



Senate

General Assembly

File No. 32

January Session, 2013

Senate Bill No. 858

Senate, March 11, 2013

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR
TELEMEDICINE SERVICES.***

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

1 Section 1. (NEW) (*Effective January 1, 2014*) (a) 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.
6 "Telemedicine" does not include the use of facsimile or audio-only
7 telephone.

8 (b) Each individual health insurance policy providing coverage of
9 the type specified in subdivisions (1), (2), (4), (11) and (12) of section
10 38a-469 of the general statutes delivered, issued for delivery, renewed,
11 amended or continued in this state shall provide coverage for medical
12 advice, diagnosis, care or treatment provided through telemedicine to
13 the same extent coverage is provided for such advice, diagnosis, care
14 or treatment when provided through in-person consultation between

15 the insured and a health care provider. Such coverage shall be subject
16 to the same terms and conditions applicable to all other benefits under
17 such policy.

18 Sec. 2. (NEW) (*Effective January 1, 2014*) (a) As used in this section,
19 "telemedicine" means the use of interactive audio, interactive video or
20 interactive data communication in the delivery of medical advice,
21 diagnosis, care or treatment, and includes the types of services
22 described in subsection (d) of section 20-9 of the general statutes.
23 "Telemedicine" does not include the use of facsimile or audio-only
24 telephone.

25 (b) Each group health insurance policy providing coverage of the
26 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
27 469 of the general statutes delivered, issued for delivery, renewed,
28 amended or continued in this state shall provide coverage for medical
29 advice, diagnosis, care or treatment provided through telemedicine to
30 the same extent coverage is provided for such advice, diagnosis, care
31 or treatment when provided through in-person consultation between
32 the insured and a health care provider. Such coverage shall be subject
33 to the same terms and conditions applicable to all other benefits under
34 such policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2014</i>	New section
Sec. 2	<i>January 1, 2014</i>	New section

INS *Joint Favorable*

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: See Below

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

The bill requires certain health insurance policies to cover telemedicine services to the same extent they cover in-person visits. The state employees and retirees health plan does not currently have a telemedicine reimbursement policy. Therefore, there is a potential cost to cover telemedicine services to the state employees and retirees health plan.

The state employees and retirees health plan is currently self-insured. Pursuant to federal law, self-insured health plans are exempt from state health mandates. However, the state has traditionally adopted all health mandates.

The bill may increase costs to certain fully insured, municipal plans that do not currently provide coverage for telemedicine. The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2014. Many municipal health plans are recognized as "grandfathered" health plans under the Patient Protection and

Affordable Care Act (PPACA)¹. It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under PPACA². Pursuant to federal law, self-insured health plans are exempt from state health mandates.

In addition, the federal health care reform act requires that, effective January 1, 2014, all states must establish a health benefit exchange, which will offer qualified health plans that must include a federally defined essential health benefits package (EHB)³. The federal government is allowing states to choose a benchmark plan to serve as the EHB until 2016 when the federal government is anticipated to revisit the EHB.

While states are allowed to mandate benefits in excess of the EHB, the federal law requires the state to pay the cost of any such additional mandated benefits for all plans sold in the exchange⁴. The extent of these costs will ultimately depend on the mandates included in the federal essential benefit package, which have not yet been determined. If the benchmark plan does not include certain state mandated health benefits, the state would be responsible for the cost of those additional

¹ Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010. Pursuant to the PPACA, all health plans, including those with grandfathered status are required to provide the following as of September 23, 2010: 1) No lifetime limits on coverage, 2) No rescissions of coverage when individual gets sick or has previously made an unintentional error on an application, and 3) Extension of parents' coverage to young adults until age 26. (www.healthcare.gov)

² According to the PPACA, compared to the plans' policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

³ EHB requires coverage in 10 categories. In addition, Section 2711 of the Public Service Act prohibits annual dollar limits or lifetime maximums on EHBs.

⁴ As of December 2011, Connecticut had 32 mandated health benefits in law. Maryland has the most, with 35 and Indiana has the least with 6. (Source: The Blue Cross/Blue Shield Association. *State Legislative Healthcare and Insurance Issues 2011*. Prepared by: Susan S. Laudicina, Joan M. Gardner, Kim Holland. As reported by NCSL, <http://www.ncsl.org/issues-research/health/state-ins-mandates-and-aca-essential-benefits.aspx>. Accessed 3/2/12.)

mandated benefits. Lastly, state mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB for 2014-2015 unless they are already part of the benchmark plan⁵.

The Out Years

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

Sources: Office of the State Comptroller

⁵ Source: Dept. of Health and Human Services. *Frequently Asked Questions on Essential Health Benefits Bulletin* (February 21, 2012).

OLR Bill Analysis**SB 858*****AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR
TELEMEDICINE SERVICES.*****SUMMARY:**

This bill requires certain health insurance policies to cover medical services provided through telemedicine to the same extent that coverage is provided for the services through in-person visits between an insured person and a health care provider. The coverage is subject to the same terms and conditions that apply to other benefits under the policy (e.g., copay requirements).

EFFECTIVE DATE: January 1, 2014

COVERGE OF TELEMEDICINE SERVICES***Definition***

The bill defines “telemedicine” as the use of interactive audio, video, or data communication when delivering medical advice, diagnosis, care, or treatment. This includes diagnostic or treatment services, such as primary diagnosis of pathology specimens, slides, or images. “Telemedicine” does not include the use of fax or audio-only telephone.

Applicability

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including coverage under an HMO plan.

Due to the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured

benefit plans.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 12 Nay 7 (02/26/2013)