



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 546 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Rep. Patton

**Local Impact Statement Procedure Required:** No

**Subject:** To prohibit health benefit plans from treating telemedicine services differently from in-person health care services solely because they are provided as telemedicine services

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### State & Local Fiscal Highlights

- The requirement related to telemedicine services coverage may minimally increase costs for health insurers, including public employee benefit plans. Currently, telemedicine service is not included in the state's health benefit plan, thus, it may minimally increase costs to the state to provide health benefits to employees and their dependents.
- LSC staff could not determine the magnitude of the bill's fiscal impact on counties, municipalities, townships, and school districts statewide due to lack of information on the number of plans that do not currently include telemedicine services coverage.
- To the extent that telemedicine services are already included in a particular local government's health benefit plan, there would be no impact on its costs of providing health benefits to employees and their dependents.

### Detailed Fiscal Analysis

The bill requires a health benefit plan to provide coverage for telemedicine services on the same basis and to the same extent that the plan provides coverage for in-person health care services. The bill specifies that a health benefit plan is prohibited from excluding coverage for a service solely because it is provided as a telemedicine service. Annual or lifetime benefit maximums for telemedicine services under the bill must be the same as benefit maximums imposed on all benefits offered under the plan. The bill permits a health benefit plan to assess cost-sharing requirements on a covered individual for telemedicine services, provided that such cost-sharing requirements are not greater than those for comparable in-person health care services.<sup>1</sup>

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<sup>1</sup> The bill specifies that a health plan issuer is not required to reimburse a physician for any costs or fees associated with the provision of telemedicine services that would be in addition to or greater than the standard reimbursement for comparable in-person health care services.

The bill's requirements apply to "health benefit plans" as defined under ongoing law in section 3922.01 of the Revised Code; the definition in that section includes nonfederal, government health plans. The bill applies to all health benefit plans issued, offered, or renewed on or after January 1, 2019.

### **Fiscal effect**

The bill's prohibition against excluding coverage for telemedicine services has the potential to increase costs for the state and local governments to provide health benefits to employees and their dependents. Whether there would be such an increase depends on whether (1) the state or a local government already provides coverage for telemedicine services (the state health plan currently does not provide such coverage), and (2) whether a patient (in any given case) who lacks insurance coverage for telemedicine service would pursue medical care by way of an office visit. If a patient would not seek such care, perhaps due to an unwillingness to undertake the travel necessary to a physician's office, the bill may potentially increase medical expenditures for that patient's care. If the patient would visit a physician's office, there would be little, if any, difference in costs for the insurer and employer. LSC staff are unaware of any reliable basis for predicting the overall increase in utilization of medical services if coverage of telemedicine services becomes more widely available.

LSC staff could not determine the magnitude of the bill's fiscal impact on counties, municipalities, townships, and school districts statewide due to both the argument outlined above and a lack of information on the number of plans that do not currently include telemedicine services coverage. To the extent that telemedicine services are already included in a local government's health benefit plan, there should be no impact on their costs of providing health benefits to employees and their dependents.