

OFFICE OF FISCAL ANALYSIS

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SB-1022

AN ACT CONCERNING TELEHEALTH.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
UConn Health Ctr.	Other Fund - Revenue Gain	See Below	See Below

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	STATE MANDATE ¹ - Potential	See Below	See Below

Explanation

The bill codifies temporarily established provisions related to the availability of telehealth services, including the requirement that health insurance policies maintain coverage for services provided via telehealth to the same extent services are covered when provided in-person. The bill also prohibits reduced reimbursement levels for services provided via telehealth, and not in person.

The bill results in additional patient care revenues to UConn Health Center. This revenue gain occurs to the extent that: (1) patients who would otherwise forego in-person care instead choose to use telehealth

¹ 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.

services, (2) the bill provides more favorable telehealth reimbursement terms for providers than exist in current contracts between UConn Health and health carriers, and (3) patients seek out more health care due to the relative ease of telehealth, for some. UConn Health has experienced a substantial increase in telehealth usage and revenues beginning in March 2020, with revenues for FY 21 to date (\$1.8 million) equal to 1,212 times the total telehealth revenues for the calendar year 2019 (\$1,500).

The bill could also preclude future savings to fully-insured municipalities to the extent their plans' coverage would otherwise differ from the coverage required by the bill. The impact would be reflected in premium costs when policies are renewed in FY 22.

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

The Out Years

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