

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: SB675

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Wampler

3. Committee: Commerce and Labor

4. Title: **Health insurance; mandated coverage for telemedicine services.**

5. Summary: Requires insurers to offer coverage for telemedicine services. The bill provides that when a policy contract, plan, certificate or evidence of coverage includes coverage for telemedicine services, the definition of "adverse decision" includes a determination that the use of telemedicine services rendered or proposed to be rendered was or is not covered under the policy. The definition of "utilization review" will include reviews related to whether coverage of the delivery by a health care provider or health care services through the use of interactive audio, video or other telecommunications technology is required pursuant to § 38.2-3418.16. The bill requires insurers to provide coverage for the treatment of telemedicine services. "Telemedicine services" means the use of interactive audio, video, or other telecommunications technology by a health care provider to deliver health care services within the scope of the provider's practice at a site other than the site where the patient is located, including the use of electronic media for consultation relating to the health care diagnosis or treatment of the patient. "Telemedicine services" do not include an audio-only telephone conversation, electronic mail message, or facsimile transmission between a health care provider and a patient. An insurer, corporation, or HMO cannot exclude a service for coverage solely because the service is provided through telemedicine and is not provided through face-to-face consultation or contact between a health care provider and a patient for services appropriately provided through telehealth services. A determination by an insurer, corporation, or HMO that the delivery by a health care provider of health care services through the use of interactive audio, video or other telecommunications technology is not covered will be subject to utilization review and independent external review of adverse utilization review decisions pursuant to § 32.1-137.7 and § 38.2-5900 et seq. No insurer, corporation, or HMO can impose any annual or lifetime dollar maximum on coverage for telemedicine services other than an annual or lifetime dollar maximum that applies in the aggregate to all items and services covered under the policy, or impose upon any person receiving benefits pursuant to this section any co-payment, coinsurance, or deductible amounts, or any policy year, calendar year, lifetime, or other durational benefit limitation or maximum for benefits or services that is not equally imposed upon all terms and services covered under the policy, contract, or plan. The requirements of the bill apply to all insurance policies, contracts, and plans delivered, issued for delivery, reissued, or extended in the Commonwealth on and after January 1, 2011, or at any time thereafter when any term of the policy, contract, or plan is changed or any premium adjustment is made. The bill does not apply to short-term travel, accident-only, limited or specified disease, or individual conversion policies or contracts, or to policies or contracts designed for issuance to persons eligible for coverage under Medicare, or any other similar coverage under state or federal governmental plans.

- 6. No Fiscal Impact on the State Corporation Commission
- 7. **Budget amendment necessary:** No
- 8. **Fiscal implications:** None on the State Corporation Commission
- 9. **Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance
- 10. **Technical amendment necessary:** No

11. Other comments: Senate Bill 675 is similar to House Bill 1182 that mandates coverage for telemedicine services. SB 675, unlike HB 1182, provides for utilization review and independent external review of adverse utilization review decisions when services are delivered through the use of telemedicine and denied as not covered, and SB 675 expands the definition of “adverse decision” and “utilization review” in § 32.1-137.7 to include determinations that involve the denial of telemedicine services. Except for the addition of the provision relating to utilization review and independent external review of adverse utilization review decisions, SB 675 is identical to HB 1182.

2009 House Bill 2191 and Senate Bill 1458 were reviewed by the Special Advisory Commission on Mandated Health Insurance Benefits (Advisory Commission) and then held over at the request of the patrons. At the November 17, 2009 Advisory Commission meeting, Delegate Phillips offered amended language on his HB 2191 and Senator Wampler’s SB 1458 with the request that the Advisory Commission defer consideration of the bills until 2010. The Advisory Commission voted unanimously (10 to 0) to defer House Bill 2191 and Senate Bill 1458 until 2010. Senator Wampler and Delegate Phillips then introduced SB 675 and HB 1182 with the amended language that will be reviewed by the Advisory Commission in 2010.

Date: 02/10/10 V. Tompkins
cc: Secretary of Health and Human Resources