

SENATE BILL REPORT

SB 5457

As Reported by Senate Committee On:
Health Care, February 13, 2017

Title: An act relating to expanding patient access to health services through telemedicine and store and forward technology by requiring parity in payment for services.

Brief Description: Expanding patient access to health services through telemedicine and store and forward technology by requiring parity in payment for services.

Sponsors: Senators Becker, Cleveland, Keiser and Frockt.

Brief History:

Committee Activity: Health Care: 2/09/17, 2/13/17 [DP, w/oRec].

Brief Summary of Bill

- Requires health plans to pay the same rate for a health care service provided through telemedicine or store and forward technology as an in-person service.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass.

Signed by Senators Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia and Walsh.

Minority Report: That it be referred without recommendation.

Signed by Senators Rivers, Chair; Fain, Mullet and O'Ban.

Staff: Mich'l Needham (786-7442)

Background: In 2015, the Legislature established requirements for health insurance payments for services delivered through telemedicine and store and forward technology. The legislation established originating sites for a telemedicine service including a hospital, rural health clinic, federally qualified health center, health care providers office, community mental health center, skilled nursing facility, or renal dialysis center. In 2016, the Legislature added the patient's home.

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.

The American Telemedicine Association indicates that approximately 30 states have some form of telemedicine laws that require parity in insurance payments for some services or some programs.

Summary of Bill: Beginning January 1, 2018, regulated health insurance carriers, the state employee health plans, and Medicaid managed care plans must reimburse a provider for a health care service provided through telemedicine or store and forward technology at the same rate as if the health care service was provided in person by the provider.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2018.

Staff Summary of Public Testimony: PRO: When we started working on telemedicine bills a few years ago I did not support parity but through the work of the Collaborative we have had more discussions on payment methodology and I support the parity for providers. The uptake of providers participating in telemedicine will remain limited if there is not parity is payment. As a provider, I spend the same amount of time with a patient through either visit. And some of our services use expensive equipment like the telestroke services and we have significant overhead. When I care for a patient via telemedicine I am using 100 percent of my time, 100 percent of my brain and training, and I retain 100 percent of the liability for the service, so why should I be paid 75 percent for the service. It is important to expand access to services for patients, especially for specialty services in rural areas. We need to have payment to sufficiently expand the services or providers will not be able to serve people. When we started with telemedicine bills a few years ago, we brought it with parity and we support the principle. It is very important to expand the work. Telemedicine can mean a variety of services, some with highly specialized services and equipment like telestroke and the CPT code that some carriers are using doesn't make any accommodation for the additional complexity or equipment costs. Some are using one CPT code for all telehealth services that equates to 42 percent of an in-person visit. We need to pay for the services to ensure they are sustainable and that we can sustain the access. Providers want to be able to offer the services and consumers are demanding services through this method. We appreciate the conversation and the work of the Collaborative. Parity is one way to proliferate the services through telemedicine and ensure it remains a critical tool to expand access and quality.

CON: We support telemedicine but believe it should drive down costs and with parity there is no cost savings. We support telemedicine but have concerns with payment parity. As technology and treatments change over time, we need to retain flexibility. There are some alternative ways to build in incentives for use of telemedicine with employers covering the cost-sharing for services or employers contributing more toward a health savings account for these services. We have over 70 companies using teledoc services in Washington and it

provides a cost-effective office visit for \$45 that results in a patient not using another more expensive care setting like an emergency room.

OTHER: Some of our health plans support the parity and others are against it but we want to continue working on the issue. Telemedicine is a valuable tool for access.

Persons Testifying: PRO: Senator Randi Becker, Prime Sponsor; Emily Yu, Multicare Health System Virtual Health Director; Dr. John Scott, UW Medicine-Director of Telehealth Services; Maryann Welch, Commissioner for Grays Harbor Public Hospital District No. 2; Lisa Thatcher, Washington State Hospital Association; Katie Kolan, Washington State Medical Association; Cassandra Ando, NAMI Washington.

CON: Zach Snyder, Regence Blue Shield; Sheela Tallman, Premera Blue Cross; Carrie Tellefson, Teledoc.

OTHER: David Knutson, Association of Washington Healthcare Plans.

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