

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, March 14, 2016

**TIME:** 9:00 A.M.

**PLACE:** Room EW20

**MEMBERS:** Chairman Wood, Vice Chairman Packer, Representatives Hixon, Perry, Romrell, Vander Woude, Beyeler, Redman, Troy, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Kathie Garrett, CID; Christine Pisani, DD Council; Eric Collett, IHCA; Ryan Day, IAPG; William Hazle, Idaho Telehealth Alliance; Dave Taylor, DHW; Mike Reynoldson, Blue Cross of Idaho; Steve Thomas, IAHP; Bill Roden, Select Health; Ken McClure, IMA; Norm Varin, PacificSource; Shad Priest, Regence Blue Shield, Bridge Span Health; Jim Baugh, DRI; Michael Skelton, All Season; Jason Kreizenbeck, Lobby Idaho; Brian Whitlock, IHA.

**Chairman Wood** called the meeting to order at 9:00 a.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes for the March 2, 3, 8, and 9, 2016, meetings. **Motion carried by voice vote.**

**H 583:** **Rep. John Rusche**, District 9, presented **H 583**. This legislation stipulates insurance carriers cannot exclude telehealth benefits from their plans and must cover services listed by Medicare procedure codes. Services beyond Medicare coverage would not be required and there is no interference with health plans, medical necessity, or payment policies. This is a coverage mandate to extend the rural availability of mental health (MH) telehealth services and assure provider telehealth patient accommodations are financially viable.

Responding to committee questions, **Rep. Rusche** said the state can modify Medicaid insurance packages, as opposed to Medicare, which is a federal standard. This legislation recognizes the importance of telehealth to rural business practice when in-house specialty providers are not viable.

**Bill Hazle**, Idaho Telehealth Alliance, Psychiatrist, Telehealth Psychiatry, testified **in support of H 583**. Any telehealth improvement requires reimbursement, a current impediment to rural quality of care. Medicare and Medicaid patients with specialty care access show improvement in both results and quality of life. For the same services, private carrier patients must either pay out-of-pocket or drive out of town for a covered face-to-face visit, burdening both the patient and local care providers.

**Mike Reynoldson**, Director, Government Affairs, Blue Cross Idaho, testified **in opposition to H 583**. Telehealth presents the opportunity to inject innovation and improved effectiveness into the health care delivery system. Market analysis determines which telehealth services maintain care quality, work best, will be used, and will lower costs. This legislation is not supported by their market analysis and incorrectly assumes the Medicare one-size-fits-all coverage codes are appropriate for the Idaho marketplace. He requested the insurance companies be allowed to support telehealth growth without a government mandate.

Answering committee questions, **Mr. Reynoldson** stated telehealth coverage is primarily focused on MH and psychotherapy services. Analysis of the telehealth expansion is predicated upon member needs, including a number of large contract groups. Of concern is the possibility of requirement beyond Medicare coverage for the listed current procedure technology (CPT) codes.

**Steve Thomas**, Idaho Association of Health Plans, testified **in opposition** to **H 583**, due to concerns regarding the mandate, delegation of authority, and the effective date. The mandate removes competition between companies. The CPT codes apply only to patients in health professional shortage areas (HPSA). This legislation also gives the Centers for Medicare and Medicaid Services (CMS) the authority to apply regulations, circumventing legislative review and approval. Without an effective date, implementation would be July 1, 2016. This becomes a legal threat since they are already submitting 2017 products and pricing to the Department of Insurance (DOI). A better effective date is January 1, 2018, which would allow carriers time to comply with the regulations during product development.

**Ken McClure**, Idaho Medical Association, testified **in support** of **H 583**, legislation to improve the delivery of coordinated, seamless health care to Idaho patients and address the current fractionization of care delivery in non-acute rural settings. This compels the insurance companies to provide all citizens with appropriate services, as are already provided to Medicare patients. This does not require payment of an amount at any particular level. The insurers definition is from statute and telehealth services are as defined in the Telehealth Access Act. This legislation asks for payment of telehealth services already being reimbursed when delivered in a physician's office. The bill sponsors encountered insurance community reluctance to engage in conversations about this legislation.

Responding to committee questions, **Mr. McClure** said the effective date, had the insurance community engaged in conversation, could have been changed previously and can still be changed through an amendment. The Medicare CPT codes are the minimum federal code sets already in use. The codes could be covered by a different reference, although it may lead to a lack of uniformity argument.

