

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB 1970

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

2. Patron: Kilgore

3. Committee: Passed Both Houses

4. Title: Telemedicine services; coverage

5. Summary: The enrolled bill 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:

Department of Human Resource Management

The impact of the bill on the state employee health insurance plan and associated premiums is indeterminate.

Remote patient monitoring services are defined 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 Department of Human Resource Management (DHRM) believes that expanding RPM coverage to those that qualify for home health services under the state employee health plan would meet the requirements of the bill. This is based on the inclusion of “home health services” in the definition of RPM services, the requirement that such coverage pertain to medically necessary RPM services, and other existing provisions in § 38.2-3418.16 pertaining to telemedicine coverage, such as the allowance of utilization reviews to

determine the appropriateness of telemedicine services in the same manner as determinations are made for any other illness, condition, or disorder covered. While the bill defines remote patient monitoring services as “the delivery of home health services using telecommunications technology to enhance the delivery of home health care,” it does not contain a definition of home health services or home health care. The state employee health plan currently covers home health services that are medically necessary and prescribed by a health care provider for those who are homebound for medical reasons.

If RPM coverage under the state health insurance plan is only expanded to those that meet the plan’s requirements for home health services coverage, DHRM estimates additional annual costs of at least \$21,000 per year for the plan. Currently, 22 plan members receive home health services. This estimate is based on the assumption that each of the 22 home health care recipients would receive wireless blood pressure monitors, pulse oximeters, weight scales, glucose meters, and interactive video conferencing. This estimated impact would not require a budget amendment as the state Health Insurance Fund would be able to absorb the estimated annual cost of \$21,000.

If mandated RPM coverage was expand beyond those qualifying for home health services coverage under the state health plan, the impact would be expected to be greater; however, DHRM is unable to provide an estimate for such a scenario at this time. Any impact to the state health insurance plan from expanded RPM coverage would be picked up beginning with the plan’s the next annual actuarial projection, which would be used to set health insurance premiums in fiscal year 2021. The current fund split for employer health insurance premium contributions comes 50 percent from the general fund and 50 percent from nongeneral fund sources.

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 SB 1221.