

# OFFICE OF FISCAL ANALYSIS

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## EMERGENCY CERTIFICATION

HB-6001

AN ACT CONCERNING TELEHEALTH.

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### ***OFA Fiscal Note***

#### ***State Impact:***

| Agency Affected        | Fund-Effect                          | FY 21 \$  | FY 22 \$ |
|------------------------|--------------------------------------|-----------|----------|
| Social Services, Dept. | GF - Potential Cost                  | See Below | None     |
| UConn Health Ctr.      | Other Funds - Potential Revenue Gain | See Below | None     |

Note: GF=General Fund

#### ***Municipal Impact:***

| Municipalities         | Effect                                      | FY 21 \$  | FY 22 \$  |
|------------------------|---|-----------|-----------|
| Various Municipalities | STATE MANDATE <sup>1</sup> - Potential Cost | See Below | See Below |

### ***Explanation***

The bill establishes requirements for telehealth services, effective from passage and ending on March 15, 2021, which could result in increased costs to certain municipalities and the state as described below. The bill may also result in additional patient care revenue to UConn Health Center.

The bill makes changes that effectively expand the availability of

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

telehealth services. **Section 1** expands telehealth provisions under statute. **Sections 3** and **4** of the bill require health insurance policies to maintain coverage for services provided via telehealth to the same extent services are covered when provided in-person, while **Section 5** prohibits a reduction in reimbursement for services because they are provided via telehealth and not in person. These sections could result in a cost to fully-insured municipalities to the extent the plans' coverage differs from the bill. The impact would be reflected in premium costs when policies are renewed in FY 21.

Pursuant to federal law self-insured plans are exempt from state health mandates.

The bill may also result in additional patient care revenues to UConn Health Center. This potential revenue gain may occur to the extent that: (a) patients who would otherwise forego in-person care instead choose to use telehealth services, and (b) the bill provides more favorable telehealth reimbursement terms for providers than exist in current contracts between UConn Health and health carriers. UConn Health has experienced a substantial increase in telehealth usage and revenues beginning in March 2020, with revenues for the 2020 calendar year to date (exceeding \$1 million) equal to approximately 900 times the total telehealth revenues for the year 2019.

**Section 6** could result in a cost associated with HUSKY coverage for audio-only telehealth services if the Department of Social Services commissioner and federal law allow for such reimbursement. The actual cost would depend on the utilization of audio-only telehealth services (the extent to which clients access services more than if provided in-person) and the associated rate paid by the state.

The bill makes other changes that have no direct fiscal impact to the state.

### ***The Out Years***

The bill's provisions are effective from passage until March 15, 2021.

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*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*