

SENATE BILL REPORT

SB 6519

As Reported by Senate Committee On:
Health Care, February 4, 2016
Ways & Means, February 9, 2016

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: Senators Becker, Cleveland, Dammeier, Frockt, Brown, Angel, Rivers, Bailey, Keiser, Conway, Fain, Carlyle, Rolfes, Chase and Parlette.

Brief History:

Committee Activity: Health Care: 2/01/16, 2/04/16 [DPS-WM].
Ways & Means: 2/08/16, 2/09/16 [DPS(HLTH)].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 6519 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Cleveland, Ranking Minority Member; Angel, Bailey, Baumgartner, Brown, Conway, Frockt, Jayapal, Keiser, Parlette and Rivers.

Staff: Mich'l Needham (786-7442)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6519 as recommended by Committee on Health Care be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

Staff: Sandy Stith (786-7710)

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.

Background: The 2015 Legislature passed SSB 5175 requiring health insurance carriers, including health plans offered to state employees and Medicaid managed care plan enrollees, to 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 federal Affordable Care Act. The requirement becomes effective January 1, 2017.

The originating site for the service means the physical location of a patient receiving the health care services through telemedicine. A list of originating sites includes, but is not limited to, a hospital, rural health clinic, federally qualified health center, a health care provider's office, community health center, skilled nursing facility, or renal dialysis center. The originating site may charge a facility fee for infrastructure and preparation of the patient.

Since passage of the legislation in April 2015, modifications have been made to the Medicaid fee-for-service program to expand the sites for a patient to access care, including clinics, community mental health or chemical dependency settings, dental offices, home or any location determined appropriate by the individual receiving the service, neurodevelopmental centers, and schools. The United States Department of Health and Human Services just released final regulations for Medicaid clarifying that home health services may be provided through the use of telehealth, and that home health services may be provided, as appropriate, in any setting in which normal life activities take place, other than a hospital, nursing facility, or intermediate care facility, or any in patient setting.

The Northwest Regional Telehealth Resource Center, located in Billings, Montana, serves Alaska, Idaho, Montana, Oregon, Utah, Washington, and Wyoming, providing technical assistance with the development and implementation of telehealth. Staff from the University of Washington School of Medicine Telehealth Services sit on the board.

Store and forward technology was included in the telehealth bill last year. Store and forward technology means the use of 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. References to the store and forward technology were inadvertently left out of one statute governing hospitals.

Summary of Bill (Recommended Substitute): The Collaborative for the Advancement of Telemedicine (Collaborative) is created to enhance the understanding of health services provided through telemedicine. By July 1, 2016, the Collaborative shall be convened by the University of Washington Telehealth Services and participants shall include four legislators, and representatives of the academic community, hospitals, clinics, health care providers in primary care and specialty care, health insurance carriers, and other interested parties.

The Collaborative shall develop recommendations on improving reimbursement and access to services, including reviewing the originating site restrictions or additions proposed in this bill, provider to provider consultative models, and technologies and models of care not currently reimbursed. The Collaborative must identify telemedicine best practices, guidelines, billing requirements, and fraud prevention developed by recognized medical and telemedicine organizations. The Collaborative must also make recommendation on whether

to create a technical assistance center in Washington to support providers in implementing or expanding services delivered through telemedicine.

An initial progress report is due December 1, 2016, with follow-up reports due December 1, 2017 and December 1, 2018. Reports must be shared with the Health Care Committees of the Legislature as well as relevant professional associations, governing boards, or commissions. Meetings must be open public meetings with summaries available on a web page. The future of the Collaborative shall be reviewed by the Legislature with consideration of on-going technical assistance needs. The Collaborative terminates December 31, 2018.

The list of sites a patient may receive health care services through telemedicine is modified to include "home," effective January 1, 2018. The underlying law with the originating sites that were included in 2015 legislation is still effective January 1, 2017. Services provided from home are not eligible to charge a facility fee. Health care services provided through telemedicine must meet generally accepted safety standards, and the technology must meet the standards required by state and federal laws governing the privacy and security of protected health information.

Hospital statutes are modified to include appropriate references to the store and forward technology included in the 2015 law.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Substitute): Four legislators are added to the Collaborative. It is clarified that telemedicine services provided from home, unlike other originating sites, are not eligible for a facility fee. The reference to essential health benefits is modified to reflect those in effect as of January 1, 2015 instead of January 1, 2017. Health care services provided through telemedicine and store and forward technology must be safe and meet generally accepted health care practices and standards, and the technology must meet state and federal standards for privacy and security of protected health information.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill (Health Care): PRO: The University of Washington strongly supports this bill and we are flattered to be identified as the host of the Collaborative. Last year's bill requiring payment for certain services was a great start. This bill recognizes that services can be provided from home, and we support expanding that access. We strongly support expanding "home" to include other situations where the patient wants to access care. The Franciscans strongly support expanding services to home, and we already provide virtual clinics that allow patients to access care where they need to through a secure site. We support expanding access to telemedicine. Physicians are already treating patients from home, and we support expanding the definition to include language like that used by Medicaid which allows the patient to access the care from

wherever they feel is appropriate. We support the cleanup, with the addition of the "store and forward" technology that we missed last year. We strongly support adding "home" or the location where the patient is. It is especially important for some of our autistic children that are traumatized by the process of getting to the office. This language will allow us to observe them in a normal environment without the additional stresses. Allowing us to view the patient from home will also allow us to see the environment and help our patients that may have other adaptive needs in a way that will assist with their therapy. We appreciate the addition of "home" as an originating site. It is appropriately and effectively used by the VA system and would allow us to serve our clients with PTSD or obsessive compulsive disorders that make them afraid to travel to the office for treatment. This aligns with our goals for expanding access to rural clinics and hospitals. This can remove the barriers to accessing care, particularly for rural residents. We support expanding access to telemedicine as a key way to address the workforce shortages. We would support the Collaborative looking at options to support training on the new technology. We support use of telemedicine and have expanded our virtual clinics. We suggest adding references to protecting patient safety with technology that meets certain safety standards. We support the expanded use, and just request an amendment clarifying that the facility fee paid to originating sites would exclude services provided from home.

OTHER: We support this expansion with a couple of small changes that can move telemedicine forward and expand the continuum of care. We currently provide 41 different types of telemedicine and we are pleased to see "home" added. Please ensure the language added last year is not delayed. The Collaborative should be hosted by a neutral party.

Persons Testifying on Original Bill (Health Care): PRO: Lucy Homans, WA State Psychological Association; Dr. John Scott, UWSOM; Matt Levi; Katie Kolan, Washington State Medical Association; Lisa Thatcher, Washington State Hospital Association; Kate White Tudor, Washington Occupational Therapy Association; Pat Justis, Department of Health; Sheela Tallman, Premera Blue Cross; Chris Bandoli, Regence BlueShield; Nova Gattman, Workforce Board.

OTHER: Kristen Federici, Providence Health & Services.

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

Staff Summary of Public Testimony on First Substitute (Ways & Means): PRO: This bill calls for a collaborative to be established and hosted by the University of Washington with other health care providers participating. The good thing about this is that it's limited for the 17-19 biennium. It would then come back to you to determine whether it continues. We are open to the idea of the collaborative and we support the concept of the bill in general.

Persons Testifying on First Substitute(Ways & Means): PRO: Ian Goodhew, UW Medicine; Sean Graham, Washington State Medical Association.

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