

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 524

Finance

(Senator Eckardt)

Health and Government Operations

Maryland Medical Assistance Program – Telemedicine – Psychiatric Nurse Practitioners and Psychiatrists

This bill requires the Maryland Department of Health (MDH) to include psychiatric nurse practitioners providing Assertive Community Treatment (ACT) or mobile treatment services (MTS) in any regulations that specify the types of health care providers eligible to receive reimbursement for telemedicine health care services. A health care service provided through telemedicine by a psychiatric nurse practitioner is equivalent to the same service when provided through an in-person consultation. By September 30, 2021, MDH must report to specified committees of the General Assembly on the effect on Medicaid general fund expenditures of reimbursing telemedicine services from psychiatric nurse practitioners providing ACT or MTS. The bill also extends the termination date of Chapter 691 of 2018 from September 30, 2020, to September 30, 2021. **The bill terminates upon the termination of Chapter 691 of 2018.**

Fiscal Summary

State Effect: Medicaid expenditures (62% federal funds, 38% general funds) increase by an indeterminate amount for a two-year period beginning in FY 2020 and ending in FY 2022, as discussed below. Federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program for two years beginning in FY 2020.**

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: “Telemedicine” means 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.

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, MDH *may authorize* coverage of and reimbursement for health care services that are delivered through store and forward technology or remote patient monitoring (RPM).

MDH may specify by regulation the types of health care providers eligible to receive reimbursement for telemedicine health care services provided to Medicaid recipients.

Chapter 691 of 2018 requires that, if MDH specifies by regulation the types of health care providers eligible to receive reimbursement for Medicaid telemedicine services, the types of providers must include psychiatrists providing ACT or MTS in a home or community-based setting. By September 30, 2020, MDH must report to specified committees of the General Assembly on the effect on Medicaid general fund expenditures of reimbursing telemedicine services from psychiatrists providing ACT or MTS. Chapter 691 terminates September 30, 2020.

Background: All Medicaid participants are eligible to receive telehealth services. Medicaid’s current telehealth policy includes coverage for real-time audio-video conferencing and RPM for certain chronic conditions. Telehealth services are subject to the same program restrictions, requirements, and other limitations as services provided in person. Telehealth providers must be enrolled as a Medicaid provider to be reimbursed; however, certain originating site providers may participate even though they are not eligible to enroll as a Medicaid provider. The office of a psychiatric nurse practitioner may serve as an originating site provider and a psychiatric nurse practitioner may serve as a distant site provider.

State Fiscal Effect: In 2018, MDH advised that Medicaid expenditures were estimated to increase by \$2.95 million annually (\$1.15 million in general funds) to provide reimbursement to *psychiatrists* providing ACT or MTS via telemedicine. Chapter 691 requires MDH to report on the effect on Medicaid general fund expenditures

of this reimbursement. As MDH has not yet completed its analysis (due September 30, 2020, which is unchanged by the bill), the actual impact on Medicaid expenditures is unclear.

Nevertheless, extending the termination date for Medicaid reimbursement for *psychiatrists* providing ACT or MTS via telemedicine increases Medicaid expenditures, potentially by as much as \$2.95 million (\$1.15 million in general funds) for the additional year of reimbursement – with three-quarters of the amount in fiscal 2021 and one-quarter of the amount in fiscal 2022. In addition, Medicaid expenditures likely increase for the two-year period the bill is in effect to reimburse *psychiatric nurse practitioners* providing ACT or MTS via telemedicine, but the amount for their reimbursement cannot be reliably estimated at this time.

Small Business Effect: Psychiatric nurse practitioners and psychiatrists that provide ACT or MTS via telemedicine to Medicaid recipients in home or community-based settings benefit.

Additional Information

Prior Introductions: None.

Cross File: HB 605 (Delegate Kelly, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2019
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