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## HOUSE BILL 1027

State of Washington 68th Legislature 2023 Regular Session

By Representatives Riccelli, Schmick, Ryu, Simmons, Duerr, Reed, Lekanoff, Pollet, Doglio, Macri, Timmons, Reeves, Tharinger, Wylie, Thai, Stonier, Ormsby, Farivar, and Fosse

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- AN ACT Relating to extending the time frame in which real-time telemedicine using both audio and video technology may be used to establish a relationship for the purpose of providing audio-only telemedicine for certain health care services; and amending RCW 41.05.700, 48.43.735, and 74.09.325.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 41.05.700 and 2022 c 213 s 1 are each amended to 8 read as follows:
  - (1) (a) A health plan offered to employees, school employees, and their covered dependents under this chapter issued or renewed on or after January 1, 2017, shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:
- 14 (i) The plan provides coverage of the health care service when provided in person by the provider;
  - (ii) The health care service is medically necessary;
- 17 (iii) The health care service is a service recognized as an 18 essential health benefit under section 1302(b) of the federal patient 19 protection and affordable care act in effect on January 1, 2015;
- 20 (iv) The health care service is determined to be safely and 21 effectively provided through telemedicine or store and forward

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- technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information; and
- (v) Beginning January 1, 2023, for audio-only telemedicine, the covered person has an established relationship with the provider.
- (b) (i) Except as provided in (b) (ii) of this subsection, a health plan offered to employees, school employees, and their covered dependents under this chapter issued or renewed on or after January 1, 2021, shall reimburse a provider for a health care service provided to a covered person through telemedicine the same amount of compensation the carrier would pay the provider if the health care service was provided in person by the provider.
- (ii) Hospitals, hospital systems, telemedicine companies, and provider groups consisting of eleven or more providers may elect to negotiate an amount of compensation for telemedicine services that differs from the amount of compensation for in-person services.
- (iii) For purposes of this subsection (1)(b), the number of providers in a provider group refers to all providers within the group, regardless of a provider's location.
- (2) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health plan and health care provider.
- (3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:
  - (a) Hospital;

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- (b) Rural health clinic;
- (c) Federally qualified health center;
- (d) Physician's or other health care provider's office;
  - (e) Licensed or certified behavioral health agency;
    - (f) Skilled nursing facility;
- 33 (g) Home or any location determined by the individual receiving 34 the service; or
- 35 (h) Renal dialysis center, except an independent renal dialysis 36 center.
- 37 (4) Except for subsection (3)(g) of this section, any originating 38 site under subsection (3) of this section may charge a facility fee 39 for infrastructure and preparation of the patient. Reimbursement for 40 a facility fee must be subject to a negotiated agreement between the

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- originating site and the health plan. A distant site, a hospital that is an originating site for audio-only telemedicine, or any other site not identified in subsection (3) of this section may not charge a facility fee.
  - (5) The plan may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.
  - (6) The plan may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.
    - (7) This section does not require the plan to reimburse:
    - (a) An originating site for professional fees;

- 16 (b) A provider for a health care service that is not a covered 17 benefit under the plan; or
  - (c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.
  - (8) (a) If a provider intends to bill a patient or the patient's health plan for an audio-only telemedicine service, the provider must obtain patient consent for the billing in advance of the service being delivered.
  - (b) If the health care authority has cause to believe that a provider has engaged in a pattern of unresolved violations of this subsection (8), the health care authority may submit information to the appropriate disciplining authority, as defined in RCW 18.130.020, for action. Prior to submitting information to the appropriate disciplining authority, the health care authority may provide the provider with an opportunity to cure the alleged violations or explain why the actions in question did not violate this subsection (8).
  - (c) If the provider has engaged in a pattern of unresolved violations of this subsection (8), the appropriate disciplining authority may levy a fine or cost recovery upon the provider in an amount not to exceed the applicable statutory amount per violation and take other action as permitted under the authority of the disciplining authority. Upon completion of its review of any potential violation submitted by the health care authority or initiated directly by an enrollee, the disciplining authority shall

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notify the health care authority of the results of the review, including whether the violation was substantiated and any enforcement action taken as a result of a finding of a substantiated violation.

