

## **BILL ANALYSIS**

C.S.H.B. 3476  
By: Coleman  
Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Telehealth services and telemedicine medical services offer patients with complex conditions or who have difficulty traveling to a physician's office better access to health services in a potentially more cost-effective manner. Interested parties assert that Texas currently limits use of these services to certain groups of patients and for limited purposes and contend that this limited scope prevents the benefits of the services from being fully realized. C.S.H.B. 3476 seeks to address these limitations and extend coverage for these services to a wider population.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 4 of this bill and to the Teacher Retirement System of Texas in SECTION 5 of this bill.

### **ANALYSIS**

C.S.H.B. 3476 repeals a Government Code provision prohibiting the Health and Human Services Commission (HHSC) from reimbursing Medicaid providers for the provision of home telemonitoring services on or after September 1, 2015. The bill amends the Government Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, to expand the individuals served by a program permitting reimbursement under the state Medicaid program for home telemonitoring services to include an elderly individual who is 60 years of age or older and an individual with special health care needs who has a chronic physical or developmental condition or a terminal illness. The bill prohibits a request to HHSC for reimbursement for a telemedicine medical service that is medically necessary from being denied solely because of the delivery method of the service.

C.S.H.B. 3476 requires the executive commissioner of HHSC, not later than June 1, 2016, to develop and implement a pilot project under Medicaid that provides for the reimbursement of telemedicine medical services and telehealth services provided to a recipient while the recipient is at the recipient's residence. The bill adds temporary provisions, set to expire September 1, 2019, requiring the executive commissioner, not later than December 1, 2018, to submit a report to the legislature on the pilot project's results, establishing the required contents of the report, and authorizing the report to be made in conjunction with any other report HHSC is required to submit to the legislature if the executive commissioner determines it appropriate.

C.S.H.B. 3476 amends the Insurance Code to require the board of trustees of the Employees Retirement System of Texas (ERS) to establish a pilot project under which a group health benefit

plan offered under the group benefits program provides benefits for telemedicine medical services and telehealth services provided to an ERS annuitant at the annuitant's residence. The bill requires the board of trustees, not later than June 1, 2016, to enter into any agreements necessary to provide benefits for telemedicine medical services and telehealth services to annuitants who participate in the pilot project. The bill requires the pilot project to provide services in a manner that allows at least one percent of annuitants to participate in the pilot project, aim to provide quality and cost-effective care to annuitants, and ensure that the pilot project is able to provide services to annuitants. The bill requires the board of trustees, not later than December 1, 2018, to submit a report to the legislature on the results of the pilot project and establishes the required contents of the report. The bill authorizes the board of trustees to adopt rules necessary to implement the bill's provisions relating to the pilot project. The bill's provisions relating to the ERS pilot project expire September 1, 2019.

C.S.H.B. 3476 requires the Teacher Retirement System of Texas (TRS) to establish a pilot project under which a health benefit plan provided under the Texas Public School Retired Employees Group Benefits Act provides benefits for telemedicine medical services and telehealth services provided to a TRS retiree at the retiree's residence. The bill requires TRS, not later than June 1, 2016 to enter into any agreements necessary to provide benefits for telemedicine medical services and telehealth services to retirees who participate in the pilot project. The bill requires the pilot project to provide services in a manner that allows at least one percent of retirees to participate in the pilot project, aim to provide quality and cost-effective care to retirees, and ensure that the pilot project is able to provide services to retirees. The bill requires TRS, not later than December 1, 2018, to submit a report to the legislature on the results of the pilot project and establishes the required contents of the report. The bill authorizes TRS to adopt rules necessary to implement the bill's provisions relating to the pilot project. The bill's provisions relating to the TRS pilot project expire September 1, 2019.

C.S.H.B. 3476 requires the executive commissioner of HHSC, not later than May 1, 2016, to adopt the rules necessary to implement the bill's provisions relating to the provision of telemedicine medical services and telehealth services at a recipient's residence and reimbursement for certain medical consultations and, not later than March 1, 2016, to adopt the rules necessary to implement the expansion of reimbursement under the state Medicaid program for home telemonitoring services to elderly individuals and individuals with special health care needs. The bill requires ERS and TRS, not later than May 1, 2016, to each adopt rules necessary to implement the bill's provisions relating to each agency's pilot projects to provide telemedicine medical services and telehealth services.

