



July 8, 2021

The Honorable Anthony J. Portantino
Chairman, California Senate Appropriations Committee
California State Senate
1315 10th St., Room 5050
Sacramento, CA 95814

The Honorable Patricia C. Bates
Vice Chairwoman, California Senate Appropriations Committee
California State Senate
1315 10th St., Room 3063
Sacramento, CA 95814

RE: ATA OPPOSITION TO ASSEMBLY BILL 457 UNLESS AMENDED

Dear Chair Portantino and Vice Chair Bates,

On behalf of the American Telemedicine Association and the over 400 organizations we represent, I am writing to express concerns about and seek clarification on Assembly Bill 457.

The ATA is the only national organization whose mission revolves solely around the advancement of telehealth in the United States. Our utmost priority is ensuring that Americans have the ability to receive affordable, first-rate health care when and where they need it. The expansion of telehealth infrastructure around the country eases strain on the overburdened health care system, enabling it to provide care for millions more patients every year in an efficient and effective manner. The ATA represents a diverse and expansive coalition of technology solution providers and payers, as well as partner organizations and alliances, working together to promote the implementation of telehealth across the country, endorse responsible telehealth policy, encourage government and market normalization, and deliver education and resources designed to further the integration of virtual care through the use of various innovative technologies.

The ATA is unclear as to what problem the legislature seeks to address through Assembly Bill 457, specifically through language added in Section 3(h). This language concerns referrals of patients by so-called “internet-based service providers,” an undefined term in California Code. Section 3(h) reads as follows:

“(h) Notwithstanding this section or any other law, the payment or receipt of consideration for internet-based advertising, appointment booking, or any service that provides information and resources to prospective patients of licensees shall not constitute a referral of a patient if the internet-based service provider does not recommend, endorse, arrange for, or otherwise select a licensee for the prospective patient.”



In introducing additional undefined terms such as “internet-based service provider,” the language in Section 3(h) lacks the clarity necessary for businesses operating in the telehealth market to determine exactly which issue or issues the provision seeks to remedy or if their business models are affected by the new language. This language was added very late in the legislative process, and our organization has yet to receive clarity on its intent and scope. Without such guidance, our organization is concerned that this overly broad language could be interpreted to limit certain health systems, telehealth companies, and other entities from connecting patients to providers. Additionally, Section 3(h) could create a significant chilling effect on investment in health care innovation. This innovation has helped millions of Californians receive care during the COVID-19 pandemic and is continuing to expand access to health care services, including behavioral health services, that are in high demand and critical to the well-being of Californians.

We would also like to reiterate our opposition to language in Sections 4 and 5 regarding so-called “third-party corporate telehealth providers.” These provisions discriminate against certain providers who do not have a physical practice location and use technology to deliver health care services in California without providing any sort of clinical justification as to why the additional conditions placed on health care service plans utilizing “third-party corporate telehealth providers” are necessary. These are the same types of organizations that connected providers to millions of patients throughout the pandemic, patients who otherwise would not have received care, thereby driving up overall health care costs, or created unnecessary risk for themselves and others by going to a brick-and-mortar medical facility. Rather than restricting care with no clinical basis, we hope that the legislature would leverage the lessons learned during the past year and work to ensure all Californians have access to the high-quality health care they deserve.

The ATA urges more thoughtful consideration on this issue. In the context of the ongoing pandemic, we believe that it is essential for Californians to have access to high-quality, affordable health care as efficiently and equitably as possible. We urge you and your colleagues to oppose Assembly Bill 457 unless it is amended to rectify the ambiguities mentioned above. Please let us know how we can be helpful in your efforts to adopt sensible telehealth policy in California. If you have any questions or would like to discuss further the telehealth industry’s perspective, please contact me at kzebley@americantelemed.org.

Kind regards,

A handwritten signature in black ink, appearing to read "Kyle Zebley", written over a light blue circular stamp.

Kyle Zebley
Public Policy Director
American Telemedicine Association