

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 265(FIN)
Fiscal Note Number:	5
(H) Publish Date:	4/20/2022

Identifier: HB265CS(HSS)-DOH-MS 3-18-2022
 Title: HEALTH CARE SERVICES BY TELEHEALTH
 Sponsor: SPOHNHOLZ
 Requester: (H) FIN

Department: Department of Health
 Appropriation: Medicaid Services
 Allocation: Medicaid Services
 OMB Component Number: 3234

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates					
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
 (Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/23

Why this fiscal note differs from previous version/comments:

This fiscal note updates the analysis section to reflect the changes in the committee substitute version of the bill.

Prepared By: Linnea Osborne, Manager
 Division: Finance and Management Services
 Approved By: Sylvan Robb, Assistant Commissioner
 Agency: Department of Health and Social Services

Phone: (907)465-6333
 Date: 03/18/2022
 Date: 03/18/22

**REPORTED OUT OF
HFC 04/18/2022**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

The bill requires the department to pay for all services provided through telehealth in the same manner as if the services had been provided in person, except as provided in 47.07.069(b).

47.07.069(b) directs the department to adopt telehealth regulations, including setting rates of payment, and limits the department's ability to reduce, restrict, or disallow health services from being delivered through telehealth.

The intent of the bill is to make permanent the expanded telehealth flexibilities under the federal public health emergency; to expand access to telehealth services through payment parity and an expansion of the types of health care providers - including behavioral health providers - who can provide health care services through telehealth without an initial in-person consultation; and to specify and make permanent within state statute telehealth modalities, which are the means through which telehealth services are delivered.

The department expects that the implementation of this bill will result in an increase of new providers who will need to be onboarded for telehealth services; an increase in post payment reviews, which are the measures that ensure claim payment accuracy, identify incorrectly paid claims, identify problematic policies and procedures, and ensure the modality used was clinically appropriate and is supported by documentation; an increase in data collection and reporting due to the expansion of services provided through telehealth, including gathering information for audits; an increase in the monitoring of the expanded telehealth services and modalities to prevent Medicaid fraud; and an increase in clinical monitoring to assess and review the clinical appropriateness of behavioral health services delivered through telehealth, including the best practices and outcomes associated with expanded telehealth services.

Promulgation of associated regulations will take approximately twelve months following State Plan Amendment approval by the Centers for Medicare and Medicaid Services, with implementation effective after July 1, 2023.

Since many of the proposed changes in this bill make permanent practices already in place through the COVID-19 pandemic, it is anticipated these costs could be absorbed within the current program funding resulting in a zero fiscal note.