

Legislative Analysis



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TELEMEDICINE COVERAGE

House Bill 5408 (Substitute H-1)
Sponsor: Rep. Gail Haines

(Enacted as Public Acts 214 and 215 of 2012)

House Bill 5421 (Substitute H-1)
Sponsor: Rep. Matt Lori
Committee: Health Policy

Complete to 3-22-12

A SUMMARY OF HOUSE BILLS 5408 AND 5421 AS REPORTED BY COMMITTEE 3-8-12

The bills would specify that health insurers could not require face-to-face contact between a health care professional and a patient for services appropriately provided through telemedicine—as determined by the health insurer. Only a policy, certificate, or contract issued or renewed on or after January 1, 2013, would be affected. (Covered services could still be provided face-to-face.)

The bill would apply to a telemedicine service provided by a health professional licensed, registered, or otherwise authorized to engage in a health care profession in the state where the patient was located.

Telemedicine services would be subject to all terms and conditions of the policy or certificate agreed upon between the health insurer and the policy, certificate, or contract holder and would include, but not be limited to, required copayments, coinsurance, deductibles, and approved amounts.

"Telemedicine" would be defined as the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine under the bills, the health care professional would have to be able to examine the patient via a real-time, interactive audio or video, or both, telecommunications system and the patient would have to be able to interact with the off-site health care professional at the time the services were provided.

(Generally speaking, telemedicine uses interactive audio, video, or other electronic media for diagnosis, consultation, or treatment. The term as defined in the bill would appear to exclude services that are provided using email or fax transmissions. Nationally, the top three uses of telemedicine according to Telemedicine.com, Inc., are radiology, dermatology, and psychiatry.)

House Bill 5408 would add the new language to the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross Blue Shield of Michigan (MCL 550.1401k), to apply to group and nongroup certificates.

House Bill 5421 would add the new language to the Insurance Code to apply to group and nongroup policies, contracts, and certificates of commercial health insurers and health maintenance organizations (MCL 500.3476).

FISCAL IMPACT:

House Bills 5408 and 5421 would not likely impact the administrative and enforcement costs of the Office of Financial and Insurance Regulation. Currently Michigan's Medicaid program covers telemedicine and telehealth costs. The actual cost to private insurers and how this trickles down to state and local units of government health care costs is unknown. Due to a lack of available data, a fiscal impact to state and local governments cannot be determined with any accuracy.

POSITIONS:

The Michigan Primary Care Association indicated support for the bills. (3-8-12)

Aetna indicated support for the bills. (3-8-12)

The Michigan State Medical Society (MSMS) indicated support for the bills. (3-8-12)

A representative of the Michigan Health & Hospital Association (MHA) testified in support of the bills. (2-23-12)

A representative of Blue Cross Blue Shield of Michigan testified on the bills as introduced that it would support the bills with amendments. (2-23-12)

A representative of the Michigan Association of Health Plans testified on the bills as introduced that the Association would support the bills with amendments. (2-23-12)

Ascension Health-Michigan indicated support for the bills. (2-23-12)

The Michigan Cable Telecommunications Association indicated support for the bills. (2-23-12)

A representative of the Department of Community Health testified indicating neutrality on the bills. (2-23-12)

A representative of Priority Health testified indicating neutrality on the bills. (2-23-12)

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