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Statement of Sunee N. Mickle, Director of Government Relations  
Blue Cross and Blue Shield of Kansas, Inc.  
Proponent for House Bill 2674  
Senate Public Health and Welfare Committee

March 19, 2018

Good Morning Chairwoman Schmidt and Members:

Blue Cross and Blue Shield of Kansas (BCBSKS) is a locally operated mutual insurance company with more than 1,600 Kansas-based employees. We have offices in 11 different Kansas communities (Dodge City, Garden City, Hays, Hutchinson, Independence, Lawrence, Manhattan, Salina, Pittsburg and Wichita), and our corporate headquarters is located in Topeka. We currently serve approximately 930,000 of your fellow Kansans, in 103 of Kansas counties. The company's service area includes all Kansas counties except Johnson and Wyandotte in the Kansas City metro area. We contract with 100% of the acute care medical facilities, 99% of medical doctors, and 96% of other providers in our service area. This enables our members to have access to the health care services they need and deserve.

In 2016, BCBSKS paid nearly \$2.6 billion to our providers and members for over 18.9 million member claims. We do our best to minimize our administrative cost so our member's premium dollars are used to pay for the health care services they need. On average, 90% of our premium dollars go directly to providers, mostly providers here in Kansas. Additionally, BCBSKS contributes more than \$180 million a year to the economy through payroll and taxes.

BCBSKS supports HB 2674 which provides Kansans with telemedicine coverage parity when those services are performed by a licensed physician, physician assistant (PA), advance practice registered nurse (APRN) or a licensed mental health professional. Since 1993, BCBSKS has been a strong supporter of telemedicine services and creating more opportunities for access to care for rural Kansans. Currently our telemedicine coverage focuses on connecting our members with specialists when they don't have access to those specialists in their communities. We also offer patient-initiated telehealth benefits with physicians and mental health providers in all of our individual and group health plans through American Well, a telehealth vendor. We designed our telemedicine benefit this way to avoid displacing health care providers in our rural communities and to encourage our members to rely on their primary care physician to coordinate their care. Telemedicine should compliment current services, not replace hands on care.

HB 2674 represents a compromise between several stakeholders that worked in good faith to reach an acceptable approach to the expansion of telemedicine benefits. As with most compromise legislation, this bill surely includes provisions objectionable to some or omits provisions desired by others. In our case, the provision most concerning is the requirement mandating coverage for "interactive audio" communications, found in the definition of "telemedicine" located on page 1, line 32 of the bill. This provision appears to require coverage for a broad range of telephone calls between a provider and our members, a service which as historically been excluded from coverage by commercial and public insurers alike.

Given our lack of experience with this sort of benefit, we are still trying to understand the scope of this provision and how it may impact cost for our individual and group members. For example, if this provision requires insurance coverage for phone calls between a patient and their physician's office for prescription refills or to remind the patient about an upcoming appointment, most Kansans would likely be surprised and confused when they receive a bill for such services. As concerning is the potentially massive volume of claims for such calls that would likely have a measurable impact on costs.

Notwithstanding those concerns, BCBSKS believes HB 2674 will create a new mechanism for thousands of Kansans to receive medical care in rural hospitals and from their primary care physicians or their mid-levels. It will also reduce the length of time it may take for some Kansans to receive mental health care services. Again this bill may not be perfect, but we hope this committee will allow HB 2674 to move forward without expanding its scope to include reimbursement parity or additional providers so we can help Kansans receive greater access to the most immediate health care services without making private health insurance unaffordable for individuals, businesses or municipalities.

BCBSKS appreciates the opportunity to participate in these telemedicine discussions.

Thank you.