(9) For purposes of this section:

- (a) (i) "Audio-only telemedicine" means the delivery of health care services through the use of audio-only technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment.
- 10 (ii) For purposes of this section only, "audio-only telemedicine" 11 does not include:
  - (A) The use of facsimile or email; or
  - (B) The delivery of health care services that are customarily delivered by audio-only technology and customarily not billed as separate services by the provider, such as the sharing of laboratory results;
- 17 (b) "Disciplining authority" has the same meaning as in RCW 18 18.130.020;
  - (c) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;
  - (d) "Established relationship" means the provider providing audio-only telemedicine has access to sufficient health records to ensure safe, effective, and appropriate care services and:
  - (i) For health care services included in the essential health benefits category of mental health and substance use disorder services, including behavioral health treatment:
  - (A) The covered person has had, within the past three years, at least one in-person appointment, or at least one real-time interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or
  - (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past three years, at least one in-person appointment, or at least one real-time interactive appointment using both audio and video

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technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;

(ii) For any other health care service:

- (A) The covered person has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or
- (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;
- 19 (e) "Health care service" has the same meaning as in RCW 20 48.43.005;
- 21 (f) "Hospital" means a facility licensed under chapter 70.41, 22 71.12, or 72.23 RCW;
- 23 (g) "Originating site" means the physical location of a patient 24 receiving health care services through telemedicine;
  - (h) "Provider" has the same meaning as in RCW 48.43.005;
  - (i) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and
  - (j) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" includes audio-only telemedicine, but does not include facsimile or email.
- **Sec. 2.** RCW 48.43.735 and 2022 c 213 s 2 are each amended to 39 read as follows:

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- (1) (a) For health plans issued or renewed on or after January 1, 2017, a health carrier shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:
  - (i) The plan provides coverage of the health care service when provided in person by the provider;
    - (ii) The health care service is medically necessary;
  - (iii) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015;
  - (iv) The health care service is 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 used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information; and
  - (v) Beginning January 1, 2023, for audio-only telemedicine, the covered person has an established relationship with the provider.
  - (b)(i) Except as provided in (b)(ii) of this subsection, for health plans issued or renewed on or after January 1, 2021, a health carrier shall reimburse a provider for a health care service provided to a covered person through telemedicine the same amount of compensation the carrier would pay the provider if the health care service was provided in person by the provider.
  - (ii) Hospitals, hospital systems, telemedicine companies, and provider groups consisting of eleven or more providers may elect to negotiate an amount of compensation for telemedicine services that differs from the amount of compensation for in-person services.
  - (iii) For purposes of this subsection (1)(b), the number of providers in a provider group refers to all providers within the group, regardless of a provider's location.
  - (2) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health carrier and the health care provider.
- 36 (3) An originating site for a telemedicine health care service 37 subject to subsection (1) of this section includes a:
  - (a) Hospital;

- (b) Rural health clinic;
- (c) Federally qualified health center;

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- (d) Physician's or other health care provider's office;
  - (e) Licensed or certified behavioral health agency;
    - (f) Skilled nursing facility;

- 4 (g) Home or any location determined by the individual receiving 5 the service; or
- 6 (h) Renal dialysis center, except an independent renal dialysis 7 center.
  - (4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement for a facility fee must be subject to a negotiated agreement between the originating site and the health carrier. A distant site, a hospital that is an originating site for audio-only telemedicine, or any other site not identified in subsection (3) of this section may not charge a facility fee.
  - (5) A health carrier may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.
  - (6) A health carrier may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan in which the covered person is enrolled including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.
    - (7) This section does not require a health carrier to reimburse:
    - (a) An originating site for professional fees;
  - (b) A provider for a health care service that is not a covered benefit under the plan; or
- 30 (c) An originating site or health care provider when the site or 31 provider is not a contracted provider under the plan.
  - (8) (a) If a provider intends to bill a patient or the patient's health plan for an audio-only telemedicine service, the provider must obtain patient consent for the billing in advance of the service being delivered.
  - (b) If the commissioner has cause to believe that a provider has engaged in a pattern of unresolved violations of this subsection (8), the commissioner may submit information to the appropriate disciplining authority, as defined in RCW 18.130.020, for action. Prior to submitting information to the appropriate disciplining

