

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 12, 2011

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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.), **Committee Report 2nd House, Substituted**

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, report on Medicaid telehealth and home telemonitoring services biannually, and pilot telehealth services.

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 pilot studies for telehealth service delivery and reimbursement, 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 in the Medicaid program, given certain patient eligibility conditions, if the commission determined that such a service would be cost-effective and feasible. The commission must also determine whether providing home telemonitoring services for persons eligible for both the Medicare and Medicaid programs achieves cost savings for the Medicare program, and if so, the commission shall pursue the creation of accountable care organizations to participate in the Medicare shared savings program.

Section 7 would expand the scope of services and diseases that are considered in developing a telemedicine and telehealth pilot program to include: monitoring of chronic diseases, chronic obstructive pulmonary disease, hypertension, and congestive heart failure.

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