

## **Department of Planning and Budget 2019 Fiscal Impact Statement**

**1. Bill Number:** SB 1221

|                        |                                       |                                                |                                    |
|------------------------|---------------------------------------|------------------------------------------------|------------------------------------|
| <b>House of Origin</b> | <input type="checkbox"/> Introduced   | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute            | <input type="checkbox"/> Enrolled  |

**2. Patron:** Chafin

**3. Committee:** Finance

**4. Title:** Telemedicine services; coverage and practice

**5. Summary:** The substitute legislation requires insurers, corporations, or health maintenance organizations to cover medically necessary remote patient monitoring services as part of their coverage of telemedicine services to the full extent that these services are available. The bill defines remote patient monitoring (RPM) services as the delivery of home health services using telecommunications technology to enhance the delivery of home health care, including monitoring of clinical patient data such as weight, blood pressure, pulse, pulse oximetry, blood glucose, and other condition-specific data; medication adherence monitoring; and interactive video conferencing with or without digital image upload. The bill also requires a provision for the payment of medical assistance for medically necessary health care services provided through telemedicine services.

**6. Budget Amendment Necessary:** See Item 8

**7. Fiscal Impact Estimates:** See Item 8

**8. Fiscal Implications:** The fiscal impact on the Commonwealth cannot be determined at this time as the fiscal impact implications discussed in this statement only reflect input from the Department of Medical Assistance Service (DMAS). The Department of Human Resource Management (DHRM) is still assessing the potential impact of this substitute bill on the state health plan. This statement will be updated and revised once this additional information is available.

Department of Medical Assistance Services

While the bill would require insurers to cover medically necessary RPM services as part of telemedicine services, the proposal is unclear as how this provision relates to the Medicaid program. The definition of telemedicine that is being amended, to add RPM, is included in §38.2-3418.16 of the Code of Virginia and is used for the purposes of that section. The requirement that Medicaid cover medically necessary telemedicine services is in a separate section (§32.1-325) that does not have a direct definition of telemedicine to reference. Without additional clarification, DMAS maintains that the telemedicine services currently provided and set out in the Medicaid State Plan would satisfy the provisions of the bill. As such, there would be no requirement for the agency to expand services or offer additional benefits. Therefore, no fiscal impact on Medicaid is expected. However, should the

definition of the telemedicine, as it relates to §32.1-325, be interpreted to include services (such as RPM) which are not currently provided, then additional costs to the Medicaid program would be incurred.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Medical Assistance Services

Department of Human Resource Management

**10. Technical Amendment Necessary:** A definition of telemedicine as it pertains to the Medicaid program would add clarity as to the bill's intent and ultimate fiscal implications.

**11. Other Comments:** This bill is a companion to HB 1970.