



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1135 (as introduced 6-30-22)
Sponsor: Senator Michael D. MacDonald
Committee: Health Policy and Human Services

Date Completed: 9-19-22

CONTENT

The bill would amend the Social Welfare Act to do the following:

- **Specify that, beginning October 1, 2022, telemedicine services would be covered under the medical assistance program and Healthy Michigan Program (HMP) if those services were provided at, or contracted through, a distant site allowed in the Medicaid provider manual.**
- **Require the medical assistance program and HMP to include a comprehensive set of the programs' services and benefits as covered telemedicine services.**
- **Require the medical assistance program and HMP to authorize as many types of healthcare distant providers as allowable by law to render telemedicine services.**
- **Specify that telemedicine services would be covered both when a distant provider's real-time interactions occurred using an audio and video electronic media or when using an audio only electronic media.**
- **Prescribe certain actions the medical assistance program and HMP could not take, including reimbursing distant providers for telemedicine services at a lower rate than services rendered in person.**
- **Require telemedicine services authorized under Section 105h to be reimbursed by the medical assistance program and the HMP in, at least, the same amount as would be reimbursed if the service were provided in person.**

Under Section 105h of the Act, telemedicine services are covered under the medical assistance program and Health Michigan program if the originating site is 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. ("Telemedicine" means that term as defined in Section 3476 of the Insurance Code: the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine under Section 3476, the health care professional must be able to examine the patient via a Health Insurance Portability and Accountability Act (HIPAA) compliant, secure interactive audio or video, or both, telecommunications system, or through the use of store and forward online messaging.)

The bill specifies that, beginning October 1, 2022, telemedicine services also would be covered under the medical assistance program and HMP if those services were provided at, or contracted through, a distant site allowed in the Medicaid provider manual. "Distant site" would mean the location of the health care professional providing the service at the time the service is being furnished by a telecommunications system. The term could include the provider's office or any established site considered appropriate by the provider as long as the

privacy of the recipient and security of the information shared during the telemedicine visit were maintained.

The medical assistance program and HMP would have to include a comprehensive set of the programs' services and benefits as covered telemedicine services including, at a minimum, medical, dental, behavioral, and substance use disorder services.

The medical assistance program and HMP would have to authorize as many types of healthcare distant providers as allowable by law to render telemedicine services.

Telemedicine services would be covered both when a distant provider's real-time interactions occurred using an audio and video electronic media or when using an audio only electronic media. If using an audio only electronic media, the distant provider or organization would have to have rendered a previous in-person service or telemedicine service using audio and video to the patient or would have to render telemedicine service using audio and video to the patient in the 12 months following the telemedicine service using audio-only electronic media.

The medical assistance program and HMP could not do any of the following:

- Impose quantity or dollar amount maximums or limitations for services delivered using telemedicine that were more restrictive than those imposed on in-person services.
- Reimburse distant providers for telemedicine services at a lower rate than services rendered in person.
- Impose specific requirements or limitations on the technologies used to deliver telemedicine services, except that the technology be compliant with requirements of HIPAA.
- Impose additional certification, location, or training requirements on health care professionals who were distant providers as a condition of reimbursing the distant provider for telemedicine services.

A telemedicine service would be an allowable encounter for a Federally qualified health center, rural health clinic, or tribal health center in the medical assistance program or HMP.

Telemedicine services authorized under Section 105h would have to be reimbursed by the medical assistance program and the HMP in, at least, the same amount as would be reimbursed if the service were provided in person.

The Department of Health and Human Services would have to seek any necessary waiver or state plan amendment from the US Department of Health and Human Services to implement the Section 105h's provisions.

MCL 400.105h

BACKGROUND

In March 2020, the DHHS issued Medical Services Administration (MSA) Bulletin 20-13, which expanded Medicaid, HMP, Children's Special Health Care Services, and Maternity Outpatient Medical Services program coverage of telemedicine services in response to the COVID-19 pandemic to allow flexibility related to telemedicine audio/visual requirements. (Telemedicine policy before the issuance of MSA 20-13 required both audio and visual service delivery.) Under the revised guidelines, program coverage of telemedicine services was expanded to include telephonic (audio)-only services. The new policy is in effect for 30 days following the

termination of the Governor's Declaration of a State of Emergency Order or on the first of the following month, whichever is later.

Legislative Analyst: Stephen P. Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local units of government, as it would codify current Medicaid and HMP policy as specified under MSA policy bulletin 20-13.

Fiscal Analyst: Ellyn Ackerman

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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.