

# SENATE BILL REPORT

## SB 5385

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As Reported by Senate Committee On:  
Health & Long Term Care, February 22, 2019

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

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

**Sponsors:** Senators Becker, Cleveland, Braun, O'Ban, Wilson, L., Brown, Warnick, Zeiger, Bailey and Van De Wege.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/30/19, 2/22/19 [DPS].

**Brief Summary of First Substitute Bill**

- Requires health plans to pay the same rate for a health care service provided through telemedicine as an in-person service.
- Permits hospitals, hospital systems, telemedicine companies, and provider groups of 11 or more to negotiate and agree to a telemedicine reimbursement rate that differs from in-person rates.
- Requires reimbursement for facility fees to be subject to a negotiated agreement.
- Removes the requirement that services provided through store and forward technology have an associated office visit.
- Directs the telemedicine collaborative to study store and forward technology.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5385 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Bailey, Becker, Conway, Dhingra, Frockt, Keiser, Rivers and Van De Wege.

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

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*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:** 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, renal dialysis center, or the patient's home.

In 2018, the Legislature tasked the Collaborative for the Advancement of Telemedicine (Collaborative) with reviewing the concept of telemedicine payment parity and developing recommendations on reimbursing for telemedicine at the same rate as if the provider provided services in person, for the treatment of certain conditions. The Collaborative was also tasked with designing a training program to teach health care professionals about telemedicine and proper billing

According to the Collaborative's 2018 report, payment parity is the idea a clinician be paid the same amount for a clinical service provided through telemedicine as a clinician would be paid for seeing a patient in-person.

**Summary of Bill (First Substitute):** Beginning January 1, 2020, regulated health insurance carriers, the state employee health plans, and Medicaid managed care plans must reimburse a provider for health care service provided through telemedicine at the same rate as health care service provided in-person, except that hospitals, hospital systems, telemedicine companies, and provider groups of 11 or more providers may negotiate and agree to reimbursement rates that differ from in-person services rates. Reimbursement for a facility fee must be subject to a negotiated agreement between the originating site and the health carrier.

The requirement that services provided through store and forward technology must have an associated office visit, is removed.

The telemedicine collaborative is directed to study store and forward technology with a focus on utilization, whether it should be paid at parity, the potential for the technology to improve rural health outcomes, and ocular services.

**EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute):**

- Removes the requirement that all telemedicine and store and forward services be paid for at a rate the same as if the services was provided in person.
- Requires health carriers, beginning January 1, 2020, to reimburse for telemedicine services at the same rate as if the service was provided in person, except that hospitals, hospital systems, telemedicine companies, and provider groups of 11 or more providers may negotiate and agree to reimbursement rates that differ from in-person services rates.
- The telemedicine collaborative is directed to study store and forward technology with a focus on utilization, whether it should be paid at parity, the potential for the technology to improve rural health outcomes, and ocular services.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill takes effect on January 1, 2020.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This will help grow care delivery models across the state. The existing store and forward requirement in law is unnecessary, and it is appreciated that this bill strikes that requirement. Parity implies adoption by health systems and providers. Telemedicine is a timely and useful service for protecting public health and serving rural and underserved populations. When a clinician performs telemedicine, they are not using 75 percent of their brain and should be reimbursed at the same rate as if the service was provided in-person. This bill will increase use and take-up of telemedicine services. Removing the requirement that people go into a doctor's office before using store-and-forward technology will help people with weakened immune systems. There are some hospitals that would like to negotiate lower rates for telemedicine services than for providing the same services in-person.

OTHER: There are concerns around having to pay parity for store-and-forward technology. Store-and-forward is very different from video real-time visits, and should not be reimbursed at the same rate.

**Persons Testifying:** PRO: Senator Randi Becker, Prime Sponsor; Diana Stadden, Arc of Washington State; Katie Kolan, Washington State Medical Association; Kristen Federici, Providence St. Joseph Health; Chris Bandoli, Washington State Hospital Association; Sarah Orth, Seattle Children's; Benjamin Chao, MultiCare Health System and Program Director for Virtual Health.

OTHER: Zach Snyder, Regence Blue Shield.

**Persons Signed In To Testify But Not Testifying:** PRO: Joshua Frank, Confluence Health; Joelle Fathi, citizen; Ian Goodhew, UW Medicine Health System.