



**Colorado
Legislative
Council
Staff**

HB17-1094

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 20, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

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| Drafting Number: LLS 17-0623 | Date: February 16, 2017 |
| Prime Sponsor(s): Rep. Buck; Valdez Sen. Crowder; Donovan | Bill Status: Senate Health and Human Services Fiscal Analyst: Bill Zepernick (303-866-4777) |

BILL TOPIC: TELEHEALTH COVERAGE UNDER HEALTH BENEFIT PLANS

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 |
|---|---|--------------|
| State Revenue | | |
| State Expenditures | Minimal impact. See State Expenditure section. | |
| Appropriation Required: None. | | |
| Future Year Impacts: Minimal ongoing state expenditure impact. | | |

Summary of Legislation

The **reengrossed bill** makes several modifications to the existing requirement that health benefit plans cover telehealth services. Specifically, the bill clarifies that:

- a health plan cannot restrict or deny coverage for a covered benefit provided using telehealth services based on the communication technology or application used to deliver services;
- the availability of telehealth does not modify insurance carriers' existing obligation under state law to maintain a sufficient network of local health care providers;
- covered individuals may receive telehealth services from a private residence, but health insurers are not required to cover the transmission costs incurred from using telehealth services from a home or other originating site fees;
- the applicable copayment, coinsurance, or deductible for telehealth services should be applied by the carrier and may not exceed the applicable cost sharing amounts for in-person services; and
- HIPAA-compliant interactive audio-visual communication and HIPAA-compliant applications via cellular telephones may be used for telehealth, but that voice-only telephone and text messaging may not be used.

State Expenditures

The bill may affect state workload and expenditures in two ways. First, the Division of Insurance in the Department of Regulatory Agencies may have a one-time increase in workload to incorporate the changes in the bill into its rules and procedures. Given the clarifying nature of these changes, this is expected to require a minimal amount of staff time. Second, to the extent

that the changes to telehealth services affect insurance premiums, state agencies' costs for employee health insurance may increase or decrease. Health insurance premiums depend on a variety of factors and any change under this bill is assumed to be minimal.

Local Government Impact

Similar to the state impact discussed above, local governments offering health insurance coverage to employee may experience a change in costs. To the extent that the changes to telehealth services affect insurance premiums, local government costs for employee health insurance may increase or decrease. Health insurance premiums depend on a variety of factors and any change under this bill is assumed to be minimal.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. It applies to health benefit plans issued, amended, or renewed after the bill takes effect.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Personnel and Administration

Human Services
Law
Regulatory Agencies