



# House of Representatives

General Assembly

**File No. 355**

February Session, 2012

Substitute House Bill No. 5483

*House of Representatives, April 11, 2012*

The Committee on Human Services reported through REP. TERCYAK of the 26th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING COVERAGE OF TELEMEDICINE SERVICES UNDER MEDICAID.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2013*) (a) (1) As used in this  
2 section, "telemedicine" means the use of interactive audio, interactive  
3 video or interactive data communication in the delivery of medical  
4 advice, diagnosis, care or treatment, and includes the types of services  
5 described in subsection (d) of section 20-9 of the general statutes and  
6 42 CFR 410.78(a)(3). "Telemedicine" does not include the use of  
7 facsimile or audio-only telephone.

8 (2) "Medically appropriate" means care that is (A) provided in a  
9 timely manner and meets professionally recognized standards of  
10 acceptable medical care; (B) delivered in the appropriate medical setting;  
11 and (C) the least costly of multiple, equally-effective alternative  
12 treatments or diagnostic modalities.

13 (b) The Commissioner of Social Services may establish a

14 demonstration project to offer telemedicine as a Medicaid-covered  
15 service at federally-qualified community health centers.

16 (c) To the extent permitted by federal law, and where deemed  
17 medically appropriate, in-person contact between a health care  
18 provider and a patient shall not be required for health care services  
19 delivered by telemedicine that otherwise would be eligible for  
20 reimbursement under the state Medicaid plan.

21 (d) The Commissioner of Social Services, in consultation with the  
22 Commissioner of Public Health, shall adopt regulations, in accordance  
23 with the provisions of chapter 54 of the general statutes, establishing  
24 rates for cost reimbursement for telemedicine services provided to  
25 Medicaid recipients. The commissioners shall consider, to the extent  
26 applicable, reductions in travel costs by health care providers and  
27 patients to deliver or to access health care services and such other  
28 factors as the Commissioner of Social Services deems relevant.

29 (e) The Commissioner of Social Services may apply, if necessary, to  
30 the federal government for an amendment to the state Medicaid plan  
31 to cover telemedicine services.

32 (f) The transmission, storage and dissemination of data and records  
33 related to telemedicine services shall be in accordance with federal and  
34 state law and regulations concerning the privacy, security,  
35 confidentiality and safeguarding of individually identifiable  
36 information.

37 (g) Not later than January 1, 2014, the commissioner shall submit a  
38 report, in accordance with section 11-4a of the general statutes, on the  
39 demonstration project to the joint standing committees of the General  
40 Assembly having cognizance of matters relating to appropriations and  
41 human services. The report shall concern the services offered and the  
42 cost-effectiveness of the program.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2013</i>	New section
-----------	------------------------	-------------

**HS**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

---

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Social Services, Dept.	GF - Cost	Indeterminate	Indeterminate

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill permits the Department of Social Services (DSS) to establish a demonstration project to offer telemedicine services as a Medicaid-covered service at federally-qualified health centers. The bill may result in a cost to the DSS if a demonstration project is implemented. The cost of the project is indeterminate and would be dependent on yet to be established rates and program utilization. This service is not and has not been a Medicaid-covered service; therefore data on cost is not currently available.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis**

**sHB 5483**

**AN ACT CONCERNING COVERAGE OF TELEMEDICINE SERVICES UNDER MEDICAID.**

**SUMMARY:**

To the extent permitted by federal law, and where deemed medically appropriate, this bill permits Medicaid-covered health care services to be provided by telemedicine in place of in-person contact between a patient and health care provider. Under the bill, “telemedicine” means the use of interactive audio, video, or data communication in the delivery of medical advice, diagnosis, care, or treatment.

It includes the provision, through electronic communications or interstate commerce, of diagnostic or treatment services, including primary diagnosis of pathology specimens, slides or images, to any person located in this state as well as similar “telehealth” services approved by federal Medicare regulations.

Facsimile and audio-only telephone transmissions are excluded from the definition of telemedicine.

EFFECTIVE DATE: January 1, 2013

**MEDICALLY APPROPRIATE**

Under the bill, “medically appropriate” means care that is (1) provided in a timely manner and meets professionally recognized standards of acceptable medical care, (2) delivered in the appropriate medical setting, and (3) the least costly of multiple, equally-effective alternative treatments or diagnostic modalities.

**FEDERAL APPROVAL**

If necessary, the bill requires the DSS commissioner to apply to the federal Centers for Medicare and Medicaid Services (CMS) for a state plan amendment for Medicaid coverage and reimbursement for telemedicine services. By law, he must submit notice of the proposed amendment to the Human Services and Appropriations committees before submitting the application to CMS.

**RATE-SETTING**

The bill also requires the Department of Social Services (DSS) commissioner, in consultation with the Department of Public Health commissioner, to adopt Medicaid reimbursement rate regulations in conformity with the requirements of the Uniform Administrative Procedure Act. The commissioners must consider, to the extent applicable, reductions in travel costs by health care providers and patients to deliver or access health care services. The DSS commissioner may consider other factors he deems relevant.

**PRIVACY PROTECTIONS**

The bill subjects telemedicine transmission, storage, and dissemination of data and records to federal and state law and regulations governing the privacy, security, confidentiality, and safeguarding of individually identifiable information.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/22/2012)