

# HOUSE BILL REPORT

## SSB 6399

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**As Passed House:**  
February 27, 2018

**Title:** An act relating to telemedicine payment parity.

**Brief Description:** Concerning telemedicine payment parity.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Becker, Cleveland, Rivers, Brown, Bailey, Fain, Kuderer and Van De Wege).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/20/18, 2/21/18 [DP].

**Floor Activity:**

Passed House: 2/27/18, 98-0.

**Brief Summary of Substitute Bill**

- Requires the Collaborative for the Advancement of Telemedicine to review the concept of telemedicine payment parity, develop recommendations including parameters for a payment parity pilot program, and report to the Legislature by December 1, 2018.

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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:** Kim Weidenaar (786-7120).

**Background:**

Telemedicine and Store and Forward Technology.

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

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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, a home, or any location determined by the individual receiving the services. A facility fee may not be charged for telemedicine services offered to a patient in his or her home or other location of patient's choosing. For services provided from a distant site, Health Care Authority policy requires payment for services provided through telemedicine to be the same as services provided in-person, but requires the Current Procedural Terminology code to indicate the service was provided remotely.

#### Collaborative for the Advancement of Telemedicine.

In 2016 the Collaborative for the Advancement of Telemedicine (Collaborative) was created to enhance the understanding of health services provided through telemedicine. The Collaborative is hosted by the University of Washington Telehealth Services and is comprised of one member from each of the two largest caucuses of the Senate and the House of Representatives, and representatives from the academic community, hospitals, clinics, and health care providers in primary care and specialty practices, carriers, and other interested parties.

The Collaborative is required to develop recommendations on improving reimbursement and access to services, including reviewing the originating site restrictions or additions proposed in this bill, provider-to-provider consultative models, and technologies and models of care not currently reimbursed. The Collaborative must identify telemedicine best practices, guidelines, billing requirements, and fraud prevention developed by recognized medical and telemedicine organizations. The Collaborative must also make a recommendation on whether to create a technical assistance center in Washington to support providers in implementing or expanding services delivered through telemedicine. An initial progress report was due December 1, 2016, with follow-up reports due December 1, 2017, and December 1, 2018. Reports must be shared with the Health Care Committees of the Legislature as well as relevant professional associations, governing boards, or commissions. Meetings must be open public meetings with summaries available on a web page.

The future of the Collaborative shall be reviewed by the Legislature with consideration of on-going technical assistance needs. The Collaborative terminates December 31, 2018.

**Summary of Bill:**

The Collaborative for the Advancement of Telemedicine (Collaborative) must review the concept of telemedicine payment parity and develop recommendations on reimbursing for telemedicine at the same rate as if a provider provided services in person for treatment of diabetes mellitus, stroke, mental health conditions, opioid dependence, and chronic pain.

In developing its recommendations, the collaborative should include a review of various reimbursement methodologies, and must consider whether and the extent to which facility fees should be reimbursed in providing telemedicine services.

The recommendations must include parameters for a three to five year telemedicine payment parity pilot program (TPPPP), which uses a recommended payment parity and facility fee reimbursement methodology for reimbursing services utilized to treat the five conditions listed above. The TTPPP parameters must outline procedures for the Collaborative and the Office of Financial Management to analyze claims data in the all-payer health care claims database to determine if any savings or increased telemedicine or store and forward utilization are realized through the TTPPP. Finally the Collaborative's recommendations must include the design of a training program to teach health care professionals about telemedicine and proper billing methodologies.

By December 1, 2018, the collaborative must report its recommendations for the TTPPP to the health care committees of the Legislature.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) The original goal for this bill was to create a payment parity program, but several issues arose and it became apparent that it was going to take longer than just this session to come to an agreement. Accordingly, the Collaborative for the Advancement of Telemedicine (Collaborative) was tasked with creating the pilot program. Another task placed on the Collaborative is to develop education for providers about telemedicine, reimbursement, and fraud issues. Only two states, Hawaii and Minnesota, have telemedicine payment parity models. The Collaborative will take a comprehensive look at these models and report back to the Legislature as required by the bill. Payment parity for telemedicine is an issue that has a lot of varying opinions across providers, as well as carriers. Given the varying opinions on payment parity, this will be a difficult task for the Collaborative to develop recommendations, but the recommendations are limited to only five conditions. Supporters

are excited for the pilot to start to see if it accomplishes its goals and will save patients and carriers money.

(Opposed) None.

**Persons Testifying:** Senator Becker, prime sponsor; and Ian Goodhew, University of Washington School of Medicine.

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