

SENATE BILL REPORT

SB 6399

As Reported by Senate Committee On:
Health & Long Term Care, February 1, 2018

Title: An act relating to telemedicine payment parity.

Brief Description: Concerning telemedicine payment parity.

Sponsors: Senators Becker, Cleveland, Rivers, Brown, Bailey, Fain, Kuderer and Van De Wege.

Brief History:

Committee Activity: Health & Long Term Care: 1/23/18, 2/01/18 [DPS].

Brief Summary of First Substitute Bill

- Directs the collaborative for the advancement of telemedicine (Collaborative) to review the concept of telemedicine payment parity, develop recommendations, and report to the Legislature by December 1, 2018.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6399 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Bailey, Becker, Conway, Fain, Keiser, Mullet and Van De Wege.

Staff: Evan Klein (786-7483)

Background: In 2015, the Legislature established requirements for health insurance payments for services delivered through telemedicine and store and forward technology. The legislation established originating sites for a telemedicine service including a hospital, rural health clinic, federally qualified health center, health care providers office, community mental health center, skilled nursing facility, or renal dialysis center. In 2016, the Legislature added the patient's home.

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.

The American Telemedicine Association indicates that approximately 30 states have some form of telemedicine laws that require parity in insurance payments for some services or some programs.

Summary of Bill (First Substitute): The Collaborative for the advancement of telemedicine (Collaborative) is directed to 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. The Collaborative must review methodologies, including whether and to what extent facility fees should be reimbursed, for reimbursement of telemedicine services. The recommendations must include parameters for a three to five year payment parity pilot program, and must outline procedures for the Collaborative, in conjunction with the Office of Financial Management (OFM), to analyze claim data in the all-payer claims database to see if any savings or increased utilization is realized through the pilot.

The Collaborative must also design a training program to teach health care professionals about telemedicine and proper billing.

The Collaborative must report its recommendations to the Legislature by December 1, 2018.

EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute):

- Removes requirements that OFM establish a telemedicine payment parity pilot program.
- Directs the Collaborative to review the concept of telemedicine payment parity and develop recommendations on reimbursement methodologies for certain services.

The Collaborative is further directed to develop recommended parameters for a three to five year pilot program. The Collaborative must report its recommendations to the health care committees of the legislature.

Appropriation: None.

Fiscal Note: Requested on January 18, 2018.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Telemedicine is the future of the medical field and will benefit all of the people the state has been trying to help for many years. Telemedicine helps people who cannot get to the doctor because of lack of transportation. This bill will start to look at the impact that telemedicine has on the lives of people in the community. Reimbursement rates can currently provide barriers to providing telemedicine services. This bill will let carriers know they will not be paying more for the

same services and will let providers know that they will be reimbursed for these new services in a way that helps them cover their expenses. This bill will be great for rural folks who have difficulty getting to provider locations. We cannot think of health care as care of today, but instead need to think of health care delivery systems that will be used in the future. This bill is a work in progress. We fully support training on telemedicine, but would like the training to be allowed to be offered by entities other than just the University of Washington. The bill should also look to set a realistic savings target.

OTHER: Creating a training program for telemedicine providers should be done through the Telemedicine Collaborative. The Collaborative should also review whether this pilot is increasing access and generating savings. This bill will continue to proliferate high quality telemedicine care. This is an opportunity to build out and empower the Telemedicine Collaborative. Medical malpractice insurers may be currently providing coverage for telemedicine malpractice, so those provisions of the bill may not be necessary. We cannot support removing all facility fee payments.

Persons Testifying: PRO: Senator Randi Becker, Prime Sponsor; Leslie Emerick, Washington State Psychological Association, ARNPs United of Washington, Washington State Hospice, Palliative Care Organization; Joan Miller, Washington Council for Behavioral Health; Emily Yu, MultiCare Health System.

OTHER: Sean Graham, Washington State Medical Association; Ian Goodhew, UW Medicine; Lisa Thatcher, Washington State Hospital Association; Meg Jones, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: No one.