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House Bill 4213 (Substitute H-2 as passed by the House)
Sponsor: Representative Christine Morse
House Committee: Health Policy
Senate Committee: Health Policy

Date Completed: 2-7-24

CONTENT

The bill would amend the Social Welfare Act to require telemedicine services to be covered under Medicaid and the Healthy Michigan Program if those services were provided at, or contracted through, a distant site allowed in the Medicaid provider manual.¹ The bill also would prescribe requirements of Medicaid and the Healthy Michigan Program related to telemedicine services and require the Department of Health and Human Services (DHHS) to seek any necessary Federal waiver for the bill's implementation.

Currently, the Act requires telemedicine services to be covered under the medical assistance program (Medicaid) and the Healthy Michigan Program if the originating site is 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.

("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 Health Insurance Portability and Accountability Act (HIPAA)-compliant, secure interactive audio or video, or both, telecommunications system, or through the use of store and forward online messaging. "Originating site" means the location of the eligible recipient at the time the service being furnished by a telecommunications system occurs.)

Under the bill, telemedicine services also would be covered under Medicaid and the Healthy Michigan Program if those services were provided at, or contracted through, a distant site allowed in the Medicaid provider manual.

"Distant provider" and "distant site" would mean the location of the health care professional providing the service at the time the service is being furnished by a telecommunications system and the health care professional providing those services. Distant site could include the health care professional's office or any established site considered appropriate by the health care professional as long as the privacy of the recipient and security of the information shared during the telemedicine visit were maintained.

In addition, the bill would require Medicaid and the Healthy Michigan Program to include an extensive set of the programs' services and benefits as covered telemedicine services including, at a minimum, medical, dental, behavioral, and substance use disorder services.

¹ Depending on the specific service, the Medicaid Provider Manual specifies that hospitals, nursing facilities, rural health clinics, or a provider's office, among other sites. For more information: <https://www.mdch.state.mi.us/dch-medicaid/manuals/MedicaidProviderManual.pdf>

Medicaid and the Healthy Michigan Program would have to authorize as many types of providers as appropriate per scope of practice to effectively render telemedicine services.

Telemedicine services would have to be covered when a distant provider's synchronous interactions occur using an audio and video electronic media or when using an audio-only electronic media.

The distant provider would have to encourage the recipient to proceed with the telemedicine service only if the recipient were in a safe and private environment. The distant provider would have to follow generally accepted clinical practice guidelines and ensure the clinical appropriateness and effectiveness of services delivered using telemedicine.

Medicaid and the Healthy Michigan Program could not do any of the following:

- Impose quantity or dollar amount maximums or limitations for services delivered using telemedicine that were more restrictive than those imposed on comparable in-person services.
- Reimburse distant providers for telemedicine services at a lower rate than comparable services rendered in person, except when reimbursing a provider who exclusively provided telemedicine services.
- Impose specific requirements or limitations on the technologies used to deliver telemedicine services, unless necessary to ensure the safety of a recipient, and the technology was compliant with HIPAA requirements.
- Impose additional certification, location, or training requirements on health care professionals who were distant providers as a condition of reimbursing the distant provider for telemedicine services.

A telemedicine service would have to be an allowable encounter for a federally qualified health center, rural health clinic, or tribal health center in Medicaid or the Healthy Michigan Program. Reimbursement for authorized telemedicine services would be contingent upon the availability of Federal financial participation for those services in Medicaid and the Healthy Michigan Program.

The DHHS would have to seek any necessary waiver or State plan amendment from the United States Department of Health and Human Services to implement the provisions of the bill.

Authorized telemedicine services would have to be incorporated in rate development for any managed care program that was implemented in Medicaid and the Healthy Michigan Program subject to Federal actuarial soundness requirements.

MCL 400.105h

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: John Maxwell

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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.