

AB 1733 (Logue) – Telehealth

Introduced February 16, 2012, Amended April 26, 2012

This bill expands current-law requirements relating to the use of telehealth in Medi-Cal Managed Care plans to all major health plans that contract with the Department of Health Care Services (DHCS).

According to the author, this bill is a minor expansion of requirements enacted in AB 415 (Logue), Chapter 547, Statutes of 2011. AB 415 removed administrative barriers to the use of telehealth in part by ensuring Medi-Cal managed care plans did not discriminate against services provided via telehealth, if the services are appropriately provided through telehealth. This would apply the requirements to all plans that contract with DHCS for health care services.

According to the Center for Connected Health, a non-profit focusing on telehealth issues, telehealth is the use of technology and processes to electronically connect patients with health care providers and educators. Applications range in complexity from a phone call with a specialist to virtual appointments with a distant provider via video conferencing.

AB 415 sought to ensure telehealth was treated at parity with in-person visits, as long as the visit was appropriately provided through telehealth. However, this bill only applied to full-service health care plans, and did not apply to several other types of plans that contract with DHCS, including PACE, SCAN Health Plan, and AIDS Healthcare Foundation. This bill applies the requirements uniformly. According to the author, DHCS suggested a technical amendment last year to address this oversight, but it was too late to amend the bill at that time.

AMENDED IN ASSEMBLY APRIL 26, 2012

AMENDED IN ASSEMBLY APRIL 16, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1733

Introduced by Assembly Member Logue

February 16, 2012

An act to amend Section 1374.13 of the Health and Safety Code, and to add Section 14594 to the Welfare and Institutions Code, relating to telehealth.

LEGISLATIVE COUNSEL'S DIGEST

AB 1733, as amended, Logue. Telehealth.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law prohibits a health care service plan from requiring in-person contact between a health care provider and a patient before payment is made for covered services appropriately provided through telehealth, as specified. Existing law specifies that this requirement applies to certain Medi-Cal managed care plans, including county organized health systems and entities contracting with the department to provide services pursuant to 2-plan models and geographic managed care.

Existing law establishes the California Program of All-Inclusive Care for the Elderly (PACE) and provides that the State Department of Health Care Services may enter into contracts with public or private nonprofit organizations for implementation of the PACE program.

This bill would specify that the prohibition on requiring in-person contact also applies to other health care service plan contracts with the State Department of Health Care Services for services under the Medi-Cal program, and publicly supported programs other than Medi-Cal, as well as to the organizations implementing the PACE program. By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1374.13 of the Health and Safety Code
2 is amended to read:

3 1374.13. (a) For the purposes of this section, the definitions
4 in subdivision (a) of Section 2290.5 of the Business and Professions
5 Code shall apply.

6 (b) It is the intent of the Legislature to recognize the practice
7 of telehealth as a legitimate means by which an individual may
8 receive health care services from a health care provider without
9 in-person contact with the health care provider.

10 (c) No health care service plan shall require that in-person
11 contact occur between a health care provider and a patient before
12 payment is made for the covered services appropriately provided
13 through telehealth, subject to the terms and conditions of the
14 contract entered into between the enrollee or subscriber and the
15 health care service plan, and between the health care service plan
16 and its participating providers or provider groups.

17 (d) No health care service plan shall limit the type of setting
18 where services are provided for the patient or by the health care
19 provider before payment is made for the covered services
20 appropriately provided through telehealth, subject to the terms and
21 conditions of the contract entered into between the enrollee or
22 subscriber and the health care service plan, and between the health
23 care service plan and its participating providers or provider groups.

1 (e) The requirements of this section shall also apply to health
2 care service plan *and Medi-Cal managed care plan* contracts with
3 the State Department of Health Care Services pursuant to Chapter
4 7 (commencing with Section 14000) or Chapter 8 (commencing
5 with Section 14200) of Part 3 of Division 9 of the Welfare and
6 Institutions Code.

7 (f) Notwithstanding any other provision, this section shall not
8 be interpreted to authorize a health care service plan to require the
9 use of telehealth when the health care provider has determined
10 that it is not appropriate.

11 SEC. 2. Section 14594 is added to the Welfare and Institutions
12 Code, to read:

13 14594. (a) For the purposes of this section, the definitions in
14 subdivision (a) of Section 2290.5 of the Business and Professions
15 Code shall apply.

16 (b) It is the intent of the Legislature to recognize the practice
17 of telehealth as a legitimate means by which an individual may
18 receive health care services from a health care provider without
19 in-person contact with the health care provider.

20 (c) No PACE organization shall require that in-person contact
21 occur between a health care provider and a patient before payment
22 is made for the covered services appropriately provided through
23 telehealth, subject to the terms and conditions of the contract
24 entered into between the enrollee or subscriber and the PACE
25 organization, and between the PACE organization and its
26 participating providers or provider groups.

27 (d) No PACE organization shall limit the type of setting where
28 services are provided for the patient or by the health care provider
29 before payment is made for the covered services appropriately
30 provided through telehealth, subject to the terms and conditions
31 of the contract entered into between the enrollee or subscriber and
32 the PACE organization, and between the PACE organization and
33 its participating providers or provider groups.

34 (e) Notwithstanding any other provision, this section shall not
35 be interpreted to authorize a PACE organization to require the use
36 of telehealth when the health care provider has determined that it
37 is not appropriate.

38 SEC. 3. No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

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