

Legislative Analysis



TELEMEDICINE

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5412 (H-2) as referred to second committee
Sponsor: Rep. Hank Vaupel

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5413 (H-2) as referred
Sponsor: Rep. Douglas C. Wozniak

House Bill 5415 (H-1) as referred
Sponsor: Rep. Frank Liberati

House Bill 5414 (H-1) as referred
Sponsor: Rep. Phil Green

House Bill 5416 (H-2) as referred
Sponsor: Rep. Mary Whiteford

1st Committee: Health Policy
2nd Committee: Ways and Means
Complete to 5-5-20

SUMMARY:

House Bills 5415 and 5416 would each add a section to the Social Welfare Act to require coverage of certain telemedicine services.

Specifically, **HB 5415** would require the Department of Health and Human Services (DHHS) to provide coverage for *remote patient monitoring services* through the medical assistance program and Healthy Michigan program under the act.

Remote patient monitoring services would mean digital technology to collect medical and other forms of health data from an individual in one location and electronically transmit that information via a HIPAA-compliant [referring to the federal law that governs the privacy of patient records], secure system to a health care provider in a different location for assessment and recommendations.

HB 5416 would provide that, beginning October 1, 2020, telemedicine services be covered under the medical assistance program and Healthy Michigan program if the *originating site* were an in-home or in-school setting, in addition to any other originating site allowed in the Medicaid provider manual or any established site considered appropriate by the provider. The distant provider or organization would be responsible for verifying a recipient's identification and program eligibility and would have to ensure that the information was available to the primary care provider.

Originating site would mean the location of the eligible recipient at the time the service being furnished by a telecommunications system occurs.

HB 5415: Proposed MCL 400.105g
HB 5416: Proposed MCL 400.105h

House Bill 5414 would add the following definition for *telemedicine* to the Mental Health Code:

Telemedicine means the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine under this section, the health care professional must be able to examine the patient via a HIPAA-compliant, secure interactive audio or video, or both, telecommunications system, or through the use of store and forward online messaging.

The bill would also specify that a *recipient*, for purposes of the code, is someone receiving mental health “either in person or through telemedicine.”

MCL 330.1100c and 330.1100d

House Bills 5412 and 5413 would amend the definition of “telemedicine” in the Insurance Code and the Nonprofit Health Care Corporation Reform Act, respectively. Both would remove the option that the telecommunications system be “real-time” and the requirement that the patient be able to interact with the off-site health care professional at the time the service is provided. Instead, they would adopt the same definition as is provided for telemedicine in HB 5414, above.

HB 5412: MCL 500.3476

HB 5413: MCL 550.1401k

FISCAL IMPACT:

These bills would have an indeterminate fiscal impact but would likely increase Medicaid-related expenditures a minimal amount from increased access to and utilization of telemedicine. Allowing for non-real-time telemedicine services and requiring DHHS to provide telemedicine services through medical assistance would increase ease of access to medical services, likely resulting in an increase in traditional Medicaid and Healthy Michigan Plan caseloads and subsequent expenditures. If Medicaid costs were to increase, the federal share of the increase would be 64.06% for traditional Medicaid and 90.75% for Healthy Michigan Plan.

Specifically, these bills would require DHHS to offer telemedicine services through medical assistance, meaning that telemedicine services could be provided through Medicaid managed care organizations—pursuant to contracts with DHHS—or would alternately be provided through fee-for-service. Additionally, providing for flexibility in the designation of an originating site for telemedicine services would further increase access to medical services.

BRIEF DISCUSSION:

According to committee testimony, the bills are intended to expand access to telehealth for the Medicaid population. For example, HB 5416 would expand the definition of “originating site” so that, rather than having to travel to a health facility to engage in telemedicine, a patient could do so from home if deemed appropriate. In response to questions as to whether the lack of in-person interaction would allow symptoms to go unnoticed, supporters offered

that some devices are Bluetooth-enabled, so that a physician could instruct a patient on taking his or her own temperature or blood pressure, thus decreasing that likelihood.

No one testified or voted against the bills in the House Health Policy committee.

POSITIONS:

Representatives of the following organizations testified in support of the bills (2-27-20):

Henry Ford Health System
HNC Virtual Solutions
Michigan Primary Care Association

A representative of Family Medical Center testified in support of HBs 5415 and 5416. (2-27-20)

A representative of Western Wayne Family Health Center testified in support of HB 5416. (2-27-20)

The following entities indicated support for the bills:

AARP (2-27-20)
Michigan State Medical Society (2-27-20)
Health Alliance Plan (HAP) (2-27-20)
Michigan Health and Hospital Association (2-27-20)
Trinity Health Michigan (2-27-20)
Michigan Association of Health Plans (3-5-20)
Upper Peninsula Health Plan (3-5-20)
Michigan Council of Nurse Practitioners (3-5-20)
Michigan Academy of Family Physicians (3-5-20)
Walmart (3-5-20)
Michigan Academy of Physician Assistants (3-5-20)

The Department of Health and Human Services indicated support for HBs 5413, 5414, and 5415. (2-27-20)

Team Wellness indicated support for HB 5414. (2-27-20)

Legislative Analyst: Jenny McInerney
Fiscal Analysts: Kevin Koorstra
Kent Dell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.