

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 26, 2011**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB293** by Watson (Relating to telemedicine medical services, telehealth services, and home telemonitoring services provided to certain Medicaid recipients.), **As Passed 2nd House**

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

The bill would require the Health and Human Services Commission (HHSC) to create a system for reimbursing Medicaid providers for telehealth and home telemonitoring services if cost-effective and report on Medicaid telehealth and home telemonitoring services biannually.

Section 2 would require HHSC to develop and implement a system to reimburse providers for performing telehealth services in addition to the telemedicine services which are already reimbursed. The development of the system would include establishing provider identifiers for telehealth and home telemonitoring service providers, and establishing modifiers for telehealth and home telemonitoring services eligible for reimbursement. HHSC would be required to add information on telehealth and home telemonitoring to an existing telemedicine report due December 1st of even-numbered years.

Section 5 would require HHSC to permit reimbursement statewide for home telemonitoring services provided by home health agencies and hospitals in the Medicaid program, given certain patient eligibility conditions, if the commission determined that such a service would be cost-effective and feasible.

Section 10 would require HHSC to submit a report no later than December 31, 2012 regarding the establishment and implementation of the program to permit reimbursement for home telemonitoring services. The report must include the methods HHSC used to determine whether the program was cost-effective and feasible and comparisons of health outcomes and certain health care costs for Medicaid recipients of home telemonitoring.

The bill also states that notwithstanding any other law, the commission may not reimburse providers under the Medicaid program for the provision of telemedicine medical, telehealth, or home telemonitoring services on or after September 1, 2015.

HHSC reports it would need to obtain a waiver to implement the provisions of the bill. HHSC indicates that costs associated with the bill could be absorbed by existing resources or offset by reductions in the number of home health visits and reduced hospitalization costs.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, JI, JQ