

SENATE AMENDMENTS

2nd Printing

By: Price, Sheffield, Rose, Ashby,
González of El Paso, et al.

H.B. No. 1063

A BILL TO BE ENTITLED

AN ACT

relating to telemedicine medical, telehealth, and home
telemonitoring services under Medicaid.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 531.0216(f), Government Code, is amended
to read as follows:

(f) Not later than December 1 of each even-numbered year,
the commission shall report to the speaker of the house of
representatives and the lieutenant governor on the effects of
telemedicine medical services, telehealth services, and home
telemonitoring services on Medicaid in the state, including the
number of physicians, health professionals, and licensed health
care facilities using telemedicine medical services, telehealth
services, or home telemonitoring services, the geographic and
demographic disposition of the physicians and health
professionals, the number of patients receiving telemedicine
medical services, telehealth services, and home telemonitoring
services, the types of services being provided, ~~and~~ the cost of
utilization, and the cost savings of telemedicine medical services,
telehealth services, and home telemonitoring services to Medicaid.

SECTION 2. Section 531.02164, Government Code, is amended
by adding Subsection (c-1) to read as follows:

(c-1) Notwithstanding Subsection (c)(1), the program
required under this section must also provide that home

1 telemonitoring services are available to pediatric persons who:

2 (1) are diagnosed with end-stage solid organ disease;

3 (2) have received an organ transplant; or

4 (3) require mechanical ventilation.

5 SECTION 3. Section 531.02176, Government Code, is repealed.

6 SECTION 4. The executive commissioner of the Health and
7 Human Services Commission shall adopt the rules necessary to
8 implement Section 531.02164(c-1), Government Code, as added by this
9 Act, not later than December 1, 2019.

10 SECTION 5. If before implementing any provision of this Act
11 a state agency determines that a waiver or authorization from a
12 federal agency is necessary for implementation of that provision,
13 the agency affected by the provision shall request the waiver or
14 authorization and may delay implementing that provision until the
15 waiver or authorization is granted.

16 SECTION 6. This Act takes effect September 1, 2019.

ADOPTED

MAY 22 2019

Letay Spauld
Secretary of the Senate

By: Price/Buckingham

____.B. No. ____

Substitute the following for ____B. No. ____:

By: *D. Buckingham*

C.S.H.B. No. 1063

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11 telemonitoring services on Medicaid in the state, including the
12 number of physicians, health professionals, and licensed health
13 care facilities using telemedicine medical services, telehealth
14 services, or home telemonitoring services, the geographic and
15 demographic disposition of the physicians and health
16 professionals, the number of patients receiving telemedicine
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18 services, the types of services being provided, ~~and~~ the cost of
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11 a state agency determines that a waiver or authorization from a
12 federal agency is necessary for implementation of that provision,
13 the agency affected by the provision shall request the waiver or
14 authorization and may delay implementing that provision until the
15 waiver or authorization is granted.

16 SECTION 6. The Health and Human Services Commission is
17 required to implement a provision of this Act only if the
18 legislature appropriates money specifically for that purpose. If
19 the legislature does not appropriate money specifically for that
20 purpose, the commission may, but is not required to, implement a
21 provision of this Act using other appropriations available for that
22 purpose.

23 SECTION 7. This Act takes effect September 1, 2019.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1063** by Price (Relating to telemedicine medical, telehealth, and home telemonitoring services under Medicaid.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, As Passed 2nd House: a negative impact of (\$15,193,142) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The agency is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|---|
| 2020 | (\$7,649,502) |
| 2021 | (\$7,543,640) |
| 2022 | (\$7,734,957) |
| 2023 | (\$7,976,452) |
| 2024 | (\$8,113,712) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from GR Match For Medicaid 758 | Probable (Cost) from Federal Funds 555 | Probable Revenue Gain from General Revenue Fund 1 | Probable Revenue Gain from Foundation School Fund 193 |
|-------------|---|--|--|---|
| 2020 | (\$8,003,993) | (\$12,309,428) | \$265,868 | \$88,623 |
| 2021 | (\$7,906,289) | (\$12,829,251) | \$271,987 | \$90,662 |
| 2022 | (\$8,117,772) | (\$13,222,322) | \$287,111 | \$95,704 |
| 2023 | (\$8,363,375) | (\$13,622,362) | \$290,192 | \$96,731 |
| 2024 | (\$8,504,977) | (\$13,853,006) | \$293,449 | \$97,816 |

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to include cost savings in its biennial report on the effects of telemedicine medical services and to provide home telemonitoring to certain pediatric clients with complex medical needs. The bill would also repeal the telemonitoring benefit reimbursement sunset date.

Methodology

According to HHSC, there would be a one-time cost of \$138,000 in All Funds, including \$69,000 in General Revenue, in fiscal year 2020 for system modifications for the claims administrator. Due to the time needed to make necessary changes, it is assumed services would be provided to the expanded population beginning September 1, 2020. If services were provided sooner there would be an additional cost.

According to HHSC, client services would ramp up over a period of two years with an estimated additional 77 average monthly recipients in fiscal year 2021 increasing each fiscal year to 240 average monthly recipients in fiscal year 2024 at a monthly cost ranging between \$342.79 and \$345.55 per recipient. The total estimated cost for client services would be \$0.3 million in All Funds, including \$0.1 million in General Revenue, in fiscal year 2021 increasing each fiscal year to \$1.0 million in All Funds, including \$0.4 million in General Revenue, in fiscal year 2024.