C.S.H.B. 3476 repeals Section 531.02176, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015.

**EFFECTIVE DATE**

September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3476 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill and does not indicate differences relating to changes made by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, which became effective April 2, 2015.

**INTRODUCED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Sections 531.02164(a) and

SECTION 1. Substantially the same as

(c), Government Code, are amended.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02165 to read as follows:

Sec. 531.02165. PROVISION OF TELEMEDICINE MEDICAL SERVICES AND TELEHEALTH SERVICES TO RECIPIENTS AT RESIDENCE. (a) In this section, "residence" means a place where a person resides and includes a home, a nursing home, a convalescent home, or a residential unit.

(b) The executive commissioner shall develop and implement a pilot project under the state Medicaid program that provides for the reimbursement of telemedicine medical services and telehealth services provided to a recipient while the recipient is at the recipient's residence.

(c) Based on the results of the pilot project established under Subsection (b), if the executive commissioner determines that it would be cost-effective and feasible to develop and implement a statewide program under the state Medicaid program that provides for the reimbursement of telemedicine medical services and telehealth services provided to a recipient while the recipient is at the recipient's residence, the executive commissioner shall establish the statewide program by rule.

(d) Not later than December 1, 2016, the executive commissioner shall submit a report to the legislature on the results of the pilot project established under Subsection (b) and, if applicable, the progress on the implementation of the statewide program established under Subsection (c). The report must include:

(1) an evaluation of the pilot project's success and, if applicable, the statewide program's success in increasing health care access for Medicaid recipients;

(2) an evaluation of the cost savings to the state and Medicaid recipients attributable to the pilot project and, if applicable, the statewide program; and

(3) a recommendation regarding the continuation, expansion, or termination of the statewide program, if applicable.

introduced version.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02165 to read as follows:

Sec. 531.02165. PROVISION OF TELEMEDICINE MEDICAL SERVICES AND TELEHEALTH SERVICES TO RECIPIENTS AT RESIDENCE. (a) In this section, "residence" means a place where a person resides and includes a home, a nursing home, a convalescent home, or a residential unit.

(b) Not later than June 1, 2016, the executive commissioner shall develop and implement a pilot project under Medicaid that provides for the reimbursement of telemedicine medical services and telehealth services provided to a recipient while the recipient is at the recipient's residence.

(c) Not later than December 1, 2018, the executive commissioner shall submit a report to the legislature on the results of the pilot project established under Subsection (b). The report must include:

(1) an evaluation of the pilot project's success in increasing health care access for Medicaid recipients;

(2) an evaluation of the cost savings to the state and Medicaid recipients attributable to the pilot project; and

(3) a recommendation regarding the continuation, expansion, or termination of the pilot project.

(d) The report required by Subsection (c) may be made in conjunction with any other report the commission is required to submit to the legislature if the executive

(e) Subsection (d) and this subsection expire September 1, 2017.

SECTION 3. Section 531.0217, Government Code, is amended by adding Subsections (d-1) and (d-2) to read as follows:

(d-1) The commission shall require that requests for reimbursement for telemedicine medical services be approved at a similar frequency as requests for reimbursement for comparable in-person medical services. A request for reimbursement for a telemedicine medical service may not be denied if the service is medically necessary.

(d-2) Not later than December 1 of each even-numbered year, the commission shall prepare and submit a report on telemedicine medical services billing procedures to the legislative committees having jurisdiction over the Medicaid program. The report required by this subsection may be made in conjunction with any other report the commission is required to submit to the legislature if the commission determines it appropriate.

No equivalent provision. (*But see SECTION 3 above.*)

No equivalent provision.

commissioner determines it appropriate.

(e) Subsections (c) and (d) and this subsection expire September 1, 2019.

No equivalent provision. (*But see SECTION 3 below.*)

SECTION 3. Section 531.0217, Government Code, is amended by adding Subsection (d-1) to read as follows:

(d-1) A request to the commission for reimbursement for a telemedicine medical service that is medically necessary may not be denied solely because of the delivery method of the service.

SECTION 4. Subchapter E, Chapter 1551, Insurance Code, is amended by adding Section 1551.227 to read as follows:

Sec. 1551.227. PILOT PROJECT: TELEMEDICINE MEDICAL SERVICES AND TELEHEALTH SERVICES TO ANNUITANTS AT RESIDENCE. (a) In this section:

(1) "Telehealth service" and "telemedicine medical service" have the meanings assigned by Section 531.001, Government Code.

