

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 20, 2015)

Drafting Number: LLS 15-0145	Date: February 17, 2015
Prime Sponsor(s): Rep. Buck; Ginal Sen. Kefalas; Martinez Humenik	Bill Status: Senate Health & Human Services Fiscal Analyst: Lauren Schreier (303-866-3523)

BILL TOPIC: HEALTH CARE DELIVERY VIA TELEMEDICINE STATEWIDE

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Potential increase or decrease. See State Expenditures section.	
FTE Position Change		
Appropriation Required: 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 telehealth. Telehealth benefits must provide the same standard of care as in-person care.

The **reengrossed bill** requires all health benefit plans in Colorado to provide beneficiaries with telehealth options beginning January 1, 2017. The bill does not require telehealth when a health care provider determines that telehealth is not the most appropriate standard of care. Health insurance carriers must reimburse providers for telehealth 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 telehealth care, except for situations when the originating site is the private residence of the covered person. Deductibles, copayments, or coinsurance requirements for healthcare services delivered through telehealth must not exceed any of the costs associated with in-person diagnosis, consultation, or treatment. The bill provides related definitions and exclusions.

The bill requires that the Division of Insurance within the Department of Regulatory Agencies (DORA) and the Chief Medical Officer of the Department of Public Health and Environment (DPHE) coordinate to evaluate and review the telehealth network adequacy plan of managed care health providers in the state.

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 telehealth options if the county has the necessary technology to provide telehealth. Telehealth 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, 2017. Health insurance rates are influenced by a number of variables, particularly costs to insurance carriers. Carriers are likely to experience increased costs for telehealth 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.

The bill will also increase workload for the Department of Regulatory Agencies (DORA) and the Department of Public Health and Environment (DPHE) by a minimal amount. Under the bill, the Division of Insurance in the DORA must collaborate with the Chief Medical Officer of the DPHE to evaluate and review a carrier's network adequacy plan for telehealth in a timely fashion. The fiscal note assumes that this work can be accomplished within existing appropriations.

Local Government Impact

The bill may also increase expenditure for local governments that provide health insurance to their employees. The bill may increase health insurance premiums and other costs related to the administration of health care benefits beginning January 1, 2017.

Effective Date

The bill takes effect January 1, 2017, unless a referendum petition is filed.

State and Local Government Contacts

Personnel
Municipalities
Health Care Policy and Financing
Public Health and Environment

Counties
Regulatory Agencies
Corrections