

HOUSE BILL REPORT

SSB 5385

As Reported by House Committee On:
Health Care & Wellness

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, Braun, O'Ban, Wilson, L., Brown, Warnick, Zeiger, Bailey and Van De Wege).

Brief History:

Committee Activity:

Health Care & Wellness: 3/26/19, 3/27/19 [DP].

Brief Summary of Substitute Bill

- Requires health plans to pay the same rate for a health care service provided through telemedicine as an in-person service.
- Permits hospitals, hospital systems, telemedicine companies, and provider groups of 11 or more to negotiate and agree to a telemedicine reimbursement rate that differs from in-person rates.
- Requires reimbursement for facility fees to be subject to a negotiated agreement.
- Removes the requirement that services provided through store and forward technology have an associated office visit.
- Directs the Collaborative for the Advancement of Telemedicine to study store and forward technology.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 13 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Chambers, Davis, DeBolt, Harris, Jinkins, Riccelli, Robinson, Stonier, Thai and Tharinger.

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.

Minority Report: Do not pass. Signed by 1 member: Representative Caldier, Assistant Ranking Minority Member.

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 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.

If the service is provided through store and forward technology, there must be an associated office visit between the covered person and the referring health care provider, which may be accomplished via telemedicine. 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.

The Collaborative for the Advancement of Telemedicine.

The Collaborative for the Advancement of Telemedicine (Collaborative) was created in 2016 to enhance the understanding and use of health services through telemedicine. The Collaborative consists of representatives from the academic community, hospitals, clinics, health care providers, and carriers, as well as legislators. The University of Washington provides support to the Collaborative.

The Collaborative is required to develop recommendations on improving reimbursement and access to services; identify telemedicine best practices, guidelines, billing requirements, and fraud prevention, as developed by recognized medical and telemedicine organizations; and

explore other priorities. In addition, the Collaborative must make recommendations on whether to create a technical assistance center to support providers implementing or expanding services through telehealth technologies.

In 2018 the Legislature tasked the Collaborative with reviewing the concept of telemedicine payment parity and developing 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 Collaborative's December 2018 report states that the idea of payment parity is that a clinician should be paid the same for a telemedicine visit and an in-person visit. The report discusses payment parity, however, the Collaborative was not able to agree on the conditions of a payment parity pilot and some health care systems expressed that they would not participate in a payment parity pilot.

Summary of Bill:

For health plans issued on or after January 1, 2020, regulated health insurance carriers and the state employee health plans must reimburse a provider for health care service provided through telemedicine at the same rate as health care service provided in-person. Upon initiation or renewal of a contract with the Health Care Authority to administer a Medicaid managed care plan, a managed health care system must reimburse a provider for health care service provided through telemedicine at the same rate as health care service provided in-person. However, hospitals, hospital systems, telemedicine companies, and provider groups of 11 or more providers may negotiate and agree to reimbursement rates that differ from in-person services rates.

Reimbursement for a facility fee must be subject to a negotiated agreement between the originating site and the health carrier. The requirement that services provided through store and forward technology must have an associated office visit is removed.

The Collaborative for the Advancement of Telemedicine is directed to study store and forward technology with a focus on utilization, whether it should be paid at parity within in-person services, the potential for the technology to improve rural health outcomes, and ocular services.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2020.

Staff Summary of Public Testimony:

(In support) The Collaborative for the Advancement of Telemedicine (Collaborative) has worked together to create and come to agreement on this bill. The issue of payment parity has been one of the big issues around telemedicine from the beginning. Payment parity was specifically brought to the attention of the telemedicine collaborative and it has been a big area of discussion. Originally, there was not agreement on payment parity within the Collaborative. However, Senator Becker went ahead with a bill, which brought the parties back together to discuss the idea, and through cooperation some changes were made. The balance that was struck in how the payment parity provision is drafted is a great compromise, and the committee is urged to support it in its current form.

The bill may help get doctors in communities that want to take on the task of telemedicine to treat patients in their homes or wherever it is viable. This bill protects smaller provider systems, while allowing larger systems to continue to negotiate. Some people like parts of the bill and do not like other parts, so that probably means the right balance was struck.

(Opposed) None.

Persons Testifying: Senator Becker, prime sponsor; Chris Bandoli, Washington State Hospital Association; and Ian Goodhew, University of Washington Medicine Health System.

Persons Signed In To Testify But Not Testifying: None.