

**HEARING BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HEALTH**

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Chairman Roskam, Ranking Member Levin, and Health subcommittee members, thank you for the opportunity to be with you today to share my ideas on health care innovation. I am honored to share the table with representatives from several other cutting edge companies, in addition to my very own Zipnosis.

Before I introduce myself and Zipnosis, I'd like to share a short quote from one of my favorite philosophers, Kermit the Frog. As Kermit frequently reminded us, "It's not easy being green." And in Kermit speak, being green is not about being environmentally friendly—being green is about being different. The five of us are sitting here because we are different; we have all made a conscious choice to be different—and to do so in ways that we believe will improve healthcare. I'm sure we could all share examples about how it is hard to be different—and it can be hard—but the reason we're here is to share how by being different, we are making health care better for our colleagues, but most importantly for our patients.

With most innovative companies, it is the vision and the DNA of the founders and early leaders that shapes and forms the culture and identity of the organization--so I think that it's important to tell you a little bit about me. I am proud to be a family physician and believe deeply in the notion that continuity of care matters, and that care from clinicians who know you is almost always better than that from a stranger. I also know that this local connection is increasingly difficult for many patients and providers to achieve.

Today's healthcare landscape is characterized by too many patients and not enough physicians and other caregivers to serve them; as well as a culture that seems to value convenience over relationship. Equally important is the changing way we define and create patient-provider relationships. While you and I understand personal and professional relationships by being formed and largely supported by being in physical proximity, our children and our grandchildren completely accept the notion that relationships can be formed and built partially or entirely through the use of technology. Ask any millennial, and they will tell you that their Facebook, Twitter and Instagram "friends" are real.

So, if we are to transform healthcare in the face of these challenges, we must be willing to think differently and to be different. Now I'd like you to meet Zipnosis and hear a little bit about how we are indeed different and why we believe different is a good thing.

Zipnosis is a 10-year-old virtual care company headquartered in Minneapolis. We are proud to follow in the footsteps of a multitude of other MN based innovators--you may have heard of one started by two doctor brothers many years ago in Rochester, MN. Seriously though, from heart valves to HMOs, Minnesota has long been a leader in health care innovation. Our med-tech trade organization has a whopping 495 disruptive members and are known across the country--even around the globe, as strong creative thinkers. Credit for this needs also to be given to current and past state government leaders and policy makers and our congressional delegation--they too have been willing to "be different". I'd especially like to acknowledge Congressman Paulsen, a member of this committee, and Senator Amy Klobuchar for their unwavering support for healthcare innovation. This culture of healthcare innovation helped get Zipnosis off the ground and grow into the innovative company we are today.

Zipnosis was founded with a singular goal of using technology to transform care delivery--making it easier for patients to get care and for clinicians to deliver care--and do it in a way that does not compromise quality. Hence, our mission statement: Innovative access to mainstream medicine. This isn't what sets Zipnosis apart, although it is definitely the genesis of our different take on care delivery.

If there is anything you remember about my testimony today, this is it. **Zipnosis is philosophically different from most every other telemedicine company in the country.** If I may repeat myself, Chairman Roskam, Zipnosis is philosophically different from most every other telemedicine company in the country.

We view virtual care as a tool that can help foster and maintain the patient-physician relationship. Rather than selling services directly to patients, Zipnosis is a software-as-a-service (SaaS) company that licenses our software platform and clinical capabilities to health systems, clinics and physicians. We give *them* the technology to improve access to care for new patients and create stronger relationships with existing patients--and to provide a seamless connection to local care, when and if, patients cannot be safely treated via telemedicine. It is this firm commitment to using virtual care to support local care providers, thus enhancing continuity of care without increasing fragmentation that makes Zipnosis different. One of the results of this philosophical difference is our recently announced partnership with the American Academy of Family Physicians. Together, we are developing a version of the Zipnosis platform especially configured to allow family physicians in small to medium sized practices to offer virtual care in their communities. The importance of this for both physicians and patients cannot be overstated. This means that we've created a platform that allows YOU, Chairman Roskam and members of the committee, to do a virtual visit with YOUR personal physician using a variety of different modalities.

Beyond philosophy, **Zipnosis is technologically different**—a true trailblazer. Most of you sitting in the audience today are members of my generation. That probably means that when you hear the words telemedicine or virtual care, you think about broadband-based video telemedicine that often uses sophisticated equipment to connect specialists to small rural hospitals or PCPs -- a provider-to-provider connection. This 20th century version has much to

offer, and as a matter of policy, I believe that we should continue to strengthen and expand our broadband capabilities. As a native North Dakotan and a former country doctor, I've experienced firsthand the benefits of broadband-based telemedicine.

But Zipnosis is a 21st century virtual care tool. Our platform is built for connection between PATIENTS and providers--a digital platform built for wireless data that enables true flexibility for both patients and providers. According to the Pew Research Center, 77% of the entire US population owns a smartphone; and, according to FCC estimates, 24 million Americans are still without broadband access. In a society where mobile access to care is increasingly expected and even taken for granted, these two data points are evidence that focusing exclusively on broadband-based telemedicine is not the answer.