Repealing the sunset date associated with Medicaid reimbursement of home telemonitoring services would result in a cost to continue providing those services beyond September 1, 2019. According to HHSC, the total estimated cost for these client services would be \$20.2 million in All Funds, including \$7.9 million in General Revenue, in fiscal year 2020 increasing each fiscal year to \$21.4 million in All Funds, including \$8.1 million in General Revenue, in fiscal year 2024. The House and Senate versions of House Bill 1 (the General Appropriations Bill) provide funding for this purpose.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$0.4 million each fiscal year. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

It is assumed HHSC can absorb the cost of including cost savings in the biennial report.

According to HHSC home telemonitoring may reduce medical services utilization resulting in an offsetting savings; however, an exact estimate could not be determined and no savings is included.

Technology

System modifications to the claims administrator are estimated at a one-time cost of \$138,000 in All Funds, including \$69,000 in General Revenue, in fiscal year 2020.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, SD, AKi, EP, MDI, LR, JGa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 18, 2019

TO: Honorable Lois W. Kolhorst, Chair, Senate Committee on Health & Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1063** by Price (Relating to telemedicine medical, telehealth, and home telemonitoring services under Medicaid.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, Committee Report 2nd House, Substituted: a negative impact of (\$15,193,142) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The agency is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

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All Funds, Five-Year Impact:

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Fiscal Analysis

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission
LBB Staff: WP, AKi, EP, MDI, LR, JGa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 7, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1063 by Price (Relating to telemedicine medical, telehealth, and home telemonitoring services under Medicaid.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, As Engrossed: a negative impact of (\$15,193,142) through the biennium ending August 31, 2021.

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Source Agencies: 529 Health and Human Services Commission
LBB Staff: WP, AKi, LR, JGa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

April 16, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1063** by Price (Relating to telemedicine medical, telehealth, and home telemonitoring services under Medicaid.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, Committee Report 1st House, Substituted: a negative impact of (\$15,193,142) through the biennium ending August 31, 2021.

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Local Government Impact

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Source Agencies: 529 Health and Human Services Commission
LBB Staff: WP, AKi, LR, JGa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 12, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1063** by Price (Relating to telemedicine medical, telehealth, and home telemonitoring services under Medicaid.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, Committee Report 1st House, Substituted: a negative impact of (\$15,193,142) through the biennium ending August 31, 2021.

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Fiscal Analysis

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Repealing the sunset date associated with Medicaid reimbursement of home telemonitoring services would result in a cost to continue providing those services beyond September 1, 2019. According to HHSC, the total estimated cost for these client services would be \$20.2 million in All Funds, including \$7.9 million in General Revenue, in fiscal year 2020 increasing each fiscal year to \$21.4 million in All Funds, including \$8.1 million in General Revenue, in fiscal year 2024.

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It is assumed HHSC can absorb the cost of including cost savings in the biennial report.

According to HHSC home telemonitoring may reduce medical services utilization resulting in an offsetting savings; however, an exact estimate could not be determined and no savings is included.

Technology

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AKi, LR, JGa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 18, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1063** by Price (Relating to the reimbursement of providers for the provision of certain home telemonitoring services under Medicaid.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1063, As Introduced: a negative impact of (\$3,733,125) through the biennium ending August 31, 2021.

There would be an additional cost associated with repealing the sunset date for Medicaid reimbursement of home telemonitoring services not reflected in the above amount.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|---|
| 2020 | (\$69,000) |
| 2021 | (\$3,664,125) |
| 2022 | (\$7,063,444) |
| 2023 | (\$11,109,997) |
| 2024 | (\$11,281,066) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from GR Match For Medicaid 758 | Probable (Cost) from Federal Funds 555 | Probable Revenue Gain from General Revenue Fund 1 | Probable Revenue Gain from Foundation School Fund 193 |
|-------------|---|--|--|---|
| 2020 | (\$69,000) | (\$69,000) | \$0 | \$0 |
| 2021 | (\$3,779,778) | (\$6,133,310) | \$86,740 | \$28,913 |
| 2022 | (\$7,651,919) | (\$12,463,536) | \$441,356 | \$147,119 |
| 2023 | (\$11,648,588) | (\$18,973,358) | \$403,943 | \$134,648 |
| 2024 | (\$11,825,069) | (\$19,260,812) | \$408,002 | \$136,001 |

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide home telemonitoring to certain pediatric clients with complex medical needs. The bill would also repeal the telemonitoring benefit reimbursement sunset date.

Methodology

According to HHSC, there would be a one-time cost of \$138,000 in All Funds, including \$69,000 in General Revenue, in fiscal year 2020 for system modifications for the claims administrator. Due to the time needed to make necessary changes, it is assumed services would be provided to the expanded population beginning September 1, 2020. If services were provided sooner there would be an additional cost.

According to HHSC, client services would ramp up over a period of two years with an estimated additional 2,406 average monthly recipients in fiscal year 2021 increasing each fiscal year to 7,545 average monthly recipients in fiscal year 2024 at a monthly cost of \$343.33 per recipient. The total estimate cost for client services would be \$9.9 million in All Funds, including \$3.8 million in General Revenue, in fiscal year 2021 increasing each fiscal year to \$31.1 million in All Funds, including \$11.8 million in General Revenue, in fiscal year 2024.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$0.1 million in fiscal year 2021, \$0.6 million in fiscal year 2022, \$0.5 million in fiscal year 2023, and \$0.5 million in fiscal year 2024. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Repealing the sunset date associated with Medicaid reimbursement of home telemonitoring services would result in a cost to continue providing those services beyond September 1, 2019; however, HHSC did not provide an estimate for this cost.

According to HHSC home telemonitoring may reduce medical services utilization resulting in an offsetting savings; however, an exact estimate could not be determined and no savings is included.

Technology

System modifications to the claims administrator are estimated at a one-time cost of \$138,000 in All Funds, including \$69,000 in General Revenue, in fiscal year 2020.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AKi, LR, JGa