

March 10, 2014

**Via Electronic Filing**

The Honorable Edith Ramirez  
Chairwoman  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Re: **Health Care Workshop, Project No. P131207**  
**Comments of the Alliance for Connected Care**

Dear Chairwoman Ramirez:

The Alliance for Connected Care (the “Alliance”) is pleased to have this opportunity to submit comments to the Federal Trade Commission’s (“FTC” or “Commission”) Public Workshop: Examining U.S. Health Care Competition.<sup>1</sup> We commend the Commission’s work to advance innovative new technologies and telehealth or “Connected Care” services that have the potential to improve health care for consumers beyond the existing health care delivery model.

The Alliance is a 501(c)(6) organization that was formed to promote a statutory and regulatory environment in which every medical provider in America is permitted to deliver, and be adequately compensated for, providing safe, high-quality care using Connected Care at his or her discretion, regardless of care delivery location or technological modality. Our members are leading companies from across the health care and technology spectrum, representing insurers, retail pharmacies, technology and telecommunications companies, and health care entrepreneurs. These companies include Verizon, WellPoint, CVS, Walgreens, Teladoc, HealthSpot, Doctor on Demand, Welch Allyn, Cardinal Health, Care Innovations, and MDLive.

In particular, the Alliance appreciates the Commission’s focus on innovations in health care delivery and advancements in health care technology, which have the potential to expand access, improve quality, and significantly reduce the costs of patient care. A number of obstacles, however, continue to prevent patients and health care providers from fully realizing the benefits of Connected Care nationwide. We focus our comments on these important issues and look forward to working with the Commission and other stakeholders to address these challenges.

**I. Innovations in Health Care Delivery.**

Innovations in health care delivery platforms continue to open new avenues for patients to receive health care services while reducing health care costs. As a result, consumer use and demand for telemedicine services is expected to surge in coming years. Indeed, the number of patients around the globe using telemedicine is expected to more than double by 2016. Innovators are doing their part to further respond to consumer demand by producing a range of services to complement popular tools like those provided by members of the Alliance. In order to foster this rapid growth

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<sup>1</sup> See “FTC to Host Public Workshop Examining U.S. Health Care Competition,” Press Release, Federal Trade Commission (Feb. 14, 2014).

in the use of Connected Care, however, it is important that a flexible and adaptable regulatory regime be adopted.

The significant benefits of Connected Care are already being illustrated by real-world examples such as the Department of Veterans Affairs' ("VA") telehealth services program. The VA's telehealth program is a transformational initiative designed to make health care more convenient, more accessible and more patient-centered. By providing real-time Clinical Video Telehealth, which gives patients remote access to 44 clinical specialties, and Home Telehealth services, which allow patients to access health care from home using mobile technologies, the VA has expanded patient access to health care while also reducing costs and realizing greater efficiencies.<sup>2</sup>

In 2012, for example, 8.9% of veterans received elements of their care through telehealth services. That same year, the VA provided telehealth care from 150 VA medical centers and 750 community-based outpatient clinics to 485,163 patients, totaling 1,380,431 telehealth consultations.<sup>3</sup> Thirty percent of those patients lived in rural areas and otherwise may have had limited access to VA health care.<sup>4</sup> The VA's home telehealth services also enabled 41,483 patients to live independently in their own homes, while at the same time realizing cost savings of \$1,999 per year per patient.<sup>5</sup> Indicative of the rapid growth in demand, the VA's telehealth services continue to grow rapidly by 70% annually.<sup>6</sup> The cost of providing these services also decreases as the cost to develop and implement health information technology ("IT") declines.<sup>7</sup>

Furthermore, studies have demonstrated growing market demand for real-time telehealth services. In particular, a report by Frost & Sullivan found that the Asia-Pacific ("APAC") market for real-time telemedicine generated revenue worth \$44.6 million in 2012, while remote patient monitoring equipment generated \$773.5 million in the same year.<sup>8</sup> However, mobile health (mhealth) was the largest revenue contributor in 2012, with an estimated \$7.9 billion generated through voice, text and mobile services in health care.<sup>9</sup>

As the use of telemedicine services continues to expand in the U.S. market, such services already receive certain levels of reimbursement from state Medicaid programs. Currently, 39 state Medicaid

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<sup>2</sup> See Telehealth Services in the Department of Veterans Affairs (VA), Adam Darkins, Chief Consultant for Telehealth Services, at 3, available at: [http://assets.fiercemarkets.net/public/sites/govit/vatelehealthpresentation\\_adam\\_darkins.pdf](http://assets.fiercemarkets.net/public/sites/govit/vatelehealthpresentation_adam_darkins.pdf).

