



Senate

General Assembly

File No. 319

February Session, 2016

Senate Bill No. 298

Senate, March 30, 2016

The Committee on Human Services reported through SEN. MOORE, M. of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING TELEHEALTH SERVICES FOR MEDICAID RECIPIENTS.

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

1 Section 1. (NEW) (*Effective July 1, 2016*) (a) For purposes of this
2 section: (1) "Commissioner" means the Commissioner of Social
3 Services; (2) "department" means the Department of Social Services;
4 and (3) "telehealth" has the same meaning as provided in section 19a-
5 906 of the general statutes.

6 (b) The department shall provide coverage for telehealth services
7 provided to Medicaid recipients. The commissioner shall seek any
8 federal waiver or amend the Medicaid state plan as necessary to secure
9 federal reimbursement for the costs of providing such coverage under
10 the Medicaid program.

11 (c) Not later than January 1, 2018, the commissioner shall report, in
12 accordance with the provisions of section 11-4a of the general statutes,
13 to the joint standing committees of the General Assembly having

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 17 \$	FY 18 \$
Social Services, Dept.	GF - Uncertain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

There will be a fiscal impact to the Department of Social Services (DSS) to provide Medicaid coverage for telehealth services. The state’s Medicaid program does not currently provide telehealth services or have a telehealth reimbursement policy. The impact will depend on (1) the extent to which telehealth will be utilized by clients, (2) the impact of telemedicine on total overall utilization of services covered by Medicaid, and (3) patient outcomes.¹ The bill also requires the commissioner to report to the General Assembly on telehealth, which does not result in a fiscal impact.

Various case studies have suggested net health care savings from telehealth/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 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

There may be savings to the state in the future depending on the health outcomes of participants and any changes in the utilization of services.

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**SB 298*****AN ACT CONCERNING TELEHEALTH SERVICES FOR MEDICAID RECIPIENTS.*****SUMMARY:**

This bill requires the Department of Social Services to provide Medicaid coverage for telehealth services and requires the commissioner to seek a federal waiver or amend the state Medicaid plan to obtain federal reimbursement for the cost of covering these services. It also requires the commissioner to report by January 1, 2018 to the Human Services and Public Health committees on providing telehealth services to Medicaid recipients.

Under the bill, "telehealth" means delivering health care services through information and communication technologies to facilitate the diagnosis, consultation, treatment, education, care management, and self-management of a patient's physical and mental health. It includes:

1. interaction between a patient at an originating site and the telehealth provider at a distant site and
2. synchronous (real-time) interactions, asynchronous store and forward transfers (transmitting medical information from the patient to the telehealth provider for review at a later time), or remote patient monitoring.

Telehealth does not include using fax, audio-only telephone, texting, or e-mail.

EFFECTIVE DATE: July 1, 2016

COMMITTEE ACTION

Public Health Committee

Joint Favorable Change of Reference

Yea 26 Nay 0 (03/07/2016)

Human Services Committee

Joint Favorable

Yea 18 Nay 0 (03/15/2016)