



House of Representatives

General Assembly

File No. 303

February Session, 2014

Substitute House Bill No. 5445

House of Representatives, April 2, 2014

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MEDICAID COVERAGE OF TELEMONITORING SERVICES.

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

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) For purposes of this
2 section:

3 (1) "Department" means the Department of Social Services.

4 (2) "Evidence-based best practices" means the integration of the best
5 available research with clinical expertise in the context of patient
6 characteristics and preferences.

7 (3) "Home health care agency" has the same meaning as provided in
8 section 19a-490 of the general statutes.

9 (4) "Home telemonitoring service" means a health service included
10 in an integrated plan of care written by a treating physician that
11 requires (A) scheduled remote monitoring of data related to a patient's

12 health, (B) interpretation of transmitted data by a home health care
13 agency licensed pursuant to chapter 368v of the general statutes, (C)
14 dissemination of such data by such home health care agency to a
15 treating physician, and (D) follow-up by a health care professional in
16 the home or referrals for care as determined medically necessary by a
17 treating physician. Scheduled remote monitoring of data may include,
18 but not be limited to, monitoring of the patient's blood pressure, heart
19 rate, weight and oxygen level.

20 (b) To the extent permissible under federal law, the department
21 shall provide Medicaid coverage for services performed by a home
22 health care agency using a home telemonitoring service for a Medicaid
23 beneficiary with (1) serious or chronic medical conditions that may
24 result in frequent or recurrent hospitalizations and emergency room
25 admissions, (2) a documented history of poor adherence to ordered
26 medication regimes, (3) a documented history of falls in the six-month
27 period prior to evaluation of the need for telemonitoring, (4) limited or
28 absent informal support systems, (5) a documented history of
29 challenges with access to care, or (6) a history of living alone or being
30 home alone for extended periods of time. The department shall
31 establish coverage criteria for home telemonitoring based on evidence-
32 based best practices.

33 (c) The department shall ensure that clinical information gathered
34 by a home health care agency while providing home telemonitoring
35 services is shared with the patient's treating physician and may impose
36 other reasonable requirements on the use of home telemonitoring
37 services. The Commissioner of Social Services shall adopt regulations,
38 in accordance with chapter 54 of the general statutes, to implement the
39 provisions of this section.

40 (d) Pursuant to section 17b-8 of the general statutes, the
41 Commissioner of Social Services may seek a waiver from federal
42 Medicaid requirements or an amendment to the Medicaid state plan if
43 necessary to implement the provisions of this section.

44 (e) The transmission, storage and dissemination of data and records

45 related to telemonitoring services shall be in accordance with federal
46 and state laws and regulations concerning the privacy, security,
47 confidentiality and safeguarding of individually identifiable
48 information.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</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 15 \$	FY 16 \$
Social Services, Dept.	GF - Uncertain	See Below	See Below

Municipal Impact: None

Explanation

There may be a fiscal impact to the Department of Social Services (DSS) to provide Medicaid coverage for telemedicine, which is uncertain. The state's Medicaid program does not currently provide telemedicine services or have a telemedicine reimbursement policy. The impact will depend on 1) the extent to which telemedicine will be utilized by home health agencies for Medicaid clients, 2) the impact of telemedicine on total overall utilization of services covered by Medicaid, and 3) patient outcomes.¹

Various case studies have suggested net health care savings from telemonitoring, primarily resulting from reduced hospital readmission, particularly for individuals with chronic diseases. It is important to note, it is uncertain from the following case studies what the upfront technology and personnel costs were and the time lag before a return on investment was realized through a reduction in overall health care costs.

Case 1: The Partners HealthCare program out of the Center for Connected Health did a study on their telehealth/telemonitoring

¹ The State Innovation Model (SIM), which includes the Medicaid, is reviewing telemedicine.

program for individuals with cardiac disease and reported net savings over a seven year period of approximately \$10 million for 1,265 patients (net savings per patient of \$8,155).² The Partners' program savings included participants predominately enrolled in public programs (e.g. Medicare, Medicaid and the state's safety net program).

Case 2: The Veterans Health Administration (VHA) started its telehealth program as a multisite pilot program and as of 2010 had over 300,000 lives in its Care Coordination/Home Telehealth Program.³ The VHA reported cumulative net benefits of \$3 billion since the program's inception in 1990. Savings are attributable to a reduction in redundant services and improved quality and health outcomes. The VHA program provides biometric information to remote monitoring care coordinators for individuals with various conditions, including heart failure, diabetes and Post Traumatic Stress Disorder (PTSD). The VHA reports annual costs per patient of \$1,600.

The Out Years

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

²Source: Broderick, A., (2013). *Partners HealthCare: Connecting Heart Failure Patients to Providers Through Remote Monitoring*. Case Studies in Telehealth and Adoption; The Commonwealth Fund.

³ Source: Broderick, A., (2013). *The Veterans Health Administration: Taking Home Telehealth to Scale Nationally*. Case Studies in Telehealth and Adoption; The Commonwealth Fund.

OLR Bill Analysis

sHB 5445

**AN ACT CONCERNING MEDICAID COVERAGE OF
TELEMONITORING SERVICES.**

SUMMARY:

This bill requires the Department of Social Service (DSS), to the extent permitted under federal law, to provide Medicaid coverage for a Medicaid beneficiary with specified conditions for certain home telemonitoring services performed by a home health care agency.

The bill requires DSS to establish coverage criteria for home telemonitoring based on “evidence-based best practices,” which it defines as the integration of the best available research with clinical expertise in the context of the patient’s characteristics and preferences.

DSS must ensure that clinical information a home health care agency gathers while providing home telemonitoring services is shared with the patient's treating physician. The transmission, storage, and dissemination of data and records related to telemonitoring services must comply with federal and state laws and regulations on the privacy, security, confidentiality, and safeguarding of individually identifiable information. The bill allows DSS to impose other reasonable requirements on the use of home telemonitoring services.

The bill (1) requires DSS to adopt implementing regulations and (2) allows DSS to seek a waiver from federal Medicaid requirements or an amendment to the Medicaid state plan if needed to implement its provisions.

EFFECTIVE DATE: July 1, 2014

ELIGIBLE BENEFICIARIES

Under the bill, a Medicaid beneficiary is eligible for the telemonitoring services if she or he has:

1. serious or chronic medical conditions that may result in frequent or recurrent hospitalizations and emergency room admissions,
2. a documented history of poor adherence to ordered medication regimes,
3. a documented history of falls in the six-month period prior to evaluation of the need for telemonitoring,
4. limited or no informal support systems,
5. a documented history of challenges with access to care, or
6. a history of living alone or being home alone for extended periods of time.

ELIGIBLE SERVICES

Under the bill, eligible “home telemonitoring services” are health services included in an integrated plan of care written by a treating physician that requires:

1. scheduled remote data monitoring related to a patient's health,
2. a licensed home health care agency to interpret this data,
3. the agency to disseminate the data to a treating physician, and
4. follow-up by a health care professional in the home or referrals for care as determined medically necessary by a treating physician.

Scheduled remote data monitoring may include monitoring a patient's blood pressure, heart rate, weight, and oxygen level.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/20/2014)