

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 21, 2015**

**TO:** Honorable Myra Crownover, Chair, House Committee on Public Health

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB3476** by Coleman (Relating to the provision and reimbursement of, or benefits for, home telemonitoring services, telemedicine medical services, and telehealth services under Medicaid and certain health benefit plans provided to certain retired public employees.), **Committee Report 1st House, Substituted**

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

The bill would add elderly individuals 60 years of age or older and individuals with a chronic physical or developmental condition or a terminal illness to those eligible to receive home telemonitoring services. Current law directs the Health and Human Services Commission (HHSC) to provide home telemonitoring if cost effective and feasible. It is assumed that any additional services provided to newly eligible individuals as authorized by the bill would only be provided if HHSC determines it would be cost effective to do so, and therefore no significant fiscal impact is anticipated to the state.

The bill would also require HHSC to develop and implement a pilot project under Medicaid that provides for the reimbursement of telemedicine medical services and telehealth services provided in a recipient's home, nursing home, convalescent home or residential unit no later than June 1, 2016. The bills would require HHSC to submit a report to the legislature on the results of the pilot project no later than December 1, 2018. The bill leaves discretion as to the size, scope, duration, and design of the pilot to the agency. Given that telehealth and telemedicine services could offset the cost of other services, such as non-emergency medical transportation, it is assumed HHSC could develop a pilot program that could be executed within existing resources.

The bill also requires that a request to HHSC for reimbursement for a telemedicine service that is medically necessary may not be denied solely because of the delivery method of the service. HHSC does not anticipate a significant fiscal impact from this requirement.

The bill repeals the expiration date of September 1, 2015 for existing home telemonitoring services. HHSC has authority to stop reimbursing for home telemonitoring services if the agency determines that it is no longer cost effective, therefore it is assumed the services will only continue if cost effective and therefore no significant fiscal impact to the state is anticipated.

The bill also requires the Employees Retirement System (ERS) and the Teachers Retirement System (TRS) to establish a similar pilot projects for their respective group plans to provide telemedicine medical service and telehealth services to retirees at the retiree's residence, nursing home, or convalescent home and report on the results by December 1, 2018. ERS and TRS estimate the pilot projects could be implemented within existing resources.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission

**LBB Staff:** UP, NB, JJ, JQ