

*Colorado Legislative Council Staff Fiscal Note*

**STATE and LOCAL  
FISCAL IMPACT**

---

<b>Drafting Number:</b> LLS 15-0145	<b>Date:</b> January 20, 2015
<b>Prime Sponsor(s):</b> Rep. Buck; Ginal Sen. Kefalas; Martinez Humenik	<b>Bill Status:</b> House Health, Insurance, and Environment
	<b>Fiscal Analyst:</b> Lauren Schreier (303-866-3523)

---

**BILL TOPIC:** HEALTH CARE DELIVERY VIA TELEMEDICINE STATEWIDE

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	Potential increase or decrease. See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

Current law requires that all health benefit plans issued, amended, or renewed in Colorado to individuals residing in a county with less than 150,000 residents, cannot require face-to-face contact between a provider and a covered person for services that could be delivered via telemedicine. Telemedicine health benefits must provide the same standard of care as in-person care.

Effective January 1, 2016, the bill requires all health benefit plans in Colorado to provide beneficiaries with telemedicine options when telemedicine is considered an equal standard of care. The bill does not require telemedicine when a health care provider determines that telemedicine is not the most appropriate standard of care. Health insurance carriers must reimburse providers for telemedicine services on the same basis of in-person care for the diagnosis, treatment, or consultation of care. Payments from carriers must include reasonable compensation for the transmission cost of telemedicine care. Deductibles, copayments, or coinsurance requirements for healthcare services delivered through telemedicine must not exceed any of the costs associated with in-person diagnosis, consultation, or treatment. The bill provides related definitions and exclusions.

**Background**

Since 2002, all health benefit plans issued, amended, or renewed for a person residing in a county with 150,000 or fewer residents must provide telemedicine options if the county has the necessary technology to provide telemedicine. Telemedicine includes the delivery of health care services using advanced technology such as interactive audio, interactive video, or interactive data communication.

**State Expenditures**

The bill may increase or decrease expenditures for the Department of Personnel (DPA). Because state employee health insurance contributions are based upon prevailing market rates, with costs shared between the employer and employee, this bill is not expected to affect state employee premiums until after January 1, 2016. Health insurance rates are influenced by a number of variables, particularly costs to insurance carriers. Carriers are likely to experience increased costs for telemedicine under the bill, offset by lower costs for in-person primary care and emergency services. The exact effect of this bill cannot be determined. Any increase or decrease caused by the bill will be addressed through the total compensation analysis included in the annual budget process.

**Local Government Impact**

The bill may also increase expenditure for local governments acting as employers. Similar to the state, local governments acting as employers often provide health insurance benefits to employees. The bill may increase health insurance premiums and other costs related to the administration of health care benefits beginning January 1, 2016.

**Effective Date**

The bill takes effect January 1, 2016, unless a referendum petition is filed.

**State and Local Government Contacts**

Personnel  
Municipalities  
Health Care Policy and Financing

Counties  
Regulatory Agencies  
Corrections