis, the more than 26 telehealth issues considered by the legislature included: private insurance parity (including insurance versus patient costs), Medicaid mandate, telemedicine versus telehealth, covered service definitions, location restrictions, mode of telecommunications, excluded transmissions, physicians (Florida-licensed and other), other health care practitioners (and supervision requirements), out-of-state providers, prescribing (including drug categories, prior relationship, equipment, privacy, interstate compact, training and sanctions, recordkeeping, state reporting requirements, registration requirements, standards of care, rulemaking, eye care, claim denial, telemedicine registry, venue jurisdiction, and professional liability coverage.

⁵⁶ For more information on the 2014 Florida TeleHealth Summit, please visit <http://www.fltelehealth.org/florida/conference/fpt-conference-2014/>.

⁵⁷ See, e.g., Joint Meeting of the Florida Board of Medicine & Osteopathic Medicine Telemedicine Subcommittee Meeting (November 14, 2013). Meeting Materials. Available at <http://flboardofmedicine.gov/meetings/telemedicine-subcommittee-meeting/>

⁵⁸ 64B8-9.0141, Florida Administrative Code, addressing standards for telemedicine practice for medical doctors (allopathic physicians) and physician assistants.

⁵⁹ 64B15-14.0081, Florida Administrative Code, addressing standards for telemedicine practice for osteopathic physicians and physician assistants.

⁶⁰ See, e.g., WMNF News (2014). Florida Gov Rick Scott 2014 list of vetoes. Available at <http://www.scribd.com/doc/227652241/Florida-Gov-Rick-Scott-2014-list-of-vetoes-WMNF-News>

CONCLUSION

Florida Can Achieve Major Gains through Statewide Adoption of Telehealth

Florida stands to experience great gains from the careful expansion of telehealth, which provides economic development opportunities through job growth in the health care, technology, telecommunications, and business sectors. Expansion of telehealth also provides increased access to quality health care for Floridians across all 67 counties, and promises improved health outcomes for those in rural areas or with transportation and mobility issues. Telehealth can help to address Florida's uniquely diverse demographics, and its aging and disabilities populations. In addition, telehealth can help to deliver health care when it is especially challenging to access, such as during natural disasters, states of emergency, and public health crises. Telehealth can also extend career-life for skilled, aging health care practitioners, attract virtual medical tourism or new health care business to Florida, and provide quality of life flexibility for both patients and practitioners.

Telehealth can serve to provide safe, appropriate, and timely care that notably impacts key health care metrics by reducing the need for more costly, complex interventions such as emergency department utilization, increased lengths of hospital stay, and hospital readmissions. Based on Florida data from 2012-2013, if these costly interventions could be reduced through telehealth by even 1 percent, the state could realize a cost-savings of more than \$1 billion. Beyond hypothetical cost-savings, actual organizational-level data makes a strong case for telehealth return on investment.

Moving Telehealth Forward: "The Decision Points" (The High-Stakes All-or-Nothing Gamble)

Contrary to the reasons behind the hesitations of some policymakers, moving forward on Telehealth need not be a full-court press. In light of various states' histories of telehealth adoption, the state legislation still proposed annually across many states, and the grading of 40 states by ATA as neither A nor F, it appears that a vast majority of states have not adopted an all-or-nothing approach but, rather, have adopted telehealth incrementally with continued review of opportunities for additional progress.

Some aspects of telehealth historically are easier consensus-builders than others. For example, while many Florida providers are interested in seeing private reimbursement for telehealth advance, prior efforts at legislation suggest that requiring private insurance coverage curtails advancement of the bill involved. As such, it may not be the first issue of choice in expanding telehealth discussions.

There are many potential decision points to consider for expanding telehealth in Florida, as depicted by the non-exhaustive list of more than 42 known state and national telehealth considerations on the next page, many of which were discussed during the 2014 Florida Legislative Session.

POLICY DECISION POINTS⁶¹

Coverage, Cost, & Parity

- Medicaid
- Medicaid-Medicare dual eligibles
- Patient costs
- Private insurance coverage mandate
- Private insurance parity vs. different rates not comparable to face-to-face services
- State employee health plan coverage

Provider Related

- Other health care practitioners
- Out-of-state practitioners
- Physicians/practitioners
- Practice of medicine (what crosses into practice)
- Practitioner registration/telehealth registry
- Practitioner sanctioning
- Practitioner training
- Prescriptions – Controlled Substances/Legend Drugs
- Prior relationship with patient
- Professional Liability Coverage
- Standard of care & quality of care
- Supervision requirements
- Telepresenter requirements

Technology, Privacy, Recordkeeping, Other

- Equipment/technology requirements
- Fiscal impact monitoring
- HIPAA compliance/privacy
- Informed consent
- Interstate compact
- Medical/health records
- National licensure
- Population Uses/Rules (e.g., prison population)
- Rulemaking Authority
- Specialty Rules (e.g., eye care, mental health)
- State reporting (e.g., legislative, state agency)
- Statewide network
- Venue/jurisdiction

Definitions, Locations, & Transmissions

- Telehealth/telemedicine definition
- Services defined
- Distance/geography Restrictions
- Originating site (e.g., clinician office, home)
- Distant Site
- Live videoconferencing
- Remote monitoring
- Store and forward
- Other permitted transmissions
- Excluded transmissions

⁶¹ Original compilation derived from issues considered during the 2014 Florida Legislative Session, factors considered by other states, factors evaluated by the American Telemedicine Association, and published policy discussions of various peer-reviewed researchers on telehealth.

