

SUBJECT: Amending reimbursement policies for Medicaid telemedicine services

COMMITTEE: Public Health — committee substitute recommended

VOTE: 10 ayes — S. Thompson, Wray, Allison, Frank, Guerra, Lucio, Ortega,  
Price, Sheffield, Zedler

0 nays

1 absent — Coleman

SENATE VOTE: On final passage, March 27 — 31-0

WITNESSES: *On House companion bill, HB 870:*

For — Cam Kleibrink, Frontera Healthcare Network; Nora Belcher, Texas e-Health Alliance; (*Registered, but did not testify:* Amanda Fredriksen, AARP; Cynthia Humphrey, Association of Substance Abuse Programs; Anne Dunkelberg, Center for Public Policy Priorities; Kelly Barnes, Central Health; Jason Sabo, Children at Risk, Mental Health America of Greater Houston; Jo DePrang, Children's Defense Fund-Texas; Matt Moore, Children's Health; Christina Hoppe, Children's Hospital Association of Texas; Linda Townsend, CHRISTUS Health; Chase Bearden and Chris Masey, Coalition of Texans with Disabilities; Priscilla Camacho, Dallas Regional Chamber; Jesse Ozuna, Doctor's Hospital at Renaissance; Lindsay Lanagan, Legacy Community Health; Christine Yanas, Methodist Healthcare Ministries of South Texas; Alissa Sughrue, National Alliance on Mental Illness-Texas; Will Francis, National Association of Social Workers-Texas Chapter; Nancy Walker, ResCare; Jessica Schleifer, Teaching Hospitals of Texas; Adriana Kohler, Texans Care for Children; Tom Forbes, Texas Academy of Family Physicians; Courtney Hoffman, Texas Association For Behavior Analysis PPG; Jessica Boston, Texas Association of Business; Mimi Garcia, Texas Association of Community Health Centers; Elizabeth Lippincott, Texas Border Coalition; Lee Johnson, Texas Council of Community Centers; Jan Friese, Texas Counseling Association; John Hawkins, Texas Hospital Association; Chris Frandsen, Texas League Of Women Voters; Dan

Finch, Texas Medical Association; John Henderson and Don McBeath, Texas Organization of Rural and Community Hospitals; Clayton Travis, Texas Pediatric Society; Jason Vaughn, Texas Young Republicans; Nataly Saucedo, United Ways of Texas; Paul Carrola; Khrystal K Davis)

Against — None

On — (*Registered, but did not testify*: Erin McManus and Ryan Van Ramshorst, Health and Human Services Commission)

**BACKGROUND:** Government Code sec. 531.0216 requires the executive commissioner of the Health and Human Services Commission (HHSC) by rule to implement a system to reimburse Medicaid providers that provide telemedicine or telehealth services. HHSC must encourage health providers and facilities to participate as telemedicine or telehealth service providers but may not require a service be provided to a patient through telemedicine or telehealth.

Sec. 531.0217(c-4) requires HHSC to ensure that Medicaid reimbursement for a telemedicine service is provided to a physician, even if the physician is not the patient's primary care provider, if:

- the physician is an authorized Medicaid provider;
- the patient is a child who received the service in a primary or secondary school-based setting;
- the patient's parent or legal guardian provides consent before the service is provided; and
- a health professional is present with the patient during treatment.

Sec. 531.0217(d) requires HHSC to mandate reimbursement for telemedicine services at the same rate as Medicaid reimburses a comparable in-person medical service.

**DIGEST:** CSSB 670 would require the Health and Human Services Commission (HHSC) to ensure that a Medicaid managed care organization (MCO) for a covered service or procedure did not:

- deny reimbursement solely because the covered service or procedure was not provided through an in-person consultation; and
- limit, deny, or reduce reimbursement based on the health provider's preferred technological platform, as defined in the bill, for delivering the service or procedure.

HHSC also would have to ensure that telemedicine or telehealth services supported patient-centered medical homes by allowing a Medicaid recipient to receive those services from a provider other than the patient's primary care provider only if:

- the provided service met the same law and contract requirements for a service provided in an in-person setting, including care coordination requirements; and
- the telemedicine or telehealth provider notified the Medicaid patient's primary care provider.

**Federally qualified health centers.** The bill would require the HHSC executive commissioner by rule to ensure a federally qualified health center (FQHC) could be reimbursed for the originating site facility fee or the distant site practitioner fee or both for telehealth and telemedicine services provided by a Medicaid provider.

HHSC would have to comply with the FQHC reimbursement requirement only if the Legislature appropriated money for that purpose. If the Legislature did not appropriate money, HHSC would be permitted but not required to use other money available to the agency to implement the provision. In determining whether reimbursement for telehealth and telemedicine services was appropriate, Medicaid MCOs would have to continue considering other factors, including whether reimbursement was cost-effective and whether the service provided was clinically effective.

**Other provisions.** Under the bill, HHSC would have to require reimbursement for telemedicine services at the same rate that Medicaid reimbursed the same in-person medical service. HHSC could not limit a

physician's preferred platform by requiring that the physician use a certain platform to receive reimbursement for a telemedicine or telehealth service.

The bill would remove the requirement that a health professional be present with a child receiving treatment in a school-based setting in order for physicians to receive reimbursement for Medicaid telemedicine services.

The bill would repeal certain provisions including:

- minimum operating system standards for Medicaid telehealth, telemedicine, and telemonitoring services;
- aligning Medicaid reimbursement policies with Medicare reimbursement policies; and
- the expiration date for reimbursing Medicaid home telemonitoring services, among others.

If a state agency determined that a waiver or authorization from a federal agency was necessary for implementation of a provision of the bill, the agency would be required to request the waiver or authorization and could delay implementing the provision until the waiver or authorization was granted.

The bill would take effect September 1, 2019.

**SUPPORTERS  
SAY:**

CSSB 670 would reduce health care costs and improve access to care for all Texans, especially those in rural areas, by removing unnecessary and burdensome regulations in Medicaid limiting the provision of telemedicine and telehealth services. By prohibiting a Medicaid managed care organization from denying reimbursements for services solely because those services were provided through telemedicine and telehealth, the bill would help address the health provider shortage in rural areas. The bill also could produce cost-savings by reducing patients' travel expenses and decreasing emergency room visits.

The bill would streamline the Health and Human Services Commission's

administration of telemedicine and telehealth in Medicaid, enabling changes in care delivery to be adopted more quickly. By repealing requirements for minimum operating system standards for Medicaid telehealth, telemedicine, and telemonitoring services, the bill would expand opportunities for other innovative technologies to be used in providing those services. Requiring reimbursement for telemedicine services at the same rate that Medicaid reimbursed the same in-person medical service also would ensure fairer provider payments and reduce confusion among providers and patients.

OPPONENTS  
SAY:

No concerns identified.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about \$15.4 million to general revenue related funds through fiscal 2020-21.