<sup>3</sup> *Id.* at 7.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 8.

<sup>6</sup> *Id.* at 7.

<sup>7</sup> See Jason Miller, "VA Counting on Telemedicine to Improve, Expand Care to Vets," Federal News Radio (August 2, 2013), available at: <http://www.federalnewsradio.com/538/3409529/VA-counting-on-telemedicine-to-improve-expand-care-to-vets>.

<sup>8</sup> See *Telehealth Opportunities in APAC, Exploring Innovative Models in Healthcare Delivery*, Frost & Sullivan (April 4, 2013).

<sup>9</sup> *Id.*

programs provide some reimbursement for telehealth services, with behavioral health having the most rapid expansion of coverage.

## **II. Advancements in Health Care Technology.**

### **Doctor on Demand**

Doctor on Demand is a San Francisco-based company that provides patients with the ability to consult in real-time, at a moment's notice, with primary care physicians licensed in their state through a secure video-based application on their smartphone, tablet or desktop computer. The Doctor on Demand application connects individuals to a "virtual medical clinic" that not only provides patients with real-time, video access to physicians, but equips physicians with clinical support functions that enable the collection of relevant clinical information about the patient (*e.g.*, the patient's medical history, high resolution images of patient conditions such as rashes) and documentation of the encounter into a secure and accessible electronic medical record. Access to Doctor on Demand's virtual medical clinic is available to individuals in most states at a cost that is currently \$40 for a 15 minute consult.

### **Verizon Converged Health Management (CHM)**

When it comes to health management, knowledge is power – and the key to wellness. Verizon's Converged Health Management ("CHM") solution delivers that knowledge, wirelessly gathering data obtained from biometric devices and sharing it with patients, allowing them to better understand and proactively manage their health. At the same time, it enables clinicians to securely monitor this vital information, create educational programs, and manage patient care more effectively – all while managing costs.

The CHM mobile health platform is designed to provide up-to-date biometric data to clinicians and individuals by providing access to data from an ecosystem of monitoring devices. This timely information allows clinicians to deeply engage with individuals and provide ongoing support for efficient health management.

Clinicians can use CHM to remotely monitor members and identify changes in health status that may signal a need to intervene. Clinicians can take action to prevent a deterioration in health status, with the goal of possibly preventing a high-cost event such as a hospitalization or readmission. Additionally, CHM is designed to provide actionable information that clinicians can use to improve quality scores and drive additional revenue in a pay-for-performance environment.

CHM was also created to advance education and engagement. Clinicians can use CHM to provide timely insight and support. The platform is built to facilitate social networking, gamification and immediate feedback to encourage members as they learn how their actions impact their health status, empowering them to change their behavior.

### **Intel-GE Care Innovations™**

Intel-GE Care Innovations™ envisions a future where care for individuals – including health care, aging care, and social care – is a unified endeavor centered on meeting the unique needs of each person. Care Innovations™ was formed by GE Healthcare and Intel Corporation in 2011 with one

goal in mind; create innovative solutions to help re-imagine care delivery. Whether it is enabling clinicians to extend their care into patients' homes or enabling populations to become activated in their own health, Care Innovations has the health care industry knowledge, clinical workflow expertise, and IT know-how to enable lasting change. It is focused on helping its customers enable a new paradigm for consumer-driven connected care.

Care Innovations is about helping to find ways to change the status quo; to question current health care delivery mechanisms and operational infrastructure. To find ways to use the powerful health care ecosystem to collaboratively bring about lasting and meaningful change. It is ultimately about solving tough problems and creating new care models that enable people to experience healthy living wherever they happen to call home.

Care Innovations has a vision to help health care providers and payers create positive change through effective and efficient consumer-driven connected care. We recognize that in order to reduce health costs and drive improvements in the health care delivery ecosystem, consumers must be engaged to play a more direct role.

The Care Innovations™ Connect Care Management Platform is an enterprise-class, cloud-based remote care management™ solution, and Care Innovations™ Connect RCM is an easy-to-use in-home patient application. Together they provide a proven, clinician-led remote care management solution that helps cost-effectively manage chronic conditions from home – reducing hospital readmissions, improving patient adherence and quality of life. Care Innovations™ QuietCare® uses smart sensor technology to learn the daily activities of senior living residents, identify deviations from those patterns, and alert staff to potentially urgent situations. Care Innovations™ Connect Caregiver makes it easier to manage care at home, helping family caregivers share responsibilities and easing their concerns about their loved one's well-being. Care Innovations™ Link quickly connects to trained specialists any time of day or night, getting loved ones the help they need at the press of a button. Together, these solutions provide choices in connected care across the care delivery continuum. Visit [www.careinnovations.com](http://www.careinnovations.com) for more information.