The degree of adoption of telehealth policies by other states suggests areas in which consensus may more easily be achieved. For example, based on the numbers and grades of states tackling coverage and reimbursement decisions, data suggest that the most advanced adoption, and therefore the potentially easiest consensus, found on Medicaid. In contrast, data also suggest a slow adoption or varied consensus on private insurance coverage decision points, with the least common adoption, or greatest consensus challenges, in the area of telehealth for state employee health plans.

Some issues historically receive an easier reception in legislative circles, and others are pinned to the top of the must-have list for current telehealth providers and practitioners. For example, many Florida providers and practitioners want to see legislation and regulation that will facilitate telehealth practice, particularly allowing greater flexibilities in Medicaid conditions, and in permissible telehealth locations that benefit Floridians who may be elderly, disabled, non-ambulatory, or live in rural areas. However, practitioners that already use telehealth in service delivery to their patients also have concerns that their current practices could be impeded by proposed legislation or regulation if done in haste or without the input of telehealth providers. Therefore, a more subtle barrier to telehealth implementation is the concern that inadvertent over-legislation, or over-regulation will do harm rather than good.

For this reason, when considering complex decision points initially, removing antiquated regulatory restrictions to telehealth, and granting rulemaking authority to appropriate regulatory bodies with general legislative guidelines on limited issues, may allow for a solid foundation to be built for telehealth expansion while providing time for additional discussions with expert input.

Legislation attempting to address all telehealth decision points would be extremely challenging for consensus purposes, and may inadvertently delay advancement efforts. Requiring reporting to the Legislature as telehealth decision points continue to be evaluated, as was proposed in certain 2014 bills, or tasking a committee or task force with continuing discussion on decision points outside of Florida's 60-day legislative session for a set period of time, may provide sufficient time and input for policymakers, providers, practitioners, payers, business, and related associations to gain a level of comfort and reach consensus on any issues outstanding.

Figuring Out the Challenging Issues

While exploring various decision points, Florida can look to other states for examples of consensus-building policies and legislative language that successfully addressed more challenging telehealth issues.

For example, practitioner licensure and out-of-state practice considerations remain a challenging topic for every state in ensuring safe and accountable care. In fact, no state received top grades in that area in the American Telemedicine Association report.⁶² However, should Florida choose to explore a variety of options on this telehealth decision point, states such as Tennessee and Texas have examples of conditional licensure of out-of-state physicians for telehealth,⁶³ while a state such as New York has examples of reciprocity with bordering states.⁶⁴

⁶² Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Physician practice standards & licensure. American Telemedicine Association, at 2-3.

⁶³ *Ibid.*

⁶⁴ *Ibid* 62, citing N.Y. EDN. LAW § 6526: NY Code - Section 6526 (available through <http://www.nycourts.gov/lawlibraries/nycodesstatutes.shtml>).

If Florida chooses to explore options for telehealth coverage under Medicaid, such as revisiting legislative language for reimbursable originating sites that could expand locations beyond physician offices, hospitals, and specifically-defined community health centers, 38 states have examples of varying degrees of flexibility that range from specified additional locations to no specific patient setting required to meet payment conditions.⁶⁵

And, if Florida would someday want to explore a statewide network for telehealth, states such as Georgia, California, and North Carolina provide working examples;⁶⁶ however, each state has unique needs and concerns. Telehealth scope and practices can also be innovatively shaped by Florida in new ways to meet resident needs and practitioner/industry comfort levels.

RECOMMENDATION

Florida TaxWatch recommends that Florida's policymakers and stakeholders come to consensus on those issues where there is widespread agreement, put those policies in place, and then make incremental advancements on the more difficult issues, to make telehealth the cornerstone of a long-term, sustainable system of delivering safe, cost-effective, quality health care in Florida.

Beyond a potential \$1 billion in annual health care savings from reduced need for costly interventions, telehealth holds tremendous promise in increasing patient access to timely care, improving health outcomes, addressing the needs of an increasingly diverse Florida population, providing care in natural disasters and public health emergencies, increasing economic development for business, technology, and health care industries, and improving the physical and fiscal health of Florida's 67 counties.

While Florida is currently behind other states in telehealth adoption, carefully revisiting telehealth legislation in future legislative sessions can increase the state's competitive position in the business and health care arenas, at significant long-term cost savings to Florida's taxpayers. As this paper shows, not all policy decisions need to be made at once. As other states have done, Florida can move forward on preliminary issues of consensus that will provide a cornerstone for continued telehealth policy development. By laying a solid foundation that allows for growth of telehealth without impeding current practice, and encourages long-term discussions and accountability, Florida will be truly poised to meet the needs of its diverse residents now and in the future.

⁶⁵ See, e.g., Thomas, L. & Capistrant, G. (Sept. 2014). State telemedicine gaps analysis: Coverage & reimbursement. American Telemedicine Association, at 81

⁶⁶ *Ibid*, at 30, 36, 59.

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ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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