



**Colorado
Legislative
Council
Staff**

HB17-1094

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0623
Prime Sponsor(s): Rep. Buck; Valdez
Sen. Crowder; Donovan

Date: June 5, 2017
Bill Status: Signed into Law
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

This 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 was signed into law by the Governor and took effect on March 16, 2017. It applies to health benefit plans issued, amended, or renewed after this date.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Personnel

Human Services
Law
Regulatory Agencies