

# HOUSE BILL REPORT

## SB 5436

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**As Passed House - Amended:**  
April 6, 2017

**Title:** An act relating to expanding patient access to health services through telemedicine by further defining where a patient may receive the service.

**Brief Description:** Expanding patient access to health services through telemedicine by further defining where a patient may receive the service.

**Sponsors:** Senators Becker, Cleveland, Frockt and Keiser.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/10/17, 3/15/17 [DP].

**Floor Activity:**

Passed House - Amended: 4/6/17, 97-0.

**Brief Summary of Bill  
(As Amended by House)**

- Allows any location determined by a patient to be an originating site for purposes of reimbursement for telemedicine services by an insurer or a Medicaid managed care organization.
- Requires behavioral health organizations to reimburse for telemedicine services.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 17 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Harris, Jinkins, MacEwen, Maycumber, Riccelli, Robinson, Rodne, Slatter, Stonier and Tharinger.

**Staff:** Jim Morishima (786-7191).

**Background:**

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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.*

### Insurance and Medicaid Reimbursement for Telemedicine.

Telemedicine is the use of interactive audio, video, or electronic media for the purpose of diagnosis, consultation, or treatment of a patient at an originating site. Store and forward technology is the use of an asynchronous transmission of a patient's medical information from an originating site to a provider at a distant site.

A health plan offered by a health carrier, a health plan offered to state employees and their dependents, and a Medicaid managed care plan must reimburse providers for health care services provided through telemedicine or store and forward technology if:

- the services are covered services;
- the services are medically necessary;
- the services are essential health benefits under the federal Patient Protection and Affordable Care Act;
- the services are determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards; and
- the technology meets state and federal standards governing the privacy and security of protected health information.

An originating site for telemedicine includes a hospital, rural health clinic, federally qualified health center, health care provider's office, community mental health center, skilled nursing center, renal dialysis center, or a home. A facility fee may not be charged for telemedicine services offered to a patient in his or her home.

### Behavioral Health Organizations.

A behavioral health organization (BHO) oversees the delivery of mental health and substance use disorder services for adults and children, administers community-based commitments and services under the Involuntary Treatment Act, contracts with local providers to provide mental health services, monitors the activities of local providers, and oversees the distribution of funds under the state managed care plan. A BHO may be a county, group of counties, or a nonprofit entity. All BHOs must be integrated into Medicaid managed care organizations by April 2020.

### **Summary of Bill:**

#### Insurance and Medicaid Reimbursement for Telemedicine.

The list of originating sites for purposes of telemedicine reimbursement is expanded to include any location determined by the individual receiving the service. A facility fee may not be charged for telemedicine services offered to a patient in such a location.

#### Behavioral Health Organization Reimbursement for Telemedicine.

A behavioral health organization (BHO) must reimburse a provider for covered, medically necessary services provided to a covered person under the age of 18 through telemedicine or store and forward technology. The BHO must reimburse for store and forward services only

if the services are specified in a negotiated agreement between the BHO and the provider and there is an associated visit, which may be provided through telemedicine. Originating sites, other than a home, may charge a facility fee. A BHO may not distinguish between urban and rural originating sites. A BHO may subject telemedicine or store and forward coverage to all terms and conditions applicable to in-person services, including utilization review, prior authorization, deductibles, copayments, or coinsurance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect January 1, 2018, except for section 4, relating to behavioral health organization (BHO) reimbursement for telemedicine, which only takes effect if neither SHB 1388 nor SSB 5259 is enacted and section 5, dealing with BHO reimbursement for telemedicine, which only takes effect if SHB 1388 or SSB 5259 is enacted.

**Staff Summary of Public Testimony:**

(In support) This bill is a product of the Washington State Telemedicine Collaborative. Defining "home" for purposes of telemedicine is an access to care issue. Telemedicine, including the locations where telemedicine may be provided, should be expanded. This bill expands the definition of home broadly so people can receive services where they feel comfortable, including homes, churches, and community centers. A narrower definition would be too limited. This bill will be a boon to patient access and will help people in rural areas. This is where medicine is going.

(Opposed) None.

**Persons Testifying:** Senator Becker, prime sponsor; Lisa Thatcher, Washington State Hospital Association; Dave Knutson, Association of Washington Healthcare Plans; Nova Gattman, Workforce Training and Education Coordinating Board and Health Workforce Council; and Katie Kolan, Washington State Medical Association.

**Persons Signed In To Testify But Not Testifying:** None.