

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: April 5, 2013

SUBJECT: Fiscal Impact Statement - "Telehealth Reimbursement Act of 2013"

REFERENCE: Bill 20-50 - Committee Print

Conclusion

Funds are sufficient in the FY 2013 budget and the proposed FY 2014 through FY 2017 budget and financial plan to implement the bill.

Covering telehealth services through Medicaid may involve costs to the District, but these cannot be determined until the Department of Health Care Finance (DHCF) completes a proposed amendment to the District of Columbia State Plan for Medical Assistance detailing the regulations for such coverage. At that time, any costs of the State Plan Amendment would be analyzed as part of the legislative package for the Council approval resolution and would need to be incorporated into the budget and financial plan.

Background

The bill provides that a health insurer offering a health benefits plan in the District may not deny coverage for service on the basis that the service is provided through telehealth¹ if the same service would be covered when delivered in person. Health insurers may determine the standards of appropriateness for telehealth as a means of service delivery for individual services; if the insurer determines that telehealth is appropriate for a certain service, it must reimburse for that service at the same rate whether it is delivered through telehealth or in person. The bill also directs the District's Medicaid program to cover and reimburse for healthcare services appropriately delivered through telehealth if the same services would be covered when delivered in person.

¹ The bill defines "telehealth" as any means of delivery of healthcare services through the use of interactive audio, video, or other electronic media used for the purpose of diagnosis, consultation, or treatment. Services delivered through audio-only telephones, electronic mail messages, or facsimile transmissions are not included.

Financial Plan Impact

Funds are sufficient in the FY 2013 budget and the proposed FY 2014 through FY 2017 budget and financial plan to implement the bill.

Covering telehealth through Medicaid may involve costs to the District, but these cannot be determined until DHCF completes a proposed amendment to the District of Columbia State Plan for Medical Assistance detailing the regulations for such coverage. At that time, any costs of the State Plan Amendment would be analyzed as part of the legislative package for the Council approval resolution and would need to be incorporated into the budget and financial plan.

Two other District agencies will be involved in implementing this bill. The District of Columbia Board of Medicine will set forth the standards of care for services provided through telehealth, and it can do so using existing resources. The Department of Insurance, Securities, and Banking (DISB) will be responsible for enforcing this law with health insurers. DISB has the capacity within its current enforcement staff to meet this requirement.