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Telemedicine Runs Into Crony Doctoring

State medical-licensing barriers protect local MDs and deny patients access to remote-care physicians.

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Telemedicine has made exciting advances in recent years. Remote access to experts lets patients in stroke, neonatal and intensive-care units get better treatment at a lower cost than ever before. In rural communities, the technology improves timely access to care and reduces expensive medevac trips. Remote-monitoring technology lets patients with chronic conditions live at home rather than in an assisted-living facility.

Yet while telemedicine can connect a patient in rural Idaho with top specialists in New York, it often runs into a brick wall at state lines. Instead of welcoming the benefits of telemedicine, state governments and entrenched interests use licensing laws to make it difficult for out-of-state experts to offer remote care.

Recently proposed Republican health-policy reforms—in the “Better Way” proposal House Speaker Paul Ryan unveiled in June—give priority to legislation that would encourage consumer choice through health-savings accounts. But the plan fails to address the underlying state regulatory framework that limits consumers’ options for care. Fortunately, Congress has the power to sweep away the barriers to interstate telemedicine that deny patients access to top specialists from around the country.

Existing state medical-licensing laws are supported by entrenched interests primarily concerned with protecting providers, not with fostering the competitive health-care market that consumers so desperately need. If they want to operate in multiple states, telemedicine providers must hold multiple licenses, pay licensing fees to each state medical board, and comply with changing rules and regulations in every state. In effect, these stifling regulations force many patients to settle for whatever doctors are licensed to practice in their state—which is why in-state physician groups often support them.

Federal efforts to deal with the issue have not been successful. Funding from the Licensure Portability Grant Program of the Health Resources and Services Administration went to the Federation of State Medical Boards, whose members have a strong interest in preserving the status quo. As a result, the product, the misnamed Interstate Medical Licensure Compact, does not include provisions for license portability. Although 17 states have joined, the compact

doesn't solve the problem at hand: the requirement that telemedicine providers be licensed in every state in which they practice.

Indeed, the compact protects the power of the state boards to shield physicians in their states from competition. It preserves the multiple fees physicians must pay to each state board. Most troubling, the compact has distracted attention from, and muted calls for, reforms that would realize telemedicine's potential.

Frustrated with the lack of state-board action on license portability, some telemedicine advocates have called for federal licensing of telemedicine providers. However, this would add additional costs, as licensing invariably does. The physician groups who have captured and used state licensing to limit competition and access to care can be expected to do the same at the national level.

The federal government needs to turn its attention to a plan that can work: Redefining the location of the practice of medicine.

Using its power under the Commerce Clause of the Constitution, Congress could pass legislation to define where a physician practices medicine to be the location of the physician, rather than the location of the patient, as states currently do. Physicians would need only one license, that of their home state, and would work under its particular rules and regulations.

This would allow licensed physicians to treat patients in all 50 states. It would greatly expand access to quality medical care by freeing millions of patients to seek services from specialists around the country without the immense travel costs involved.

With one simple change that would not cost taxpayers a dime, Congress could create a national market for health care, and allow the telemedicine revolution to increase access to quality health care while lowering its cost. Not acting would deny American consumers a health-care windfall.

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