

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1895 - SB 2050

March 16, 2014

SUMMARY OF ORIGINAL BILL: Creates health insurance mandates related to telehealth. A health insurance carrier:

- Shall provide coverage under a health insurance policy or contract for covered healthcare services delivered through telehealth;
- Shall reimburse a licensed healthcare provider for the diagnosis, consultation, and treatment of an insured patient for a healthcare service covered under a health care policy or contract that is provided through telehealth;
- Is prohibited from denying payment of healthcare coverage solely because it is provided through telehealth and is not provided in-person between a healthcare provider and a patient.
- Shall reimburse licensed healthcare providers who are out-of-network for telehealth care services under the same reimbursement policies applicable that the benefit plan permits for in-person encounters that are out-of-network.

Requires a health insurance carrier to reimburse for telehealth services under the same reimbursement policies that the benefit plan permits for in-person encounters.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014397): Deletes all language after the enacting clause and rewrites the bill. Creates health insurance mandates related to telehealth. A health insurance carrier:

- Shall provide coverage under a health insurance policy or contract for covered healthcare services delivered through telehealth;
- Shall reimburse a licensed healthcare provider for the diagnosis, consultation, and treatment of an insured patient for a healthcare service covered under a health care policy or contract that is provided through telehealth;

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- Is prohibited from denying payment of healthcare coverage solely because it is provided through telehealth and is not provided in-person between a healthcare provider and a patient.
- Shall reimburse licensed healthcare providers who are out-of-network for telehealth care services under the same reimbursement policies applicable that the benefit plan permits for in-person encounters that are out-of-network.

Defines healthcare services to be consistent with the Tennessee Health Carrier Grievance and External Review Procedure Act. Healthcare services provided through telehealth must comply with state licensure requirements. Requires a health insurance entity to provide coverage for healthcare services provided during a telehealth encounter in a manner that is consistent with what the health insurance policy or contract provides for in-person encounters with the same service.

Adds “store-and-forward telemedicine services” to those services offered under the definition of telemedicine services. Defines store-and-forward telemedicine services as the use of asynchronous computer-based communication between a patient and a healthcare services provider at a distant site for the purpose of diagnostic and therapeutic assistance in the care of patients and includes the transferring of medical data from one site to another through the use of a camera or similar device that records or stores an image that is sent or forwarded via telecommunication to another sit for consultation. This act shall take effect on January 1, 2015.

This section shall not apply to accident-only, specified disease, hospital indemnity, plans under the Patient Protection and Affordable Care Act (PPACA), plans described in the Employment Retirement Income Security Act of 1974 (ERISA), Medicare supplement, disability income, long-term care, or other limited benefit hospital insurance policies.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Department of Finance and Administration, Division of Benefits Administration, both carriers of the healthcare plans administered by the Division currently cover telehealth sufficiently for compliance with this act.
- According to the Bureau of TennCare, this will have no significant impact on the program.
- Any savings to any health plans administered by either the Division of Benefits Administration or the Bureau of TennCare cannot be determined precisely but are reasonably estimated to be not significant.
- According to the Department of Commerce and Insurance, any oversight responsibilities can be accommodated within existing resources.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

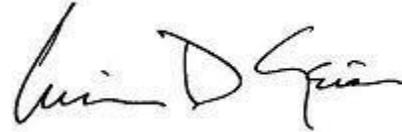
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Any increase in expenditures incurred by health insurers to meet the requirements of the bill is estimated to be not significant.
- Any savings experienced by either health care providers or consumers, either through payouts of healthcare claims by providers or premiums paid by consumers, is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb