



**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 **Date:** June 5, 2017  
**Prime Sponsor(s):** Rep. Buck; Valdez **Bill Status:** Signed into Law  
 Sen. Crowder; Donovan **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.	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> 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