

Department of Planning and Budget 2020 Special Session I - Fiscal Impact Statement

1. **Bill Number:** HB 5046

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

2. **Patron:** Adams

3. **Committee:** -

4. **Title:** Telemedicine services; originating site

5. **Summary:** The bill, as amended, requires health plans to cover telemedicine services regardless of originating site, prohibits payers from requiring use of telemedicine proprietary technology, and allows the prescription of controlled substances through telemedicine. Additionally, the bill requires DMAS to continue telehealth flexibilities established as part of the agency's response to the COVID-19 public health emergency and outlined in a March 19, 2020 memo, including reimbursing certain audio-only at parity with in-person services, until July 1, 2021.

6. **Budget Amendment Necessary:** No

7. **Minimal Fiscal Impact**

8. **Fiscal Implications:** Due to the COVID-19 public health emergency, the Department of Medical Assistance Services (DMAS) has implemented a number of federally approved program flexibilities in Medicaid. These changes include permitting the use of audio-only for services and allowing for the reimbursement of telemedicine services regardless of the originating site. Currently, the flexibilities are set to expire with the end of the public health emergency.

Based on the agency's limited experience, DMAS does not expect that this bill's provisions with regard to originating site, proprietary technology or the prescription of controlled substances to have any significant fiscal impact and that these telemedicine requirements would ultimately be budget neutral.

The bill also requires that DMAS continue the current Medicaid flexibilities, through FY 2021, including the use of audio-only services (limited to those services included in guidance issued by the department March 19, 2020). These flexibilities have already been implemented in the current fiscal year through the duration of the public health emergency. This proposal would set the expiration of these flexibilities to July 1, 2021. The annual cost of flexibilities are reflected in the current appropriation for FY 2021 (Chapter 1289); therefore, the bill is not expected to contribute any additional costs.

The Department of Human Resource Management reports that the changes required in this bill would have a relatively small cost to the state employee health insurance plan. Further, this is expected to be able to be covered by the state Health Insurance Fund and would not require changes to the premiums or funding provided for the employer share of state health insurance premiums.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

Department of Human Resources Management

10. Technical Amendment Necessary: No

11. Other Comments: None