HB 2508 – Statement of Concerns

April 22, 2021

AHIP and our members are committed to ensuring that telehealth is used to improve affordable access and care for all patients, regardless of where they live and work. Health insurers are strongly advocating for policies to strengthen telemedicine—both during COVID-19 and beyond. **However, we believe that this bill is unclear, not feasible to administer, and will drive up the cost of telehealth for patients.**

Mandatory reimbursement parity hinders health plans' ability to use telehealth to lower costs for patients.

- Mandating that health plans and dental plans pay the same reimbursement regardless of whether the service is provided in person or using telemedicine will eliminate the cost savings that could be realized through the use of telehealth services.
- Our members have agreed to temporary parity reimbursement for telemedicine during the COVID-19 public health emergency, but do not believe that it is prudent to mandate this parity indefinitely.
- Estimates show that telehealth can save more than $6 billion annually, which will help meaningfully lower overall costs in the health care system and provide increased access to health care. The reimbursement mandate in HB 2508 will hinder health plans' flexibility to design plans that lower costs and increase access.
- Mandated parity hinders the move toward paying for value over volume. Value-based payments incent the delivery of efficient, evidence-based care to improve health outcomes, but this bill moves backwards by codifying the traditional fee-for-service approach. This is also inconsistent with the state's stated goal of reducing the total cost of care.
- In California, a reimbursement parity mandate was estimated to increase premiums by almost $50 million, increase consumers' out-of-pocket costs by $49 million, and increase employer spending by $137 million.
- If telehealth services are valuable enough to be reimbursed the same as in-person services, then health plans should be allowed to treat telehealth providers the same for network adequacy purposes.

Section 3(5) removes accountability for medical effectiveness and patient-safety, the same standards should apply to telemedicine and in-person visits

- We are opposed to the provision that prohibits health and dental plans from restricting the services that may be provided using telemedicine to less than a provider's permissible scope of practice. It is not clinically appropriate to provide all services within a provider's scope of practice through telehealth, but this bill prohibits health plans from imposing patient safety limitations.
- For example, a physician may be able to discuss and give advice on a patient's symptoms, but they cannot definitively diagnose a case of strep throat without a throat swab (and should not be prescribing antibiotics without those lab results). Health plans should be allowed to limit coverage via telehealth to only those services that are clinically appropriate to be provided that way.
- For the same reason, we are opposed to the provision that prohibits plans from denying an enrollee the choice to receive a service in person or via telehealth. Patients should not be receiving services in an inappropriate modality and plans should be able to limit telehealth when it is not clinically appropriate.

Section 3(6) establishes unclear requirements for health plans that may be impossible to implement.

- Through our discussions with legislators sponsoring this bill, we have not received a clear explanation of the purpose of these provisions nor the intended responsibilities for health and dental plans.
- For example, we do not know what "auxiliary aids and services" in Section 3(6)(b) means and how health and dental plans are expected to ensure that telehealth services accommodate the needs of enrollees who have difficulty communicating.
- It is unclear what it means for telehealth services to be "culturally and linguistically appropriate and trauma-informed" and how plans can ensure that services meet those standards.

It is inappropriate to apply this bill to dental-only plans

- Although advances have been made in technology to facilitate some services conducted by teledentistry, the broad application of this bill to dental plans is premature and costly. For example, it is dentally inappropriate to extend "audio-only" coverage to dental procedures.
- Stand-alone dental plans' premiums are a fraction of health benefit plans yet are expected to comply with all the provisions of this bill. We recommend that this bill not apply to stand-alone dental plans.