Committee on Health and Government Operations  
Maryland House of Delegates  
in support of HB 931 and 934 

March 7, 2013

Mr. Chairman, Delegate Lee and other Committee Members,

My name is Gary Capistrant. I am Senior Director, Public Policy for ATA and a long-time Maryland resident.

ATA strongly supports HB 931 regarding Medicaid coverage for covered services provided by telehealth and HB 934 for a Task Force on the Use of Telehealth to Improve Maryland Health Care. We greatly appreciate Delegate Lee’s continuing leadership on advancing telehealth services for the people of Maryland.

The single most constructive role for all governments regarding telehealth is to remove artificial government barriers to its use, such as restrictions on where a patient resides, where a patient is served, who the provider is and what is the form of the technology. Basically, the State and Medicaid should treat telehealth care the same as in-person care, as much as possible.

Frankly, among the 50 state Medicaid plans, Maryland is below average in using telehealth – and surrounded by states with more advanced telehealth policies.

HB 931 is a logical extension of last year’s accomplishment of requiring private insurers to cover telehealth provided covered services on par with in-person services.

Last year, instead of legislating telehealth parity in Medicaid, the General Assembly yielded to the Maryland Department of Health and Mental Hygiene’s request for more time to study it. As a result, DHMH will provide a big, albeit overdue, step to expand Medicaid coverage for telehealth services on July 1. Unfortunately, this coverage will still not include the large metropolitan counties. DHMH’s report does not make a sufficient case for this exclusion.

Several states provide statewide Medicaid parity for telehealth and several legislatures are actively considering full parity. Parity is clearly the trend, after many years of artificial restrictions, demonstrations and pilots.

Among the many reasons and benefits for telehealth in urban areas, it is important to recognize that distance is not the only barrier to transportation. In particular, we ought not discriminate against people with certain disabilities, whether for a short-term episode or long-term condition.
The fiscal note on HB 931 is very flawed in several ways. Most importantly, it is based on suppositions that do not reflect actual experience. For example, the estimated impact is higher than the Medicare program spends for more than 10 times the number of beneficiaries and more than 10 years into coverage. Also, the estimate appears to reflect the total payments for telehealth services, not the net cost considering substitution for in-person care, often at more costly settings.

If HB 931 needs to be narrowed because of the fiscal note, we strongly suggest the General Assembly move forward building on the several ways in which the State and Medicaid use some type of capitated payment system to manage costs. In particular, we urge that on or soon after July 1 Medicaid also cover telehealth (including store-and-forward/asynchronous and remote patient monitoring) under--

- Payments determined by the Health Services Cost Review Commission
- HealthChoice program for managed care (covering 80% of Medicaid recipients)
- Community health centers and other Federally-qualified health centers, and
- Medical homes operating under the Maryland Health Care Commission’s program.

At some later time coverage could be extended to services paid under fee-for-service reimbursement, notably the fee schedules for physicians and other individual practitioners (under COMAR 10.09.02.07 and 10.21.25.05). At least in initial years of fee schedule coverage it may be prudent to require related providers use a “GT code modifier” for billing, as Medicare does, so as to identify any unwarranted telehealth utilization.

HB 934’s Task Force on the Use of Telehealth to Improve Maryland Health Care is important for developing a plan for subsequent actions by the State, consumers, health care providers and other payors. The fiscal note gives added importance to the Task Force regarding reimbursement methods. The Task Force could be instrumental, for example, in developing multi-payer arrangements to address--

- Avoidable cost items, such as prompt stroke diagnosis and care, at-risk pregnancies and premature births, mental health care (especially with related high medication costs), and non-emergency medical transport, and
- Payment and service innovations, such as Medicaid “health homes” for chronic care, accountable care organizations, specialty care medical homes, and school-based health care.

HB 931 and HB 934 are important for the people of Maryland and improved health care delivery in Maryland.