

## POLICY NOTE

# The benefits of telemedicine in Washington state

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### Key Findings

1. People living in certain geographic areas in the United States, including Washington state, lack access to primary and specialty health care.
2. Telemedicine, defined as “the remote diagnosis and treatment of patients by means of telecommunication technology,” is gaining popularity and offers a practical solution for the lack of health care services in rural areas.
3. The nation and Washington state face a looming health care provider shortage.
4. Telemedicine offers more timely access to health care at a greatly reduced cost.
5. Government officials should offer guidelines and protect patient rights, but they should otherwise let people in the voluntary free market decide the most efficient use of this expanding technology.
6. To improve access to health care, state officials should streamline the licensing process for out-of-state providers, and should not place barriers to patient-doctor interactions using telemedicine.

### Introduction

People living in certain geographic areas in the United States lack access to primary and specialty health care. These are mostly people living in rural areas where patients have no timely access to doctors, nurses, or other medical professionals. Nearly 59 million Americans nationally and 1.2 million Washingtonians live in areas with a shortage of access to local primary care.<sup>1</sup>

Telemedicine, defined as “the remote diagnosis and treatment of patients by means of telecommunication technology,” is gaining popularity and offers a practical solution for lack of health care services in rural areas. Telemedicine allows patients to remain in their own town, or even their own home, and receive direct care from a distant provider.

The terms telemedicine and telehealth are used interchangeably. Both terms refer to the use of communication technology to connect doctors and patients over distance.

### Background

There are basically three types of telemedicine – store and forward, remote monitoring, and real-time interactive. Radiologists have used store and forward for several decades to read x-rays taken of a patient at a distant site. Remote monitoring refers to obtaining on-going changes in a patient’s clinical parameters such as heart rate and blood sugar. Real-time interactive is a one-on-one interaction between patient and provider, similar to a traditional office visit.<sup>2</sup> All states, plus the District of Columbia, now have telemedicine laws or have proposed legislation.<sup>3</sup>

Historically, telemedicine dates back to the 1920s, when conducting daily business by telephone became common. The modern era in telemedicine began with the National Aeronautical and Space Administration’s (NASA) work with astronauts during space travel.<sup>4</sup>

1 “Telemedicine in Washington state,” by Marcia Frellick, *WSMA Reports*, Washington State Medical Association, November/December 2017.

2 “SB 6519 to establish telemedicine in Washington state,” by Roger Stark, MD, Legislative Memo, Washington Policy Center, February, 2017, at <https://www.washingtonpolicy.org/library/doclib/Stark-SB6519-To-Establish-Telemedicine-in-Washington-State.pdf>.

3 “2017 State telemedicine legislation tracking,” American Telemedicine Association, July 24, 2017, at [https://higherlogicdownload.s3.amazonaws.com/AMERICANTELEMED/3c09839a-fffd-46f7-916c-692c11d78933/UploadedImages/Policy/State%20Policy%20Resource%20Center/State%20Legislation%20Matrix\\_2017.pdf](https://higherlogicdownload.s3.amazonaws.com/AMERICANTELEMED/3c09839a-fffd-46f7-916c-692c11d78933/UploadedImages/Policy/State%20Policy%20Resource%20Center/State%20Legislation%20Matrix_2017.pdf).

4 “A brief history of NASA’s contribution to telemedicine,” NASA News, National Aeronautics and Space Administration, August 2013 at <http://www.nasa.gov/content/a-brief-history-of-nasa-s-contributions-to-telemedicine/#.Vqf-Jq32Zdg>.

The Association of American Medical Colleges (AAMC) anticipates a shortage of over 100,000 doctors in the next 8 years.<sup>5</sup>

Washington state will potentially face a shortage of 3,000 to 4,000 doctors and 24,000 registered nurses over the next 10 to 15 years.<sup>6</sup> Most of the physician shortage will occur in the primary care specialty and rural communities will be adversely affected the most.

## Current status of telemedicine

Over half of all hospitals nationally, as well as half in Washington state, use telemedicine. Many outpatient clinics in Washington state have telemedicine capabilities.<sup>7</sup>

The Washington State Legislature passed a series of bills from 2015 to 2017 that define who can use telemedicine, where the patient must physically be to receive the consultation, and what the reimbursement is for the provider. The legislature also established a “Collaborative” where participating institutions could share information and results of the effectiveness of telemedicine practices.

One of the main problems with telemedicine has been the licensure of doctors who provide services across state lines. In May 2017, Washington state officials signed on to the Interstate Medical Licensure Compact which allows for state licensure applications to be expedited for out-of-state doctors. To date, 22 states have joined the Compact. However, the state where the patient resides retains oversight of the doctor-patient relationship.

Medicare, Medicaid, and private insurance companies have their own practice and reimbursement guidelines for telemedicine. All of these insurance programs agree that billed services must fall under the provider’s specialty and expertise. Large group health insurance plans continue to be controlled by federal ERISA laws and fall outside of state regulations.

Early reports show that patient and physician satisfaction is high with telemedicine, although the different guidelines imposed by the various insurance programs is an ongoing administrative problem for providers.

## Policy analysis

Access to providers is the most important part of our health care system. Receiving timely care is critical to society having a healthy population. It gives patients choices in the type of care they obtain and it gives providers more options in how to treat sick individuals. Telemedicine has the ability to increase access to affordable and convenient health care for millions of patients, especially those living in rural areas.

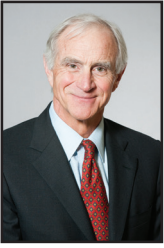
Telemedicine can also reduce the cost of providing health care. A visit electronically is much cheaper than a trip to the emergency room. Diagnosing minor health problems using telemedicine is much safer and less expensive than waiting for the patient’s clinical condition to become severe.

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5 “The complexities of physician supply and demand: projections for 2013 to 2025,” by T. Dall, T. West, and R. Chakiabarti, HIS, Inc for Association of American Medical Colleges, March 2015 at <https://www.aamc.org/download/426242/data/ihsreportdownload.pdf>.

6 “The looming doctor shortage,” by Roger Stark, MD, Policy Notes, Washington Policy Center, November 30, 2011, at <https://www.washingtonpolicy.org/publications/detail/the-looming-doctor-shortage>.

7 “Telemedicine in Washington state,” by Marcia Frellick, *WSMA Reports*, Washington State Medical Association, November/December 2017.



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To improve access to health care, state officials should streamline the licensing process for out-of-state providers, and should not place barriers to patient-doctor interactions using telemedicine. Physicians have the responsibility to determine what type of patients can be helped with telemedicine and how many facilities should offer the service. For that reason state regulators should not attempt to pre-judge who can and cannot use telemedicine services.

## **Conclusion**

Extending the use of telemedicine is a practical solution to ever-increasing health care costs and to limited health care access for millions of Americans in rural areas. Government officials should offer guidelines and protect patient rights, but they should otherwise let people in the voluntary free market decide the most efficient use of this expanding technology.