

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 753 - SB 1169

April 8, 2019

SUMMARY OF ORIGINAL BILL: Adds a patient's residence and place of employment, if equipped to engage in telecommunications, as locations a patient may receive telehealth services. Requires health insurance entities to reimburse healthcare service providers for a telehealth originating site facility fee. Removes certain types of insurance from telehealth coverage exemption. Updates the definition of "telehealth" to include remote patient monitoring telemedicine services.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$2,370,000

Increase Federal Expenditures - \$4,382,500

Increase Local Expenditures - \$7,700*

Other Fiscal Impact – The Division of TennCare and Benefits Administration will experience an increase in telehealth claims. Due to multiple unknown factors such as the extent of any such increase, the cost of services provided, and any realized savings from services that would have been provided in-person under current law, any additional fiscal impact on state, local and federal expenditures cannot be quantified with reasonable certainty.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Revenue - \$6,760,200

Other Commerce Impact – Due to multiple unknown factors such as the extent of any increase in utilization of telehealth services, the cost of such services, and any realized savings, any additional impact to commerce and jobs cannot be determined with reasonable certainty.

SUMMARY OF AMENDMENT (007778): Deletes all language after the enacting clause. Requires a health insurance entity to provide coverage under a health insurance policy or contract for covered healthcare services delivered through facility-based or provider-based telehealth. Requires a health insurance entity to reimburse a healthcare services provider for the

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diagnosis, consultation, and treatment of an insured patient for a healthcare service covered under a health insurance policy or contract that is provided through facility-based telehealth or provider-based telehealth without any distinction or consideration of the geographic location, or any federal, state, or local designation or classification of the geographic area where the patient is located.

Prohibits a health insurance entity from excluding coverage for a healthcare service solely because it is provided through facility-based telehealth or provider-based telehealth and is not provided through an in-person encounter between a healthcare services provider and a patient.

Requires a health insurance entity to reimburse healthcare services providers who are out-of-network for facility-based telehealth services under the same reimbursement policies applicable to other out-of-network healthcare services providers.

States that all telehealth encounters described in this section are subject to any and all appropriate utilization review protocols or other protocols for medical treatment and monitoring contained in a contract between a healthcare services provider and a health insurance entity as long as the protocols are based on evidence-based guidelines for treatment to ensure that the treatment is consistent with the standard of practice.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – The Division of TennCare and Benefits Administration will experience an increase in telehealth claims. Due to multiple unknown factors such as the extent of any such increase, the cost of services provided, and any realized savings from services that would have been provided in-person under current law, any fiscal impact on state, local and federal expenditures cannot be quantified with reasonable certainty.

Assumptions for the bill as amended:

- The Division of TennCare and Benefits Administration will experience an increase in telehealth claims.
- Due to multiple unknown factors such as the extent of any such increase, the cost of services provided, and any realized savings from services that would have been provided in-person under current law, any fiscal impact on state, local and federal expenditures cannot be quantified with reasonable certainty.
- Based on information provided by the Department of Commerce and Insurance (DCI), the DCI can review policy contracts and investigate complaints utilizing existing resources without an increased appropriation or a reduced reversion.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Other Commerce Impact – Due to multiple unknown factors, any impact to commerce and jobs cannot be determined with reasonable certainty.

Assumption for the bill as amended:

- Due to multiple unknown factors such as the extent of any increase in utilization of telehealth services, the cost of such services, and any realized savings, any impact to commerce and jobs cannot be determined with reasonable certainty.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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