I must also add that the difference in our technology goes well beyond the internet connection, to include unique features that support our philosophical approach. For example, unlike others in the telemedicine space, Zipnosis explicitly and deliberately uses technology to support locally based healthcare, such as Smart Routing to seamlessly direct patients who are not appropriate for online care into their health system's brick-and-mortar clinics. Plus, we offer a variety of access modalities to community hospital systems to meet disparate patient preferences and clinical needs.

Zipnosis is also structurally different. The heart of our platform is an intelligent, software guided asynchronous adaptive interview. Patients complete a medical history by answering a set of dynamically generated questions--subsequent questions are determined by the patients' answers to the previous questions, often referred to as branching logic -- re-creating the history taking that physicians do in their offices every day. There are many conditions where the medical evidence tells us that it is safe and effective to make a diagnosis and treatment based on a medical history alone. Our platform is deliberately built to create that efficiency for patients and clinicians. Unlike many other telemedicine companies, Zipnosis is not designed around a single modality, so when patients cannot be treated asynchronously, the visit can be converted to a secure, HIPAA-compliant video or chat visit. If a prescription is medically indicated, the physician can easily e-prescribe it; and the patient fills the prescription by choosing the most convenient pharmacy. Because Zipnosis partners with local care providers, we can complete the visit by adding it into the patient's electronic health record.

As I mentioned, I want to share how these differences are positive for the healthcare industry. Our approach and technology uniquely position us to help health systems, providers and their patients address challenges endemic in the healthcare industry, including the imbalance between available providers and patients; geographic and financial healthcare access barriers; the administrative burden placed on providers; the growing healthcare fragmentation fueled by consumer demand for convenience; and the influx of stand-alone retail clinics, urgent care centers, and even juggernaut telemedicine service providers that focus purely on the one-and-done telemedicine transaction. Zipnosis is proud to be different.

Remember, Kermit says, “It’s *not* easy being green.” While being different comes with a great many benefits, I do want to speak briefly about some of the policy difficulties we encounter--both those that inherent to telemedicine, and those that we encounter because Zipnosis IS different. When we launched Zipnosis back in 2008, nothing like our platform had been seen before. Store-and-forward asynchronous telemedicine was known for its use in clinician-to-clinician specialties such as radiology and dermatology. It definitely wasn’t considered a means for collecting patient-generated symptom and health history information for diagnosis and treatment of common, low-acuity conditions. This departure from the norm is one of the reasons for our success, but made it difficult for regulators and others figure out where we fit in the telemedicine landscape. Being different has also magnified some of the other challenges inherent to the virtual care sector. These challenges include:

Fragmented, incoherent regulatory policy. As a long time member and past president of the Minnesota Board of Medical Practice, I accept and understand the need for regulation to protect patient safety and uphold a standard of care. However, as I recently commented to some colleagues at the Federation of State Medical Boards, the current challenge we have is reconciling geographically based professional regulation in an age when both patients and physicians are increasingly unconstrained by geography. It is also universally true that technology develops and changes much more quickly than regulation; this is something we see a great deal in telemedicine. Much of our state based telemedicine policy is a holdover from the late 20th century, when broadband dominated and the internet was first becoming a reality. The result in most states is rather than focusing on language defining and supporting standards of care, i.e. regulating professionals, much ink is devoted to modality specific regulation. This is problematic because the cutting edge modalities of today are already edging toward obsolescence. And because this regulation is geographically based, there are infinite permutations on what modalities are defined as telemedicine and when and how they may be used.

Reimbursement. In this regard, there is room for improvement in most states and at the federal level. One of the biggest barriers to physician adoption of telemedicine is lack of consistent reimbursement. While I believe that some of the reimbursement obstacles may be at least partially remedied as we transform to a value-based reimbursement environment, right now doctors, hospitals and health systems still live in a fee-for-service world. And as with modalities, there are a nearly infinite number of state and federal permutations around telemedicine reimbursement.

If we take the view that telemedicine modalities are some of the current tools that will help us improve quality, cost and outcomes--and I think that we should take that view--then a better answer is to first focus policy and regulatory development on two areas: first, we need to develop common nomenclature and definitions around telemedicine that offers both clarity and flexibility for changing technologies, and second, regulatory policy ought to focus on regulating professionals and professional behavior rather than playing a constant game of catch-up with the technology by regulating specific modalities.

THIS TESTIMONY IS EMBARGOED UNTIL THE START OF THE HEARING THURSDAY, APRIL 26 AT 10:00 AM

This future-proofing of regulation is critical, because this is where opportunities exist for folks like you to help folks like those of us sitting at the table. Thank you for your time and attention. I'm happy to answer any questions you may have. Additionally, if you are interested in seeing how Zipnosis works, I'd be happy to arrange a demo for you and your staff.