## **HealthSpot**

HealthSpot is a private, walk-in medical kiosk that reinvents a visit to the doctor. Patients interact with board certified health care providers using high-definition videoconferencing and a suite of connected medical devices that stream biomedical information in real time. HealthSpot leverages technology to product the highest quality, lowest cost health care appointment on the market today.

## **Welch Allyn**

Welch Allyn is a leading global manufacturer of medical diagnostic equipment with a wide range of connected solutions. Our customers include physicians' practices, community clinics, skilled nursing facilities and emergency departments – where 95 percent of patients first seek medical treatment. Since inventing the first direct-illuminating, hand-held ophthalmoscope in 1915, we have developed hundreds of breakthrough products and technologies for continuous patient monitoring, automated vital signs capture, diagnostic cardiology and other segments to help enable frontline practitioners to provide enhanced patient care. As patients seek remote care from their health care team, Welch Allyn products continue to give frontline care providers the ability to assess, diagnose, treat and manage a wide variety of illnesses and diseases, and focus on practice efficiency, performing needed

procedures and providing patient care. As health care delivery incorporates connected care, we aim to be with our customers every step of the way.

### **III. Obstacles to Innovation.**

The health care delivery innovations and technological advances discussed above hold enormous potential to expand access and improve the quality of patient care while also reducing costs. However, a number of obstacles continue to prevent patients and providers from fully realizing the benefits of Connected Care.

First, it is important that we work together to establish an enhanced profile for Connected Care and prioritize this critical issue as part of the national agenda. This emphasis is consistent with the ongoing initiative to advance ConnectED in schools through strong support for robust broadband infrastructure. Given the importance of our nation's health care system and the significant impact telemedicine can have on patients' lives across the country, Connected Care should receive the same level of attention and urgency.

Unfortunately, existing regulatory and legal restrictions continue to hamper the expansion of Connected Care. For example, there currently is no federal definition of "telehealth services." Section 1834(m) of the Social Security Act also imposes strict requirements on the reimbursement of telehealth expenses for Medicare beneficiaries, which effectively limit access to Connected Care. Medicare generally reimburses telehealth services only when the "originating site" – *i.e.*, where the patient is located – is in a Health Professional Shortage Area or in a county that is outside of any Metropolitan Statistical Area. The originating site also must be a medical facility and not the patient's home, and Medicare only pays for face-to-face interactive video consultation services where the patient is present.

Further, states also have adopted varying standards by which their Medicaid programs reimburse telehealth expenses, and there is no single widely-accepted standard for private payers. While some insurance companies value the benefits of telehealth and will reimburse a wide variety of services, others have yet to develop comprehensive reimbursement policies.

Additionally, licensing can be a burden for physicians who practice telehealth. Most states require physicians to be licensed to practice in the originating site's state. Therefore, with limited exceptions, telehealth consultations with a physician across state lines often require multiple licenses. The process of applying for multiple licenses can be administratively and financially burdensome, if not prohibitive.

In order for patients and health care providers to fully realize the benefits of Connected Care, it is critical that policymakers remove these types of barriers and develop a regulatory framework that promotes expanded access to telehealth services. Concerns regarding patient privacy, data protection and provider fraud warrant careful consideration, as well, and strong safeguards also should be built into the framework to ensure that patients and providers will be able to utilize innovative technologies in a way that is secure and improves our health care system.

#### **IV. Conclusion.**

In recent years, we have witnessed broadband Internet access transform U.S. markets from an analog economy to a digital one. With this transformation, new digital platforms have been developed for more effective and efficient distribution of goods and services in numerous industry sectors. Health care should be no different. With adequate patient privacy and security protections, Connected Care can modernize the health care delivery system to ensure that all Americans have access to quality health care while also reducing costs.

The Alliance appreciates the opportunity to submit these comments and looks forward to working on these issues with the Commission, as well as the Federal Communications Commission's CONNECT2HEALTH Task Force and other industry stakeholders.<sup>10</sup> By removing unnecessary obstacles and promoting greater collaboration between the public and private sectors, we can advance health care innovation, foster greater competition, and improve the lives of consumers nationwide.

Sincerely,

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<sup>10</sup> See "FCC Chairman Announces New CONNECT2HEALTH Task Force," Press Release (dated March 4, 2014), *available at*: [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2014/db0304/DOC-325873A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0304/DOC-325873A1.pdf).