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House Bills 5412, 5413, and 5416 (Substitute H-2 as passed by the House)  
House Bills 5414 and 5415 (Substitute H-1 as passed by the House)

Sponsor: Representative Hank Vaupel (H.B. 5412)  
Representative Douglas C. Wozniak (H.B. 5413)  
Representative Phil Green (H.B. 5414)  
Representative Frank Liberati (H.B. 5415)  
Representative Mary Whiteford (H.B. 5416)

House Committee: Health Policy  
Ways and Means  
Senate Committee: Health Policy and Human Services

Date Completed: 5-27-20

## **CONTENT**

**House Bill 5416 (H-2) would amend the Social Welfare Act to specify that, beginning October 1, 2020, telemedicine services would be covered under the medical assistance program and Healthy Michigan program if the originating site were an in-home or in-school setting, in addition to any other originating site allowed in the Medicaid provider manual or any established site considered appropriate by the provider.**

**House Bill 5412 (H-2), House Bill 5413 (H-2), and House Bill 5414 (H-1) would amend the Insurance Code, the Nonprofit Health Care Corporation Reform Act, and the Mental Health Code, respectively, to modify the definition of telemedicine.**

**House Bill 5415 (H-1) would amend the Social Welfare Act to require the Department of Health and Human Services (DHHS) to provide coverage for remote patient monitoring services through the medical assistance program and Healthy Michigan program.**

### **House Bill 5416 (H-2)**

The bill would amend the Social Welfare Act to specify that, beginning October 1, 2020, telemedicine services would be covered under the medical assistance program and Healthy Michigan program if the originating site were an in-home or in-school setting, in addition to any other originating site allowed in the Medicaid provider manual or any established site considered appropriate by the provider. The distant provider or organization would be responsible for verifying a recipient's identification and program eligibility, and would have to ensure that the information was available to the primary care provider.

"Originating site" would mean the location of the eligible recipient at the time the service being furnished by a telecommunications system occurs. "Telemedicine" would mean that term as defined in Section 3476 of the Insurance Code (see House Bill 5412 (H-2) below).

(The Medicaid provider manual authorizes the following sites as originating sites: a) a county mental health clinic or publicly funded mental health facility; b) a Federally qualified health center; c) a hospital, including inpatient, outpatient, or critical access; d) an office of a physician or other practitioner; e) hospital-based or critical access hospital-based renal dialysis centers; f) a rural health clinic; g) a skilled nursing facility; and h) a tribal health center.)

### **House Bill 5412 (H-2)**

Under the Insurance Code, an insurer that delivers, issues for delivery, or renews in the State a health insurance policy may not require face-to-face contact between a health professional and a patient for services appropriately provided through telemedicine. Currently, "telemedicine" means the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine, the health care professional must be able to examine the patient via a real-time, interactive audio or video telecommunications system, and the patient must be able to interact with the off-site health care professional at the time the services are provided.

Under the bill, "telemedicine" would mean the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine, the health care professional would have to be able to examine the patient via a Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant, secure interactive audio or video telecommunications system, or through the use of store and forward online messaging.

### **House Bill 5413 (H-2)**

Under the Nonprofit Healthcare Corporation Reform Act, a group or nongroup health care corporation certificate may not require face-to-face contact between a health care professional and a patient for services appropriately provided through telemedicine. The Act currently defines "telemedicine" as the use of an electronic media to link patients with health care professional in different location. To be considered telemedicine, the health care professional must be able to examine the patient via a real-time interactive audio or video telecommunications system and the patient would have to be able to interact with the off-site health care professional at the times the services are provided.

Under the bill, "telemedicine" would mean the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine, the health care professional would have to be able to examine the patient via a HIPAA compliant, secure interactive audio or video telecommunications system, or through the use of store and forward online messaging.

### **House Bill 5414 (H-1)**

Under the Mental Health Code, "recipient" means an individual who receives mental health services from the DHHS, a community mental health services program, or a facility of from a provider that is under contract with the DHHS or a community mental health services program. Under the bill, the term would mean an individual who receives mental health services, either in person or through telemedicine, from the DHHS, a community mental health services program, or a facility of from a provider that is under contract with the Department or a community mental health services program.

In addition, the bill would define "telemedicine" as the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine, the health care professional would have to be able to examine the patient via a HIPAA

compliant, secure interactive audio or video telecommunications system, or through the use of store and forward online messaging.

### **House Bill 5415 (H-1)**

The bill would amend the Social Welfare Act to require the DHHS to provide coverage for remote patient monitoring services through the medical assistance program and Healthy Michigan program. "Remote patient monitoring" would mean digital technology to collect medical and other forms of health data from an individual in one location and electronically transmit that information via a HIPAA compliant, secure system to a health care provider in a different location for assessment and recommendations.

MCL 500.3476 (H.B. 5412)

Legislative Analyst: Tyler VanHuysse

MCL 550.1401k (H.B. 5413)

MCL 330.1100c & 330.1100d (H.B. 5414)

Proposed MCL 400.105g (H.B. 5415)

Proposed MCL 400.105h (H.B. 5416)

### **FISCAL IMPACT**

The bills would make telemedicine and remote patient monitoring services fully available to Medicaid clients, including those enrolled in the Medicaid expansion, the Healthy Michigan Plan. The bills would lead to greater access to telemedicine services and would be expected to lead to a marginal increase in demand for Medicaid services in both the managed care and fee-for-service realms. This increased demand would lead to a corresponding marginal increase in costs for Medicaid. There is the possibility that easier access also could lead to improved outcomes for clients and those improved outcomes could lead to a marginal reduction in Medicaid expenditures. Given that, the fiscal impact of the bills is indeterminate, but the magnitude of any impact would be very small compared to the overall cost of the Medicaid program.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.