

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **0239**

HOUSE BILL NUMBER **95 HCS 1**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to telehealth services.**

SPONSOR **Representative Burch**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Department for Medicaid Services**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES	Indeterminable	Indeterminable	Indeterminable	Indeterminable
NET EFFECT	(Indeterminable)	(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of the measure is to establish coverage provisions and reimbursement criteria for direct-to-patient telehealth services and telemonitoring services provided by a qualified medical provider.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS Chapter 205 and provides definitions for department, direct-to-patient telehealth services, evidence-based best practices, qualified medical provider, and telemonitoring services.

It also lists duties of the Department for Medicaid Services (DMS) relating to direct-to-patient telehealth services and telemonitoring services. These duties include: establishing coverage provisions and reimbursement criteria; allowing the submission of a state plan amendment, waiver, or waiver amendment to the Centers for Medicare and Medicaid Services (CMS); requiring a request for funding from the General Assembly; initiating telehealth and telemonitoring services no later than July 1, 2017; ensuring clinical information from telehealth and telemonitoring services is shared with proper parties; and promulgating administrative regulations for implementation and administration.

Section 2 amends KRS 205.559 to add the newly defined direct-to-patient telehealth services to the types of telehealth services that can receive Medicaid reimbursement. Section 2 also requires that telehealth consultations be subject to the same reimbursement methodology as covered face-to-face health consultations.

FISCAL EXPLANATION: Language in Section 1(5) would allow the Department for Medicaid Services to implement the provisions of this bill subject to two conditions: An approved appropriation by the General Assembly and approval of any state plan amendment, waiver, or waiver amendment from the Centers for Medicare and Medicaid Services. If these two conditions are not met, DMS would not be able to implement the program and there would be no fiscal impact.

Section 1(4) mandates DMS to request funding from the General Assembly for telehealth and telemonitoring services; however, DMS would be required to determine what services or conditions would be covered, how reimbursement would function, and implementation costs of telehealth monitoring equipment for patient use, training, internet and device accessibility for patients that would offset potential long-term savings. The associated costs with these items are not known by DMS at this time. This makes the overall impact of the bill indeterminable until such time those costs have been determined.

DATA SOURCE(S): The Cabinet for Health and Family Services, National Conference of State Legislatures

PREPARER: Jonathan Eakin **NOTE NUMBER:** 118 **REVIEW:** JRS **DATE:** 3/2/2016