

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 19, 2005**

**TO:** Honorable Dianne White Delisi, Chair, House Committee on Public Health

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: SB1340** by Madla (Relating to the regulation and reimbursement of health care services provided through telehealth or telemedicine under the state Medicaid program. ), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 531 of the Government Code related to Medicaid telemedicine services. Section 1 requires HHSC to establish a separate identifier for telemedicine medical services eligible for reimbursement. Section 2 would require HHSC to establish rules to set minimum standards to permit the use of trained health professionals (telepresenters) other than physicians, registered nurses, advanced practice nurses, or physician assistants, to present patients. The bill would allow HHSC to provide reimbursement for a Medicaid telemedicine service initiated by a trained health professional who complies with minimum standards under this section. The bill would require HHSC to provide reimbursement to a physician who oversees a telemedicine consultation, under certain circumstances.

Section 3 requires the State Board of Medical Examiners, in consultation with HHSC and the Department of State Health Services as needed, to adopt rules to establish supervisory requirements for a physician delegating a service to be performed by an individual who is not a physician, registered nurse, advanced practice nurse, or physician assistant, including a health professional who is authorized to be a telepresenter.

Section 4 adds to the responsibilities of the telemedicine advisory committee to assist HHSC in evaluating policies related to telepresenters.

Section 5 requires HHSC to develop and the Department of State Health Services to implement a pilot program to provide Medicaid mental health services through telehealth or telemedicine. The bill would allow HHSC to reimburse participating providers and would permit HHSC to apply for a grant to fund the pilot under the federal New Freedom Initiative on Mental Health. HHSC would report to the legislature on the results of the pilot by December 1, 2006.

Section 6 requires HHSC to conduct a study to identify policy changes needed to facilitate development of a telemedicine provider network for Medicaid, including new billing codes, new provider identifiers and a description of telemedicine medical services eligible for reimbursement. HHSC would report on the result of the study no later than January 1, 2006.

The bill would take effect September 1, 2005. HHSC states that the agency can complete both the evaluation of the telepsychiatry pilot and the study of telemedicine with current resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 503 Board of Medical Examiners, 529 Health and Human Services Commission, 537 Department of State Health Services

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