

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

HB-6001

AN ACT CONCERNING TELEHEALTH.

As Amended by House "A" (LCO 3763)

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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 telehealth services. **Section 1** expands telehealth provisions under

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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.

Primary Analyst: ES

Contributing Analyst(s): RDP, ME, AN, JS

Reviewer: RDP

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statute. **Sections 3 and 4** require health insurance policies to maintain coverage for services provided via telehealth to the same extent services are covered when provided in-person. **Section 5** prohibits reduced reimbursement levels for services provided via telehealth, and not in person. These sections could result in a cost to fully-insured municipalities to the extent their plans' coverage differs from the coverage required by 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 associated revenues beginning in March 2020, with revenues for the 2020 calendar year-to-date exceeding \$1 million, which is equal to approximately 900 times the total telehealth revenues for calendar 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 (i.e., the extent to which clients access services more than if they were 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 or municipalities.

House "A" allows the Commissioner of Public Health to temporarily change regulatory requirements necessary to reduce the spread of

COVID-19 and protect the public health, which is not anticipated to result in a fiscal impact to the state.

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

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

*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.*