

Department of Legislative Services  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 242

(Senator Kelley, *et al.*)

Finance

Health and Government Operations

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**Maryland Medical Assistance Program - Telemedicine - Modifications**

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This bill requires the Department of Health and Mental Hygiene (DHMH) to include primary care providers if the department specifies by regulation the types of providers eligible to be reimbursed for telemedicine services under Medicaid. DHMH may require a health care provider to submit a registration form that includes information required for the processing of Medicaid reimbursement claims. By October 1, 2016, DHMH, in consultation with the Maryland Health Care Commission, must submit a report on Medicaid telehealth to specified committees of the General Assembly.

The bill takes effect June 1, 2016.

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**Fiscal Summary**

**State Effect:** There is no material impact on State finances because primary care providers are already eligible to be reimbursed for telemedicine services. DHMH can submit the required report using existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Telemedicine means, as it relates to the delivery of health care services, the use of interactive audio, video, or other telecommunications or electronic technology (1) by a health care provider to deliver a health care service that is within the scope of practice of the health care provider at a site other than the site at which the patient

is located and (2) that enables the patient to see and interact with the health care provider at the time the service is provided to the patient. Telemedicine does not include an audio-only telephone conversation, electronic mail message, or facsimile transmission between a health care provider and a patient.

Chapters 579 and 580 of 2012 require insurers, nonprofit health service plans, and health maintenance organizations to cover and reimburse for health care services appropriately delivered through “telemedicine.” Carriers may impose cost-sharing requirements for services delivered through telemedicine. Carriers may also undertake utilization review, including preauthorization, to determine the appropriateness of a health care service – whether delivered in person or through telemedicine – if the appropriateness of the service is determined in the same manner.

Per Chapters 141 and 426 of 2014, to the extent authorized by federal law or regulation, coverage of and reimbursement for health care services delivered through telemedicine must apply to Medicaid and managed care organizations in the same manner they apply to health insurance carriers. Subject to the limitations of the State budget and to the extent authorized by federal law, DHMH may authorize coverage of and reimbursement for health care services that are delivered through store and forward technology or remote patient monitoring. DHMH may specify by regulation the types of health care providers eligible to receive reimbursement for telemedicine health care services provided to Medicaid recipients.

The Code of Maryland Regulations (10.09.49.01 *et seq.*) governs Medicaid telehealth programs. To participate, a provider must be enrolled as a Medicaid provider and apply for participation in the telehealth program using the DHMH application form. Per DHMH, primary care providers are eligible for reimbursement for telehealth services under existing regulations.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 886 (Delegate West) – Health and Government Operations.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2016  
kb/ljm Revised - Senate Third Reader - March 23, 2016

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