SENATE BILL REPORT
SB 5175

As of January 27, 2015

Title: An act relating to telemedicine.

Brief Description: Regarding telemedicine.

Sponsors: Senators Becker, Frockt, Angel, Rivers, Cleveland, Dammeier, Keiser, Fain, Parlette, Darneille, Pedersen, Habib, Kohl-Welles and Mullet.

Brief History:
Committee Activity: Health Care: 1/26/15.

SENATE COMMITTEE ON HEALTH CARE

Staff: Mich'l Needham (786-7442)

Background: Advances in technology, communications, and data management have resulted in new approaches to the delivery of medical care services. Telemedicine makes use of interactive technology and may include real-time interactive consultations, store and forward technology, remote monitoring of patients, and case-base teleconferencing. Telemedicine services are currently provided for a number of services include telePsychiatry, telePain chronic pain research, teleBurns, teleRadiology, teleStroke, and teleDermatology, among others.

The Medical Quality Assurance Commission (Commission) recently adopted guidelines on the appropriate use of telemedicine which describe how telemedicine is to be defined, supervised, regulated, and disciplined by the Commission consistent with existing statutes governing the practice of medicine.

Payment for some services does occur, but there is not a mandate to provide payment for covered services and payment practices vary.

The federal Affordable Care Act (ACA) established requirements for many health plans to cover essential health benefits, which reflect ten general categories of care: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance abuse disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services;

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preventive and wellness services and chronic disease management; and pediatric services including oral and vision care.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Health insurance carriers, including health plans offered to state employees and Medicaid managed care plan enrollees, must reimburse a provider for a health care service delivered through telemedicine or store and forward technology if:

- the plan provides coverage of the health care service when provided in person;
- the health care service is medically necessary; and
- the health care service is a service recognized as an essential health benefit under the ACA.

Telemedicine means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient and the provider for medical diagnosis, consultation, or treatment. It does not include the use of audio-only telephone, facsimile, or email. Store and forward technology means the 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.

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. 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.

An originating site for a telemedicine service includes a hospital, rural health clinic, federally qualified health center, physician's or other health care provider's office, community mental health center, skilled nursing facility, or renal dialysis center except an independent renal dialysis center. The originating site means the physical location of a patient receiving health services through telemedicine. The distant site means the site where the provider is located when the service is provided through telemedicine.

An originating site may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health plan. A distant site or any other site not listed may not charge a facility fee.

The health plan may not distinguish between originating sites that are rural and urban in providing coverage. The health plan may apply utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to a comparable health care service provided in person.

An originating site hospital may rely on a distant site hospital's decision to grant or renew clinical privileges of the physician if the originating site hospital obtains reasonable assurances that the following provisions are met:

- the distant site hospital providing the telemedicine services in a Medicare-participating hospital;
- any physician providing telemedicine services at the distant site will be fully privileged to provide such services at the distant site hospital;
- any physician providing telemedicine services will hold and maintain a valid license to perform such services issued or recognized by the state of Washington; and
- the originating site hospital has evidence of an internal review of the distant site physician's performance and sends the performance information to the distant site hospital for use in the periodic appraisal of the distant physician.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed; Sections 2–4 take effect on January 1, 2017.

Staff Summary of Public Testimony: PRO: It is important to get the right care at the right time to a patient. Rural hospitals have special challenges providing access to some services and this bill will help expand access. Telemedicine is underutilized today because payment is uncertain but this bill will ensure payment and access to care will expand. The University of Washington (UW) provides a number of specialty services and telemedicine allows us to provide appropriate follow-up care with patients that can't or shouldn't travel great distances. Telemedicine can help us expand access to critical services such as telepsychiatry. In Washington we have decades of experiences with this critical technology which helps improve access to care. Some services can even be superior to in-person visits such as a child we are treating through telepsychiatry that has severe outbursts when in the car. Requiring him to travel several hours each way for a service was injuring him and the telemedicine is an enhanced service. We strongly support this bill and believe it will help us expand access to mental health services, cardiac care, stroke care, dermatology and other specialty providers. It may help use providers' time more efficiently. We strongly support this for all our member hospitals as an extremely important public policy. We support that telemedicine has been expanding services for our employer customers. This improves access to health care services that we have been covering for some time. It is a cost-effective way to expand access to care especially in rural areas with limited access to specialists. It will help fill in gaps in access. Reimbursement is especially important with the Medicaid expansion and the growing population we are trying to serve through community mental health centers. We support this bill and just ask that the reference to the Medical Quality Assurance Commission be modified to include the Board of Osteopathic Medicine as well.

Persons Testifying: PRO: Donna Russell-Cook, President, St. Elizabeth Hospital; John Scott, MD, Medical Director, Telemedicine, UW Medicine; Bryan King, MD, Seattle Children's; Lisa Thatcher, WA State Hospital Assn.; Ross Baker, Virginia Mason Medical Center; Sheela Tallman, Premera Blue Cross; Chris Bandoli, Regence BlueShield; Nova Gattman, Health Workforce Council; Joan Miller, WA Community Mental Health Council; David Knutson, WA Osteopathic Medical Assn.