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- authority, the commissioner may provide the provider with an opportunity to cure the alleged violations or explain why the actions in question did not violate this subsection (8).
- (c) If the provider has engaged in a pattern of unresolved 4 violations of this subsection (8), the appropriate disciplining 5 6 authority may levy a fine or cost recovery upon the provider in an amount not to exceed the applicable statutory amount per violation 7 and take other action as permitted under the authority of the 8 disciplining authority. Upon completion of its review of any 9 potential violation submitted by the commissioner or initiated 10 directly by an enrollee, the disciplining authority shall notify the 11 commissioner of the results of the review, including whether the 12 violation was substantiated and any enforcement action taken as a 13 result of a finding of a substantiated violation. 14
  - (9) For purposes of this section:

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- (a) (i) "Audio-only telemedicine" means the delivery of health care services through the use of audio-only technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment.
- 21 (ii) For purposes of this section only, "audio-only telemedicine" 22 does not include:
  - (A) The use of facsimile or email; or
  - (B) The delivery of health care services that are customarily delivered by audio-only technology and customarily not billed as separate services by the provider, such as the sharing of laboratory results;
- 28 (b) "Disciplining authority" has the same meaning as in RCW 29 18.130.020;
  - (c) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;
    - (d) "Established relationship" means the provider providing audio-only telemedicine has access to sufficient health records to ensure safe, effective, and appropriate care services and:
    - (i) For health care services included in the essential health benefits category of mental health and substance use disorder services, including behavioral health treatment:
- 39 (A) The covered person has had, within the past three years, at 40 least one in-person appointment, or at least one real-time

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- interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or
- (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past three years, at least one in-person appointment, or at least one real-time interactive appointment using both audio and video technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;
  - (ii) For any other health care service:

- (A) The covered person has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or
- (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;
- 29 (e) "Health care service" has the same meaning as in RCW 30 48.43.005;
- 31 (f) "Hospital" means a facility licensed under chapter 70.41, 32 71.12, or 72.23 RCW;
  - (g) "Originating site" means the physical location of a patient receiving health care services through telemedicine;
    - (h) "Provider" has the same meaning as in RCW 48.43.005;
    - (i) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person,

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and does not include the use of audio-only telephone, facsimile, or email; and

- (j) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" includes audio-only telemedicine, but does not include facsimile or email.
- 9 (10) The commissioner may adopt any rules necessary to implement this section.
- **Sec. 3.** RCW 74.09.325 and 2022 c 213 s 4 are each amended to 12 read as follows:
  - (1) (a) Upon initiation or renewal of a contract with the Washington state health care authority to administer a medicaid managed care plan, a managed health care system shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:
  - (i) The medicaid managed care plan in which the covered person is enrolled provides coverage of the health care service when provided in person by the provider;
    - (ii) The health care service is medically necessary;
  - (iii) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015;
  - (iv) The health care service is 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 used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information; and
  - (v) Beginning January 1, 2023, for audio-only telemedicine, the covered person has an established relationship with the provider.
  - (b)(i) Except as provided in (b)(ii) of this subsection, upon initiation or renewal of a contract with the Washington state health care authority to administer a medicaid managed care plan, a managed health care system shall reimburse a provider for a health care service provided to a covered person through telemedicine the same amount of compensation the managed health care system would pay the

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- 1 provider if the health care service was provided in person by the 2 provider.
  - (ii) Hospitals, hospital systems, telemedicine companies, and provider groups consisting of eleven or more providers may elect to negotiate an amount of compensation for telemedicine services that differs from the amount of compensation for in-person services.
  - (iii) For purposes of this subsection (1)(b), the number of providers in a provider group refers to all providers within the group, regardless of a provider's location.
- 10 (iv) A rural health clinic shall be reimbursed for audio-only 11 telemedicine at the rural health clinic encounter rate.
  - (2) For purposes of this section, reimbursement of store and forward technology is available only for those services specified in the negotiated agreement between the managed health care system and health care provider.
- 16 (3) An originating site for a telemedicine health care service 17 subject to subsection (1) of this section includes a:
  - (a) Hospital;

