



Senate

General Assembly

File No. 45

February Session, 2016

Senate Bill No. 115

Senate, March 15, 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 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, 2016*) (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, including, but not limited to, monitoring of the patient's blood

13 pressure, heart rate, weight and oxygen level, (B) interpretation of
14 transmitted data by a home health care agency licensed pursuant to
15 chapter 368v of the general statutes, (C) dissemination of such data by
16 such home health care agency to a treating physician, and (D) follow-
17 up by a health care professional in the home or referrals for care as
18 determined medically necessary by a treating physician.

19 (b) To the extent permissible under federal law, the department may
20 provide coverage through the Money Follows the Person
21 demonstration project for services performed by a home health care
22 agency using a home telemonitoring service for a Medicaid beneficiary
23 with (1) serious or chronic medical conditions that may result in
24 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 home telemonitoring
28 services, (4) limited or absent informal support systems, (5) a
29 documented history of challenges with access to care, or (6) a history of
30 living alone or being home alone for extended periods of time. The
31 department shall establish coverage criteria for home telemonitoring
32 services based on evidence-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.

38 (d) The transmission, storage and dissemination of data and records
39 related to home telemonitoring services shall be in accordance with
40 federal and state laws and regulations concerning the privacy, security,
41 confidentiality and safeguarding of individually identifiable
42 information.

43 (e) The department shall study the impact of telemonitoring services
44 authorized pursuant to this section on factors including, but not
45 limited to, health care outcomes, cost, beneficiary level of

46 independence and beneficiary quality of life. Not later than January 1,
47 2018, the department shall submit a report on the findings of such
48 study, in accordance with the provisions of section 11-4a of the general
49 statutes, to the joint standing committee of the General Assembly
50 having cognizance of matters relating to human services.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2016</i>	New section
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HS *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:

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 may be a fiscal impact to the Department of Social Services (DSS) if DSS chooses to provide coverage for telemonitoring through the Money Follows the Person Demonstration project (MFP), which is a Medicaid program; the impact is uncertain. The state's MFP does not currently provide telemonitoring services or have a telemonitoring reimbursement policy. The impact will depend on (1) the extent to which telemonitoring will be utilized by Medicaid MFP clients, (2) the impact of telemedicine on total overall utilization of services covered by MFP clients, and (3) patient outcomes.¹ Secondly, the bill requires DSS to study the impact of telemonitoring services and report to the General Assembly by January 1, 2018. The study is not anticipated to result in a cost to DSS.

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.

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

Case 1: The Partners HealthCare program out of the Center for Connected Health did a study on their telehealth/telemonitoring 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**SB 115****AN ACT CONCERNING MEDICAID COVERAGE OF
TELEMONITORING SERVICES.****SUMMARY:**

This bill allows the Department of Social Services (DSS), to the extent federal law allows, to provide Medicaid coverage through the Money Follows the Person (MFP) demonstration program for home telemonitoring services performed by a home health care agency (see BACKGROUND) for a Medicaid beneficiary in certain circumstances or with certain health conditions.

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

The bill also requires DSS to study the impact of providing home telemonitoring service on such factors as health care outcomes, cost, beneficiary level of independence, and beneficiary quality of life. DSS must report the study's findings to the Human Services Committee by January 1, 2018.

EFFECTIVE DATE: July 1, 2016

HOME TELEMONITORING SERVICE***Plan of Care***

To qualify for Medicaid coverage under the bill, the home telemonitoring services must be included in an integrated plan of care written by a treating physician. The plan must require:

1. scheduled remote data monitoring related to a patient's health, including monitoring the patient's blood pressure, heart rate, weight, and oxygen level;
2. a licensed home health care agency to interpret the transmitted data and send it to a treating physician; and
3. in-home follow-up by a health care professional or referrals for care as determined medically necessary by a treating physician.

Eligible Medicaid Beneficiaries

The bill allows coverage of home telemonitoring services for Medicaid beneficiaries with:

1. serious or chronic medical conditions that may result in frequent or recurrent hospital and emergency room admissions;
2. a documented history of (a) poor adherence to ordered medication regimes, (b) falls in the six-month period before the evaluation for home telemonitoring services, or (c) challenges with access to care;
3. limited or absent informal support systems; and
4. a history of living alone or being home alone for extended periods of time.

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

BACKGROUND

Money Follows the Person

The Money Follows the Person demonstration project is a federal grant program to support state efforts to move people from institutional settings into less restrictive, community-based settings by offering states (1) enhanced Medicaid reimbursement for demonstration program services for the first 12 months the participant lives in the community and (2) flexibility to provide supplemental support services that Medicaid does not normally cover, such as housing coordinators. Generally, to qualify for the program, an individual must have lived in a nursing home or other institution for at least 90 days and continue to require institutional care if not for the community-based services the project provides.

Home Health Care Agencies

By law, home health care agencies are public or private organizations that provide professional nursing services and other services available 24 hours per day in the patient's home or similar environment. The law requires such agencies to provide professional nursing services and at least one additional service (e.g., physical therapy, homemaker-home health aide services, speech therapy, occupational therapy, or medical social services) directly and all others directly or through contracts. By law, agencies must be available to enroll new patients seven days per week, 24 hours per day (CGS § 19a-490).

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 17 Nay 0 (03/03/2016)