

# SENATE BILL REPORT

## SB 6399

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As of January 23, 2018

**Title:** An act relating to telemedicine payment parity.

**Brief Description:** Concerning telemedicine payment parity.

**Sponsors:** Senators Becker, Cleveland, Rivers, Brown, Bailey, Fain, Kuderer and Van De Wege.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/23/18.

### Brief Summary of Bill

- Directs the Office of the Insurance Commissioner (OIC) to establish a telemedicine parity pilot program to reimburse providers for four services at the same rate as if the service was provided in person, from 2019 through 2023.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Evan Klein (786-7483)

**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.

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:** The OIC must establish a telemedicine payment parity pilot program to begin January 1, 2019, and run through December 31, 2023. Under the pilot, regulated health insurance carriers, the state employee health plans, and Medicaid managed care plans must reimburse a provider for diabetes, telestroke, telepsychology, and opioid use disorder

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treatment, 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.

The only services that may be reimbursed are those provided through conventional contracting by carriers. In the event that a 20 percent or greater savings has been achieved for any of the pilot program services, then all services provided utilizing telemedicine and store and forward technology shall be paid, beginning January 1, 2024, at the same rate as services delivered in person.

Facility fees may not be charged for the four services covered by the pilot program.

To participate in the pilot program, providers must complete a required training created by the University of Washington.

The state auditor is directed to conduct an actuarial review of the telemedicine parity pilot program.

Insurers, Medicaid managed care plans, and health plans that provide professional liability insurance for a health care provider must provide malpractice coverage for telemedicine services.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2018.

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

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

**Staff Summary of Public Testimony:** PRO: Telemedicine is the future of the medical field and will benefit all of the people the state has been trying to help for many years. Telemedicine helps people who cannot get to the doctor because of lack of transportation. This bill will start to look at the impact that telemedicine has on the lives of people in the community. Reimbursement rates can currently provide barriers to providing telemedicine services. This bill will let carriers know they will not be paying more for the same services and will let providers know that they will be reimbursed for these new services in a way that helps them cover their expenses. This bill will be great for rural folks who have difficulty getting to provider locations. We cannot think of health care as care of today, but instead need to think of health care delivery systems that will be used in the future. This bill is a work in progress. We fully support training on telemedicine, but would like the training to be allowed to be offered by entities other than just the University of Washington. The bill should also look to set a realistic savings target.

OTHER: Creating a training program for telemedicine providers should be done through the Telemedicine Collaborative. The Collaborative should also review whether this pilot is increasing access and generating savings. This bill will continue to proliferate high quality telemedicine care. This is an opportunity to build out and empower the Telemedicine Collaborative. Medical malpractice insurers may be currently providing coverage for

telemedicine malpractice, so those provisions of the bill may not be necessary. We cannot support removing all facility fee payments.

**Persons Testifying:** PRO: Senator Randi Becker, Prime Sponsor; Leslie Emerick, Washington State Psychological Association, ARNPs United of Washington, Washington State Hospice, Palliative Care Organization; Joan Miller, Washington Council for Behavioral Health; Emily Yu, MultiCare Health System.

OTHER: Sean Graham, Washington State Medical Association; Ian Goodhew, UW Medicine; Lisa Thatcher, Washington State Hospital Association; Meg Jones, Association of Washington Healthcare Plans.

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