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House Bill 5408 (Substitute H-1 as passed by the House)

House Bill 5421 (Substitute H-1 as passed by the House)

Sponsor: Representative Gail Haines (H.B. 5408)

Representative Matt Lori (H.B. 5421)

House Committee: Health Policy

Senate Committee: Insurance

Date Completed: 4-23-12

## **CONTENT**

**House Bills 5408 (H-1) and 5421 (H-1) would amend the Nonprofit Health Care Corporation Reform Act and the Insurance Code, respectively, to prohibit an insurance certificate, policy, or contract from requiring face-to-face contact between a health care professional and patient for services that could be provided through telemedicine.**

House Bill 5408 (H-1) would apply to a group or nongroup Blue Cross Blue Shield of Michigan (BCBSM) certificate. House Bill 5421 (H-1) would apply to an expense-incurred hospital, medical, or surgical group or individual policy or certificate delivered, issued for delivery, or renewed in Michigan, and a health maintenance organization (HMO) group or individual contract. The bills would apply to a policy, certificate, or contract issued or renewed on or after January 1, 2013.

Specifically, a certificate, policy, or contract could not require face-to-face contact between a health care professional and patient for services appropriately provided through telemedicine, as determined by BCBSM or the insurer or HMO. Telemedicine services would have to be provided by a health care professional who was licensed, registered, or otherwise authorized to engage in his or her health care profession in the state where the patient was located. Telemedicine services would be subject to all terms and conditions of the certificate, policy, or contract agreed upon between the holder and BCBSM or the insurer or HMO, including required copayments, coinsurances, deductibles, and approved amounts.

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

Proposed MCL 550.401k (H.B. 5408)

Legislative Analyst: Julie Cassidy

Proposed MCL 500.3476 (H.B. 5421)

## **FISCAL IMPACT**

The legislation would increase covered services provided by health insurers with an associated increase in costs. The substitution of telemedicine for other services could result

in a cost reduction. Therefore, the fiscal impact on State and local governments as employers is indeterminate. It is not likely that there would be any fiscal impact on the Office of Financial and Insurance Regulation. The State's Medicaid program already covers telemedicine services; therefore, the legislation would not affect expenditures by Medicaid health maintenance organizations.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.