(2) "Residence" means a place where a person resides and includes a home, a nursing home, a convalescent home, or a residential unit.

(b) The board of trustees shall establish a pilot project under which a group health benefit plan offered under the group benefits program provides benefits for telemedicine medical services and telehealth services provided to an annuitant at the annuitant's residence.

(c) Not later than June 1, 2016, the board of trustees shall enter into any agreements necessary to provide benefits for telemedicine medical services and telehealth services to annuitants who participate in the pilot project. The pilot project must:

(1) provide services in a manner that allows at least one percent of annuitants to participate in the pilot project;

(2) aim to provide quality and cost-effective care to annuitants; and

(3) ensure that the pilot project is able to provide services to annuitants.

(d) Not later than December 1, 2018, the board of trustees shall submit a report to the legislature on the results of the pilot project established under Subsection (b). The report must include:

(1) an evaluation of the pilot project's success;

(2) an evaluation of the cost savings to the state; and

(3) a recommendation regarding the continuation, expansion, or termination of the pilot project.

(e) The board of trustees may adopt rules necessary to implement this section.

(f) This section expires on September 1, 2019.

No equivalent provision.

SECTION 5. Subchapter D, Chapter 1575, Insurance Code, is amended by adding Section 1575.166 to read as follows:

Sec. 1575.166. PILOT PROJECT: TELEMEDICINE MEDICAL SERVICES AND TELEHEALTH SERVICES TO RETIREES AT RESIDENCE. (a) In this section:

(1) "Telehealth service" and "telemedicine medical service" have the meanings assigned by Section 531.001, Government Code.

(2) "Residence" means a place where a person resides and includes a home, a nursing home, a convalescent home, or a residential unit.

(b) The trustee shall establish a pilot project

under which a health benefit plan provided under this chapter provides benefits for telemedicine medical services and telehealth services provided to a retiree at the retiree's residence.

(c) Not later than June 1, 2016, the trustee shall enter into any agreements necessary to provide benefits for telemedicine medical services and telehealth services to retirees who participate in the pilot project. The pilot project must:

(1) provide services in a manner that allows at least one percent of retirees to participate in the pilot project;

(2) aim to provide quality and cost-effective care to retirees; and

(3) ensure that the pilot project is able to provide services to retirees.

(d) Not later than December 1, 2018, the trustee shall submit a report to the legislature on the results of the pilot project established under Subsection (b). The report must include:

(1) an evaluation of the pilot project's success;

(2) an evaluation of the cost savings to the state; and

(3) a recommendation regarding the continuation, expansion, or termination of the pilot project.

(e) The trustee may adopt rules necessary to implement this section.

(f) This section expires on September 1, 2019.

SECTION 4. Section 531.02176, Government Code, is repealed.

SECTION 6. Section 531.02176, Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 5. Section 531.02164, Government Code, as amended by this Act, applies only to an insurance claim filed, an insurance policy entered into, or a legal cause arising on or after the effective date of this Act. An insurance claim filed, an insurance policy entered into, or a legal cause that arose before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 7. Same as introduced version.

SECTION 6.

(a) Not later than January 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt the rules necessary to implement Section 531.02165, Government Code, as added by this Act, and Section 531.0217, Government Code, as amended by this Act.

(b) Not later than March 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt the rules necessary to implement Section 531.02164, Government Code, as amended by this Act.

No equivalent provision.

No equivalent provision.

SECTION 7. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 8. This Act takes effect September 1, 2015.

SECTION 8.

(b) Not later than May 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt the rules necessary to implement Section 531.02165, Government Code, as added by this Act, and Section 531.0217, Government Code, as amended by this Act.

(a) Not later than March 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt the rules necessary to implement Section 531.02164, Government Code, as amended by this Act.

SECTION 9. Not later than May 1, 2016, the Employees Retirement System of Texas shall adopt rules necessary to implement Section 1551.227, Insurance Code, as added by this Act.

SECTION 10. Not later than May 1, 2016, the Teacher Retirement System of Texas shall adopt rules necessary to implement Section 1575.166, Insurance Code, as added by this Act.

SECTION 11. Same as introduced version.

SECTION 12. Same as introduced version.