HB 2508 -3, -6 STAFF MEASURE SUMMARY

House Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst
Meeting Dates: 2/4, 3/23

WHAT THE MEASURE DOES:

Requires Oregon Health Authority (OHA) to reimburse Medicaid-covered health services delivered via telemedicine by January 1, 2022. Requires OHA to include telemedicine costs in wraparound payments made to clinics or providers and adopt rules directing coordinated care organizations (CCOs) to reimburse for telemedicine services. Defines "health services" as physical, oral, and behavioral health treatment or service. Requires regulated health insurers to reimburse the costs of medically necessary services provided via telemedicine if the plan reimburses the cost of the service if provided in person. Requires health insurers to reimburse telemedicine provided during a state of emergency regardless if technology meets federal and state laws governing protected health information. Prohibits specified restrictions on health insurer coverage of telemedicine services. Requires regulated health insurers to ensure meaningful access to telemedicine services including auxiliary aids and services, and provide services that are culturally and linguistically appropriate. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Requires health insurers to reimburse physical or oral health services provided via telemedicine at a minimum of 85 percent of rate for in person service and minimum of 100 percent for behavioral health treatment or services. Makes telemedicine reimbursement requirement for regulated health insurers operative on December 31, 2023. Requires Department of Consumer and Business Services (DCBS) to report on the impact of reimbursement of telemedicine on the cost of premiums no later than March 1, 2023.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

-6 Modifies the entire measure. Defines terms including telemedicine and health care service. Requires OHA to reimburse health services delivered via telemedicine if specified criteria are met including reimbursing a provider at the same rate for a health service delivered in person or through telemedicine. Directs OHA to adopt rules to ensure CCOs reimburse for telehealth services. Requires regulated commercial plans and dental-only plans to cover telemedicine if criteria are met including during a state of emergency. Establishes additional requirements and prohibitions for health plans and dental-only plans related to reimbursement for telemedicine. Requires applicable health plans to reimburse providers at the same rate for a health service delivered in person or via telemedicine. Specifies reimbursement requirements in Medicaid or regulated commercial plans do not prohibit use of value-based payment methods, global budgets, or capitation arrangements. Specifies OHA, CCOs, and health plans are not required to pay for a health care services if it is not included in national cording or terminology standards. Requires Department of Consumer and Business Services to report on the cost of health insurance premiums no later than March 1, 2023. Declares emergency, effective on passage.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

BACKGROUND:

Telemedicine refers broadly to the use of technology to support long-distance health care as well as nonclinical services such as provider training and continuing medical education. The types of health care professionals licensed or authorized to provide telemedicine services vary within each state, as does the ability to practice telemedicine across states. Coverage of and reimbursement for types of telemedicine services differs among Medicare, Medicaid, and private health plans.

According to the Centers for Medicare and Medicaid Services (CMS), "states have the option/flexibility to determine whether (or not) to cover telemedicine; what types of telemedicine to cover; where in the state it can be covered; how it is provided/covered; what types of telemedicine practitioners/providers may be covered/reimbursed, as long as such practitioners/providers are 'recognized' and qualified according to Medicaid statute/regulation." If a state decides to reimburse for Medicaid-covered telemedicine services differently than for face-to-face services by a provider, the state must submit a State Plan to CMS. The vast majority of states, including Oregon, offer Medicaid reimbursement for telemedicine in fee-for-service (FFS) and managed care through coordinated care organizations (CCOs). CCOs have discretion to develop reimbursement criteria separate from OHA's FFS policy (Office of Rural Health 2018).

In response to COVID-19, federal and state agencies in 2020 issued guidance to quickly ease regulatory constraints to coverage, reimbursement, and types of technologies appropriate to expand access to physical and behavioral health services during the pandemic, particularly telemedicine. The Oregon Health Authority, in partnership with the Department of Consumer and Business Services (DCBS), implemented temporary changes to telemedicine rules in Medicaid and state-regulated health benefit plans to meet the increased demand for these services in Oregon. In March 2020, the two agencies released joint guidance on telemedicine for insurers and coordinated care organizations to promote and facilitate the use of telemedicine. In December 2020, DCBS announced a voluntary agreement with health insurers to continue expanded coverage and reimbursement parity through June 30, 2021. As demonstrated during the COVID-19 pandemic, telemedicine has served as a mechanism to expand access to physical and behavioral health services to Oregonians.

House Bill 2508 seeks to continue expanded coverage of and reimbursement for telemedicine services in Oregon.