

# HOUSE BILL REPORT

## SHB 1529

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### As Passed Legislature

**Title:** An act relating to the delivery of home health care services through telemedicine.

**Brief Description:** Concerning telemedicine.

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representatives Seaquist, Hinkle, Morrell, Bailey, Moeller, Clibborn, Green and Cody).

#### **Brief History:**

##### **Committee Activity:**

Health Care & Wellness: 2/12/09, 2/20/09 [DPS];

Health & Human Services Appropriations: 2/25/09 [DPS(HCW)].

##### **Floor Activity:**

Passed House: 3/5/09, 96-0.

Senate Amended.

Passed Senate: 4/14/09, 48-0.

House Concurred.

Passed House: 4/18/09, 97-0.

Passed Legislature.

#### **Brief Summary of Substitute Bill**

- Provides that a licensed home health agency that is eligible for reimbursement under the state's medical assistance programs may be reimbursed for home health services delivered through telemedicine.
- Requires the Department of Social and Health Services, in consultation with home health care service providers, to develop reimbursement rules and requirements for home health rendered through telemedicine.
- Defines "telemedicine" to mean certain uses of telemonitoring.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass.  
Signed by 13 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen,

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Ranking Minority Member; Bailey, Campbell, Clibborn, Green, Herrera, Hinkle, Kelley, Moeller, Morrell and Pedersen.

**Staff:** Kyle Gotchy (786-7119); and Chris Cordes (786-7103)

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## HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Health Care & Wellness be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Schmick, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Appleton, Cody, Dickerson, Ericksen, Johnson, Miloscia, Morrell, O'Brien, Roberts, Walsh and Wood.

**Staff:** Erik Cornellier (786-7116)

### **Background:**

#### Telemedicine and Telehealth.

Telemedicine and telehealth are terms that encompass a range of evolving technologies capable of transmitting medical information between patients and health care practitioners as well as related applications that enable remote medical procedures or examinations. The terms telemedicine and telehealth are often used in an interchangeable fashion; for the purposes of Medicaid they refer to different health care applications.

- *Telemedicine* is the use of medical information exchanged from one site to another via electronic communications to improve a patient's health. Electronic communication refers to the use of interactive telecommunications equipment that includes audio and visual equipment permitting two-way, real-time interactive communication between the patient and the physician or practitioner at a distant site. For the purposes of the federal Medicaid statute, telemedicine is viewed as a cost-effective alternative to traditional face-to-face avenues of providing medical care that states may choose to cover. Telemedicine is not recognized by the Medicaid statute as a distinct service.
- *Telehealth (or telemonitoring)* is the use of telecommunications and information technology to provide access to health assessment, diagnosis, intervention, consultation, supervision, and information across distance. Telehealth includes technologies such as telephones, fax machines, electronic mail systems, and remote patient monitoring devices that are used to collect and transmit patient data for monitoring and interpretation. While these services do not meet the Medicaid definition of telemedicine, they may nevertheless be covered and reimbursed as part of a Medicaid-coverable service under the federal Social Security Act as laboratory service, x-ray service, or physician service.

#### Applications.

One growing area of telemedicine and telehealth, used in the home care setting, enables providers to communicate directly with a patient in his or her residence. In this context, a site-based apparatus transmits information about vital signs and disease progression to an off-

site provider. The content of the communication may include blood pressure measurements for hypertensive patients, blood sugar levels for diabetics, or weight checks for patients with cardiopulmonary disease. Devices designed to stay in a patient's home may prompt them to take medications or may require them to answer questions about their quality of sleep and intensity of pain. According to the Centers for Medicare and Medicaid Services, such arrangements augment the efficiency with which care is provided to homebound and chronically ill elderly persons by decreasing the need for providers to perform home visits. This efficiency aspect is especially true for patients living in rural areas where the geographic separation from providers often frustrates access to care.

#### Reimbursement for Telemedicine Services.

State Medicaid will reimburse for physician consultations that use interactive video teleconferencing, but the patient must be present and participating in the telehealth visit. No reimbursement is available for home health monitoring. Additionally, only fee-for-service enrollees may be reimbursed for telehealth services. Reimbursement rates are the same as for services that are delivered face-to-face.

#### **Summary of Substitute Bill:**

Any licensed home health agency that is eligible for reimbursement under the state's medical assistance programs may be reimbursed for home health services delivered through telemedicine. In-person contact between a home health care registered nurse and a patient is not required if the services are otherwise eligible for reimbursement as a medically necessary skilled home health nursing visit under the program. However, the use of telemedicine is not intended to replace nurse visits when necessary.

The Department of Social and Health Services (DSHS) in consultation with home health care service providers must develop reimbursement rules and must define the requirements that must be met for a reimbursable skilled nursing visit when services are rendered without a face-to-face visit and are assisted by telemedicine.

The DSHS must establish a reimbursement rate for qualifying skilled home health nursing services delivered with the assistance of telemedicine. Providers will not be reimbursed for purchasing or leasing telemedicine equipment.

Telemedicine means the use of telemonitoring to enhance the delivery of certain home medical services through:

- the provision of certain education related to health care services using audio, video, or data communication instead of a face-to-face visit; or
- the collection of clinical data—including, but not limited to weight, blood pressure, pulse, respirations, blood glucose, and pulse oximetry – and the transmission of such data between a patient at a distant location and the home health provider through electronic processing technologies.

**Appropriation:** None.

**Fiscal Note:** Requested on February 23, 2009.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) This bill begins to open the channels that dictate how our health funds are spent. Telemedicine and telehealth technologies improve the efficiency of health care delivery as well as the quality of care received. Providers in Washington who already utilize telemedicine have already achieved significant savings on behalf of their patients by reducing hospital and emergency room visits. Currently, there are at least 20 other states that use telemedicine in conjunction with their state's Medicaid program. This bill is modeled on Colorado's arrangement with revisions to adapt to Washington's health care system and needs.

Telemedicine is an effective tool for managing patient care in emergency response situations, especially in rural areas that may be difficult to reach due to flooding, snowstorms, or other natural disasters.

If passed, this bill would save the state significant money and would improve the quality of care received by patients.

It is important that "hospice" be added to the bill language because most home health agencies also provide hospice services.

(Opposed) None.

**Staff Summary of Public Testimony (Health & Human Services Appropriations):**

(In support) Telemedicine is a potential solution to the health care crisis. Telemonitoring in a home health setting improves quality, reduces costs, and improves patient outcomes. This bill allows for reimbursement of telemonitoring instead of home health visits. Data shows that using this equipment reduces hospitalizations and emergency room visits through early detection of potential problems. Telemedicine also improves communication and helps patients take responsibility for their health. The federal government and many other states have also implemented telemedicine as a tool for managing patients in emergency response situations.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** Representative Seaquist, prime sponsor; Leslie Emerick, Home Care Association of Washington; Patty Malhern, Washington State Health Care Authority; Carolyn Neiswender, Memorial Home Care Services; and Gail Kreiger, Department of Social and Health Services.

**Persons Testifying (Health & Human Services Appropriations):** Leslie Emerick, Home Care Association of Washington.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying** (Health & Human Services Appropriations): None.