

SUBJECT: Requiring health insurance coverage for telemedicine services

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Smithee, Van de Putte, Averitt, Bonnen, Burnam, Eiland, G. Lewis, Olivo, Wise
0 nays

WITNESSES: For — Robert Brecht, International Physicals Association; Robert Digneo, Southwestern Bell; Philip Faris; Michael Fordis, Baylor College of Medicine; William Gonzales
Against — None
On — Antonio Cobos, Board of Medical Examiners; William Crump, UTMB—Galveston; Will Davis, Texas Association of Life and Health Insurers; Glen Provost

BACKGROUND : Telemedicine generally refers to any medical service delivered to or from a distant site via telephone, computer, fax, or interactive video system. Common telemedicine services include teleradiology and telepathology, the electronic transmission of digitized radiology images or pathological results from a remote location to a central site for evaluation and diagnosis; and telemedicine consultation, which allows a physician or other practitioner at a central site to participate in evaluations, diagnoses, and case management at a remote location.

DIGEST: CSHB 2033 would require standard health insurance providers, including group and individual health insurance policies and health maintenance organizations (HMOs), to cover telemedicine services as part of a health benefit plan. Deductibles, copayments and coinsurance requirements would have to be the same for telemedicine services as for face-to-face services.
The bill would define telemedicine as the use of interactive audio, video, or other electronic media to deliver health care, including the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education. Telemedicine would not include services provided via

telephone or fax machine.

Health care providers would be required to get the patient's consent, or the consent of the person authorized to make health care decisions for the patient, before telemedicine services were provided. Health care providers would be required to ensure that patient confidentiality was maintained in providing telemedicine services.

The bill would allow the insurance commissioner to adopt rules to govern telemedicine services.

The bill would take effect September 1, 1997 and would apply to health insurance plans delivered, issued or renewed on after January 1, 1998.

**SUPPORTERS
SAY:**

CSHB 2033 would require that standard health insurance policies treat telemedicine just as they do face-to-face medical services, which would help contain health care costs and raise the quality of health care available to all Texans, especially those in rural areas. Telemedicine would improve access to health care. Currently, the law does not require health insurance plans to reimburse for telemedicine consultations, although many policies cover telemedicine services. This bill would assure that all Texans have the same telemedicine benefit options. Texas has one of the most extensive telemedicine infrastructures in the United States, and this bill would give telemedicine services the same standing as face-to-face medical services by assuring physicians can be reimbursed for telemedicine services.

The Texas prison system uses telemedicine extensively, allowing the correctional system to reduce its overall medical costs. If telemedicine has proved to be effective for providing good health care services for the state's prison population, it should be made available to all Texans.

Telemedicine services would help to fill the tremendous need for medical services in underserved areas. According to the Texas Hospital Association, more than 67 Texas hospitals have been forced to close in the last five years. Telemedicine is one way to help fill this gap in medical services.

Although the Health Care Financing Administration has authorized federal funds be used for telemedicine, Texas did not receive any funds despite

having one of the nation's best telemedicine infrastructures because the state does not have a reimbursement mechanism. Medicaid funds can be used to reimburse telemedicine services if allowed by the state, and this bill would allow for such reimbursements.

Telemedicine is no longer in the experimental stage, but has come into its own as a way to provide needed health care. More than 18 states, including California, Illinois, Oklahoma and Louisiana, are considering or have enacted telemedicine legislation. Telemedicine saves time and travel expenses for providers and patients, allows for reductions or substitutions in medical personnel, reduces the number of redundant medical tests and improves the chances for early diagnosis of disease, when treatment can be effective and less costly.

Since 1989, Texas Tech University Health Sciences Center has been at the cutting edge of telemedicine technology. In addition, the south Texas Area Health Education Center maintains the South Texas Distance Learning and TeleHealth Network Telecommunications System, which links remote training sites in South Texas with the UT health sciences center in San Antonio. In HB 2128, the telecommunications regulation law enacted in 1995, the Legislature encouraged the use of telemedicine by allowing the Telecommunications Infrastructure Fund to make grants and loans to support telemedicine infrastructure.

**OPPONENTS
SAY:**

No apparent opposition

NOTES:

The committee substitute added provisions relating to obtaining patient's consent for telemedicine and patient confidentiality.