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- (b) Rural health clinic;
- (c) Federally qualified health center;
- 21 (d) Physician's or other health care provider's office;
- (e) Licensed or certified behavioral health agency;
- 23 (f) Skilled nursing facility;
- 24 (g) Home or any location determined by the individual receiving 25 the service; or
- 26 (h) Renal dialysis center, except an independent renal dialysis 27 center.
  - (4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement for a facility fee must be subject to a negotiated agreement between the originating site and the managed health care system. A distant site, a hospital that is an originating site for audio-only telemedicine, or any other site not identified in subsection (3) of this section may not charge a facility fee.
  - (5) A managed health care system may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.
- 39 (6) A managed health care system may subject coverage of a 40 telemedicine or store and forward technology health service under

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- subsection (1) of this section to all terms and conditions of the plan in which the covered person is enrolled including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.
- 6 (7) This section does not require a managed health care system to reimburse:
  - (a) An originating site for professional fees;

- 9 (b) A provider for a health care service that is not a covered 10 benefit under the plan; or
  - (c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.
  - (8) (a) If a provider intends to bill a patient or a managed health care system for an audio-only telemedicine service, the provider must obtain patient consent for the billing in advance of the service being delivered and comply with all rules created by the authority related to restrictions on billing medicaid recipients. The authority may submit information on any potential violations of this subsection to the appropriate disciplining authority, as defined in RCW 18.130.020, or take contractual actions against the provider's agreement for participation in the medicaid program, or both.
  - (b) If the health care authority has cause to believe that a provider has engaged in a pattern of unresolved violations of this subsection (8), the health care authority may submit information to the appropriate disciplining authority for action. Prior to submitting information to the appropriate disciplining authority, the health care authority may provide the provider with an opportunity to cure the alleged violations or explain why the actions in question did not violate this subsection (8).
  - (c) If the provider has engaged in a pattern of unresolved violations of this subsection (8), the appropriate disciplining authority may levy a fine or cost recovery upon the provider in an amount not to exceed the applicable statutory amount per violation and take other action as permitted under the authority of the disciplining authority. Upon completion of its review of any potential violation submitted by the health care authority or initiated directly by an enrollee, the disciplining authority shall notify the health care authority of the results of the review, including whether the violation was substantiated and any enforcement action taken as a result of a finding of a substantiated violation.

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(9) For purposes of this section:

- (a) (i) "Audio-only telemedicine" means the delivery of health care services through the use of audio-only technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment.
- 7 (ii) For purposes of this section only, "audio-only telemedicine" 8 does not include:
  - (A) The use of facsimile or email; or
  - (B) The delivery of health care services that are customarily delivered by audio-only technology and customarily not billed as separate services by the provider, such as the sharing of laboratory results;
- 14 (b) "Disciplining authority" has the same meaning as in RCW 15 18.130.020;
  - (c) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;
  - (d) "Established relationship" means the provider providing audio-only telemedicine has access to sufficient health records to ensure safe, effective, and appropriate care services and:
  - (i) For health care services included in the essential health benefits category of mental health and substance use disorder services, including behavioral health treatment:
  - (A) The covered person has had, within the past three years, at least one in-person appointment, or at least one real-time interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or
  - (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past three years, at least one in-person appointment, or at least one real-time interactive appointment using both audio and video technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;
    - (ii) For any other health care service:

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(A) The covered person has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the provider providing audio-only telemedicine or with a provider employed at the same medical group, at the same clinic, or by the same integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW as the provider providing audio-only telemedicine; or

- (B) The covered person was referred to the provider providing audio-only telemedicine by another provider who has had, within the past two years, at least one in-person appointment, or, until ((January)) July 1, 2024, at least one real-time interactive appointment using both audio and video technology, with the covered person and has provided relevant medical information to the provider providing audio-only telemedicine;
- 16 (e) "Health care service" has the same meaning as in RCW 17 48.43.005;
- 18 (f) "Hospital" means a facility licensed under chapter 70.41, 19 71.12, or 72.23 RCW;
  - organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;
- 30 (h) "Originating site" means the physical location of a patient 31 receiving health care services through telemedicine;
  - (i) "Provider" has the same meaning as in RCW 48.43.005;
  - (j) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and
- 39 (k) "Telemedicine" means the delivery of health care services 40 through the use of interactive audio and video technology, permitting

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- 1 real-time communication between the patient at the originating site
- 2 and the provider, for the purpose of diagnosis, consultation, or
- 3 treatment. For purposes of this section only, "telemedicine" includes
- 4 audio-only telemedicine, but does not include facsimile or email.

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