

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 934

(Delegate Lee, *et al.*)

Health and Government Operations

Finance

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**Telemedicine Task Force - Maryland Health Care Commission**

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This bill expresses legislative intent that the Maryland Health Care Commission (MHCC), in conjunction with the Maryland Health Quality and Cost Council (MHQCC), continue to study the use of telehealth throughout the State through the Telemedicine Task Force. The task force must consist of three existing advisory groups (clinical, technology solutions and standards, and financial and business model). The task force must identify opportunities to use telehealth to improve health status and health care delivery, assess factors related to telehealth, identify strategies for telehealth deployment in rural areas of the State, and study any other topic that MHCC finds necessary to make recommendations regarding the use of telehealth in the State. MHCC must submit an interim report to the Governor and specified committees of the General Assembly by January 1, 2014, and a final report by December 1, 2014.

The bill takes effect July 1, 2013, and terminates June 30, 2015.

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**Fiscal Summary**

**State Effect:** Special fund expenditures increase by as much as \$50,000 in FY 2014 for the Maryland Health Care Commission (MHCC) to procure contractual services to provide technical expertise to the task force. Special fund expenditures may also increase minimally in FY 2015. No effect on revenues.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	50,000	-	0	0	0
Net Effect	(\$50,000)	\$0	\$0	\$0	\$0

*Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law/Background:** “Telehealth” is defined under Title 2 of the Health Occupations Article, which relates to audiologists, hearing aid dispensers, and speech-language pathologists. “Telehealth” means the use of telecommunications and information technologies for the exchange of information from one site to another for the provision of health care to an individual from a provider through hardwire or Internet connection. The State Board of Examiners of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists is authorized to adopt regulations governing the use of telehealth communications by the board’s licensees. These regulations can be found in Code of Maryland Regulations 10.41.06.01-05.

*Maryland Telemedicine Task Force:* In June 2010, MHQCC approved the creation of the Maryland Telemedicine Task Force. A final report to the council was issued in December 2011. The report found that effective use of telemedicine can increase access to health care, reduce health disparities, and create efficiencies in health care delivery. Telemedicine is generally considered as a viable means of delivering health care remotely through the use of communication technologies and can bridge the gaps of distance and health care disparity. Although telemedicine is well established, a number of technology and policy challenges need to be resolved before its full potential can be realized.

The task force’s three advisory groups (clinical, technology solutions and standards, and financial and business model) made three recommendations to promote telemedicine in Maryland: (1) State-regulated payors should reimburse for telemedicine services to the same extent as health care services provided face-to-face, regardless of the location (insurance reimbursement for services provided via telemedicine was adopted under Chapters 579 and 580 of 2012); (2) establish a centralized telemedicine network built on existing industry standards; and (3) implement changes in licensure, credentialing, and privileging of providers to facilitate the adoption of telemedicine (SB 798/HB 1042 of 2013 address credentialing and privileging issues with respect to telemedicine).

Telehealth is the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health, and health administration. Technologies include videoconferencing, streaming media, and terrestrial and wireless communications. Telehealth is a broader term than telemedicine, which generally refers to direct medical interaction through telecommunications.

Examples of telehealth include live videoconferencing, store-and-forward imaging, remote patient monitoring, and “e-visits” or “e-consults.” Digital medical images and other clinical data can be captured by one provider and sent electronically to another provider (*i.e.*, radiology reports). Patients with hypertension can use home monitors to routinely track their blood pressure and upload the data via the Internet to their provider. Health care providers can offer “e-visits” or “e-consults” through a secure web portal. Health care facilities can offer translation services via live videoconferencing.

The U.S. Department of Health and Human Services’ Health Resources and Services Administration (HRSA) works to increase and improve the use of telehealth to meet the needs of underserved people by fostering partnerships to create telehealth projects, administering telehealth grant programs, providing technical assistance, evaluating the use of telehealth technologies and programs, developing telehealth policy initiatives, and promoting knowledge exchange about best practices in telehealth.

HRSA runs three federal telehealth grant programs: the Licensure Portability Grant Program, which provides support to develop and implement state policies that will reduce statutory and regulatory barriers to telemedicine; the Telehealth Network Grant Program, a competitive grant program that funds projects that demonstrate the use of telehealth networks to improve health care services for medically underserved populations; and the Telehealth Resource Center Grant Program, a competitive grant program that provides support for the establishment and development of telehealth resource centers. These centers assist health care organizations, health care networks, and health care providers in the implementation of cost-effective telehealth programs to serve rural and medically underserved areas and populations.

**State Expenditures:** Special fund expenditures increase for MHCC by as much as \$50,000 in fiscal 2014 to procure technical assistance to complete the study for the task force. MHCC anticipates that the task force will require a high level of technical expertise in the area of telehealth. As MHCC staff does not have such expertise, contractual services will be required throughout fiscal 2014 and possibly into fiscal 2015.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 776 (Senator Pugh) - Finance.

**Information Source(s):** *Delivering Care Anytime Anywhere: Telehealth Alters the Medical Ecosystem*, California HealthCare Foundation, November 2008; U.S. Department of Health and Human Services’ Health Resources and Services

Administration; Department of Health and Mental Hygiene; University of Maryland Medical System; Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2013

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Revised - House Third Reader - March 27, 2013

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Analysis by: Jennifer B. Chasse

Direct Inquiries to:

(410) 946-5510

(301) 970-5510