

HB

358

<TARGET><BILL>HB 358</BILL><SUBJECT>HB
358</SUBJECT><COMM>HHSS30</COMM></TARGET>



Representative Ivy Spohnholz

House Health & Social Services Committee Chair

*Serving District 16: College Gate, Russian Jack, Nunaka Valley, Reflection Lake & Wonder Park
Committee Member: Education, Energy, Military & Veterans Affairs, Legislative Budget & Audit*

Sponsor Statement

House Bill 358

Insurance Coverage for Telehealth

“An Act relating to insurance coverage for benefits provided through telehealth; and providing for an effective date.”

HB 358 will enhance access to health care services, primarily mental health and primary care, for Alaskans who have insurance plans with Moda, Premera Blue Cross, United Healthcare, and Aetna Life Insurance, to name a few. HB 358 does this by requiring the insurers previously listed to provide insurance coverage for health care services provided through telehealth. Increasing access to health care services throughout Alaska is crucial. Because of our unique geographical landscape and our rural and aging communities spread out across the state, telehealth can enhance access to health care and improve clinical outcomes.

Here are some of the advantages of telehealth:

- Better access and privacy in rural, remote, and urban areas of Alaska
- Early intervention which can lead to savings
- Greater access for referrals to providers who specialize in treating specific health issues
- Better, and potentially quicker, access means a potential reduction in suicides, domestic violence and other serious events
- Zero impact on state budget

Under HB 358, telehealth benefits for all covered health care services, including mental health benefits, will be reimbursable for health care providers licensed in the state without an initial in-person appointment. Depending on the patient's needs, a telehealth appointment can provide education, reviewing of prescriptions and checking symptoms, all at a distance on a secure system.

Health care services delivered via telehealth is happening all over the country, and Alaska is at the forefront of providing telehealth services for urban, rural, aging, and the underserved communities across the state.

Session (January-April):
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Sectional Analysis: 30-LS1216J

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Section 1.

AS 21.42.422 has been amended to require insurance coverage for benefits provided via telehealth.

Section 2.

AS 21.42.422 is a new subsection that defines health care insurer as a person transacting the business of health care insurance except for a nonfederal governmental plan. It also adds the definition of telehealth under 47.05.270(e) as the practice of health care delivery, evaluation, diagnosis, consultation, or treatment, using the transfer of health care data through audio, visual, or data communications, performed over two or more locations between providers who are physically separated from the recipient or from each other or between a provider and a recipient who are physically separated from each other.

Section 3

The changes to Section 1 of this bill applies to health care insurance plans that are offered, issued, delivered, or renewed on or after the effective date.

Section 4

The effective date is July 1, 2019.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

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HB 358, Insurance coverage for telehealth

I am a primary care physician in Anchorage where I grew up and have now practiced for the past 12 years. I work at Medical Park Family Care, a group of 18 family physicians and 5 physician assistants. We serve a population of about 25,000 individual patients. Most of our patients live in the Anchorage area, but we also have a large number who reside in MatSu, Girdwood, Seward, and many rural villages off the road system. I currently offer telemedicine video visits for my patients, regardless of where they live. Video visits occur much like a regular office visit, but over a secure internet-based platform that looks like FaceTime. These visits are not universally covered by private insurance, nor by Medicaid or Medicare. We are not able to offer telephone visits as they are not reimbursed by any insurance.

How do primary physicians use telemedicine?

Remote visits allow us to treat patients living in remote communities while maintaining a patient-physician relationship and giving them the benefit of a provider who has access to their records, medication lists, labs, and other history. It's much more efficient for a patient in Kotzebue to phone/video chat to see me rather than have a secondary provider in their local area that they also see. Errors are reduced without tandem treatment plans, especially when patients have diabetes, multiple medications, or other chronic conditions. We have a high volume of seasonal and school workers in rural Alaska that travel to Anchorage for their breaks, and it makes more sense for them to have health care based in Anchorage. Many of the communities have no provider anywhere nearby and the Alaska Native community health clinics are not generally preferred for non-beneficiaries.

I also use telemedicine for Anchorage based patients who have transportation difficulties or who are caregivers for small children and have difficulty leaving home during usual 9-5 business hours. For many, the convenience of waiting for a doctor at home while their computer or phone is online is preferable to driving in and waiting in the office.

Telemedicine visits are appropriate for minor illnesses like respiratory infections or follow up after being treated in the office for an acute problem. Chronic problems like high blood pressure and diabetes can also be treated if patients are tracking their home BP numbers and glucose numbers. We do medication refills for depression, ADD, and anxiety regularly as well. Patients no longer physically carry prescriptions to the pharmacy with electronic prescribing, even for controlled medications, so their physical presence is not necessarily needed in the office. For patients living in rural Alaska, mail-order services provide their prescriptions remotely.

The primary goal of telehealth services for primary care is to improve continuity and improve patient access to care. It's most effective use is when a patient can access the provider, or at least the clinic, with whom they already have a relationship. Reimbursement for these services motivates physicians and clinics to provide secure platforms over which telehealth visits can take place, all of which costs money for clinics.

In advancing a bill that requires insurance companies to reimburse for telehealth services, it is important to consider the ways telehealth can disrupt health care delivery. Currently, there are some insurance plans in Anchorage that allow patients to call in to an outside company, Teledoc, for a low copay. This saves them from an office visit but the patients' records are not available on the phone call, nor are the

visits available to the patient's PCP. Typically, if the patient has a drug reaction or a problem following the call, they call us as their PCP and expect us to take care of it for them by phone for free. There are many companies that are seeking to extract some easy income from the health care industry. Skimming "easy visits" and providing antibiotics over the phone for acute illnesses is a way to do that. Unfortunately, it disrupts continuity and potentially leads to inappropriate treatment. There are many positive aspects to providing care by telehealth, but opening the door to more outside interests wanting to take advantage of Alaska's health care dollars should not be one of them.

I am happy to answer specific questions if time permits during the committee hearings.

Sincerely,

Jill Gaskill, MD

Medical Park Family Care

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 358
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB358-DCCED-DOI-03-02-18
Title: INSURANCE COVERAGE FOR TELEHEALTH
Sponsor: SPOHNHOLZ
Requester: (H) Health and Social Services

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

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

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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	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	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Lori Wing-Heier, Director	Phone:	(907)465-2560
Division:	Division of Insurance	Date:	03/02/2018
Approved By:	Catherine Reardon, Director	Date:	03/02/18
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2018 LEGISLATIVE SESSION**

BILL NO. HB358

Analysis

HB358 clarifies the extent that health care insurers shall provide coverage for benefits though telehealth by a health care provider licensed in Alaska.

The Division of Insurance does not anticipate fiscal impact from this legislation.