

HOUSE BILL REPORT

SSB 6519

As Reported by House Committee On:
Health Care & Wellness
Appropriations

Title: An act relating to expanding patient access to health services through telemedicine and establishing a collaborative for the advancement of telemedicine.

Brief Description: Expanding patient access to health services through telemedicine and establishing a collaborative for the advancement of telemedicine.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Becker, Cleveland, Dammeier, Frockt, Brown, Angel, Rivers, Bailey, Keiser, Conway, Fain, Carlyle, Rolfes, Chase and Parlette).

Brief History:

Committee Activity:

Health Care & Wellness: 2/23/16, 2/26/16 [DP];

Appropriations: 2/27/16, 2/29/16 [DPA].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

- Creates the Collaborative for the Advancement of Telemedicine at the University of Washington to recommend ways to improve reimbursement and access to services and to identify resources related to telemedicine.
- Conditions the mandatory reimbursement for health care services offered through telemedicine or store and forward technology upon the determination that the service can be provided safely and effectively through such technology and that health care information privacy and security standards are met.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

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.

Staff: Chris Blake (786-7392).

Background:

Legislation passed in 2015 addressed several issues related to the reimbursement and delivery of telemedicine and "store and forward" technology in health care. "Telemedicine" is the delivery of health care services through interactive audio and video technology to allow real-time communication between a patient at an originating site and a provider at a distant site for the purpose of diagnosis, consultation, or treatment. "Store and forward" technology is similar to telemedicine, except that it consists of the storage of clinical information at an originating site that is subsequently forwarded to a health care provider at a distant site.

Originating sites are the physical location of a patient receiving health care services through telemedicine. Originating sites include hospitals, rural health clinics, federally qualified health centers, health care provider offices, community mental health centers, skilled nursing facilities, and renal dialysis centers.

Beginning January 1, 2017, health plans offered by health carriers, the Public Employee Benefits Board, and Medicaid managed care organizations must reimburse health care providers for health care services provided through telemedicine and store and forward technology. A health plan must reimburse health care providers if:

- the plan provides coverage for the health care service when provided in person;
- the health care service is medically necessary; and
- the health care service is recognized as an essential health benefit under the federal Affordable Care Act.

In addition, originating sites may charge a facility fee for infrastructure and preparation of the patient.

When a hospital is acting as an originating site, it may rely on the distant site hospital's decision to grant or renew the privileges of any physician providing telemedicine services if the originating site hospital has a written agreement with the distant site hospital that assures that:

- the distant site hospital participates in Medicare;
- any physician providing telemedicine services at the distant site hospital is fully privileged to provide such health care services and holds a valid license in Washington to provide those services; and
- the originating site has evidence of an internal review of the distant site physician's performance and sends the distant site hospital that performance information for use in the periodic appraisal of the physician.

Summary of Bill:

The Collaborative for the Advancement of Telemedicine.

The Collaborative for the Advancement of Telemedicine (Collaborative) is established at the University of Washington. The purpose of the Collaborative is to enhance the understanding and use of health services provided through telemedicine. The Collaborative must:

- develop recommendations on improving reimbursement and access to health care services. This includes a review of originating site restrictions, provider-to-provider consultative models, and technologies and models of care that are not currently reimbursed;
- identify resources from medical and telemedicine organizations related to telemedicine best practices, guidelines, billing requirements, and fraud prevention measures. After reviewing existing resources, the Collaborative must evaluate the merits of creating a technical assistance center to support providers and make recommendations on the creation of such a center; and
- explore other priorities identified by the members of the Collaborative.

The Collaborative consists of a legislator from each of the two largest caucuses of each legislative chamber and representatives from the academic community, hospitals, clinics, health care providers, insurance carriers, and other interested parties.

The Collaborative must submit a progress report on December 1, 2016, and follow-up policy reports with recommendations by December 1, 2017, and December 1, 2018. The Legislature must review the continuation of the Collaborative with consideration of the needs and opportunities for ongoing technical assistance. The Collaborative is discontinued as of December 31, 2018.

Reimbursement for and Delivery of Telemedicine and Store and Forward Services.

In addition to existing prerequisites related to plan coverage, medical necessity, and essential health benefits, a health plan must reimburse health care providers for health care services provided through telemedicine and store and forward technology if:

- the health care service is determined to be safely and effectively provided through such technology according to accepted health care practices and standards; and
- the technology meets state and federal privacy and security standards related to protected health information.

The reimbursement requirement applies to health plans offered by health carriers, the Public Employee Benefits Board, and Medicaid managed care organizations.

A home may be considered an originating site for purposes of providing health care services through telemedicine. A facility fee, however, may not be charged for health care services delivered through telemedicine at a home.

Originating Site Hospital Privileges.

The authority of an originating site hospital to rely on a distant site hospital's decision to grant or renew the privileges of a physician providing health care services through telemedicine also applies to a physician providing health care services through store and forward technology. The originating site hospital must have a written agreement with the distant site hospital that assures that:

- the distant site hospital participates in Medicare;

- the physicians providing store and forward services at the distant site hospital are fully privileged to provide such health care services and hold a valid license in Washington to provide those services; and
- the originating site has evidence of an internal review of the distant site physician's performance and sends the distant site hospital that performance information for use in the periodic appraisal of the physician.

Legislative Findings and Intent.

Legislative findings are made regarding the role of telemedicine in the health care system, its efficiency and cost effectiveness, and the need to thoughtfully and systematically expand its use. Legislative intent is stated to broaden reimbursement opportunities for health care services and establish a collaborative for the advancement of telemedicine.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 3 through 5, relating to reimbursement for telemedicine services, which take effect January 1, 2018.

Staff Summary of Public Testimony:

(In support) The work of the Collaborative for the Advancement of Telemedicine (Collaborative) is consistent with the University of Washington's mission to improve the health of the public. The Collaborative will look at other opportunities to use telemedicine to improve patient care. This is an area where science is moving faster than the law and the Collaborative can help state law catch up to the science.

The bill's recognition that telemedicine services can be performed at the home is a welcome change. The inclusion of the home as an originating site is convenient for patients to seek care. There is support for the bill's technical changes to include the addition of store and forward technology.

(Opposed) None.

Persons Testifying: John Scott, University of Washington; Katie Kolan, Washington State Medical Association; and Lisa Thatcher, Washington State Hospital Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 30 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Cody, Dent, Fitzgibbon, Haler, Hansen, Harris, Hudgins,

S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Manweller, Pettigrew, Robinson, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Tharinger, Van Werven and Walkinshaw.

Minority Report: Do not pass. Signed by 3 members: Representatives Chandler, Ranking Minority Member; Condotta and Taylor.

Staff: Catrina Lucero (786-7192).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:

The amended bill includes a null and void clause, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 3 through 5, relating to reimbursement for telemedicine services, which take effect January 1, 2018. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) Both the expansion of telemedicine, reimbursement for providers for treating patients, and the collaborative are good aspects of the bill. The collaborative's scope of work is scalable.

(Opposed) None.

Persons Testifying: Jim Justin, University of Washington Medicine.

Persons Signed In To Testify But Not Testifying: None.