

February 16, 2017

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2206 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2206 is respectfully submitted to your committee.

HB 2206 would require health plans in Kansas to cover both telehealth and telemedicine in the same manner as comparable in-person health care services. Providing coverage in the same manner relates to deductibles, coinsurances and copays. The bill would prohibit a plan from excluding coverage of health care services provided under telehealth or telemedicine if the service is covered on an in-person basis. The bill would mandate coverage for home based patient monitoring.

The Kansas Department of Health and Environment (KDHE) states that HB 2206 would increase costs in the State Employee Health Plan. Both the member and the health plan would incur additional costs because the bill requires the same reimbursement for telehealth and telemedicine as is paid to an in-person provider. The bill also mandates coverage for home based patient monitoring, which is not typically covered. KDHE estimates additional costs for telehealth and telemedicine of \$1.6 million in FY 2019. The addition of home based patient monitoring in FY 2019 would cost \$8.6 million.

KDHE states that telemedicine is currently covered in the Medicaid program. Telemedicine has been used in Kansas to improve provider access in remote areas of the state that are currently underserved. Although the reimbursement rate for telemedicine would increase under the provisions of HB 2206, if providers decided to increase utilization of telemedicine services and consultations the net fiscal effect could be cost neutral as the additional reimbursement could be offset by savings in transportation costs. Telehealth and telemonitoring are allowed as Medicaid services; however, there is no payment methodology at this time and the state would receive no federal matching funds for these services. KDHE states

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that there are too many undefined variables to estimate the cost to the state. These variables include geographic limits, provider type limits, beneficiary type limits, procedures that would be eligible, and cost-based rate setting assumptions. Any fiscal effect associated with HB 2206 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dan Thimmesch, Health & Environment
Jackie Aubert, Children & Families
Glenda Haverkamp, Insurance