**Norm Varin**, Director, Idaho Government Relations, PacificSource Health Plans, testified **in opposition** to **H 583**. Although PacificSource has telehealth coverage consistent with Medicare coverage guidelines, this legislative mandate removes their flexibility to meet member needs and support the best underlying cost structure.

**Mr. Varin**, responding to committee questions, stated telehealth services are paid at a percentage of the normal reimbursement because the costs to provide the services are less. With internet access, most rural health care providers can participate in telehealth services.

**Shad Priest**, Regence Blue Shield Idaho, Bridge Span Health, testified **in opposition** to **H 583**, stating they already cover telehealth services and use the Medicare CPT codes. Some non-Affordable Care Act insureds would lose their grandfather status as a result of this legislation. This adopts a law mechanizing future congressional changes, such as the proposed Telehealth Parity Act, and removing their ability to define Idaho needs. Letting the market define telehealth services is preferential, especially since Medicare and Medicaid cover over 25% of all Idahoans. This is unnecessary and bad state policy.

**Brian Whitlock**, President, Idaho Hospital Association, testified **in opposition** to **H 583**. The association supports addressing rural telehealth challenges, including seasonal access issues. He expressed concern regarding mandating the insurance industry.

For the record, no one else indicated their desire to testify.

**Rep. Rusche**, said **H 583** is about coverage, not parity and payment. This legislation provides a path for already covered in-office services provided in a rural telehealth care environment. It mandates coverage in rural health manpower shortage areas (HMSA) using standard insurance medical billing language. The current reimbursement issues have caused rural telehealth practice closures.

Answering committee questions, **Rep. Rusche** stated the Medicare CPT lists, when determined to be appropriately delivered, are reimbursed for face-to-face services. An amendment could be prepared to address the bill's effective date issue.

**MOTION:**

**Rep. Hixon** made a motion to **HOLD H 583** in committee.

**SUBSTITUTE MOTION:**

**Rep. Chew** made a substitute motion to send **H 583** to the floor with a **DO PASS** recommendation.

**AMENDED SUBSTITUTE MOTION:**

**Rep. Redman** made an amended substitute motion to send **H 583** to General Orders with amendments.

**Chairman Wood, Vice Chairman Packer, Reps. Perry and Troy** commented in support of the **original motion**. The market needs to refine their systems to deliver telehealth care as conveniently and inexpensively as possible. The verbiage "and regulations adopted thereunder" is of concern. The effect on grandfathered plans and the impact of possible parity legislation is also a concern.

**MOTION WITHDRAWN:**

**Rep. Redman** withdrew his amended substitute motion to send **H 583** to General Orders with amendments.

**Rep. Rusche** commented in support of the substitute motion. Telehealth Medicare coverage began in October, 2001. It is already mandated in Oregon and Montana, so the insurance companies know of any cost differences. The expressed concern regarding the insurance companies being told what to do is valid.

**VOTE ON SUBSTITUTE MOTION:**

**Rep. Chew** requested a roll call vote on the substitute motion for **H 583**. **Motion failed by a vote of 2 AYE and 9 NAY. Voting in favor of the motion: Reps. Rusche and Chew. Voting in opposition to the motion: Reps. Wood, Packer, Hixon, Perry, Romrell, Vander Woude, Beyeler, Redman, and Troy.**

**VOTE ON ORIGINAL MOTION:**

**Chairman Wood** called for a vote on the original motion to **HOLD H 583** in committee. **Motion carried by voice vote. Reps. Chew and Rusche** requested they be recorded as voting **NAY**.

**S 1323:**

**Sen. Marv Hagedorn**, District 14, presented **S 1323**, legislation to remove the references to the Code of Federal Regulations, which changes frequently due to program funding. It also provides flexibility regarding which state agency the State Independent Living Council should contact for allocation of the federal funds.

**MOTION:**

**Vice Chairman Packer** made a motion to send **S 1323** to the floor with a **DO PASS** recommendation.

For the record, no one indicated their desire to testify.

**VOTE ON MOTION:**

**Chairman Wood** called for a vote on the motion to send **S 1323** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Beyeler** will sponsor the bill on the floor.

**HCR 54:**

**Rep. John Rusche**, District 6, presented **HCR 54**, addressing communication issues revealed in the Office of Performance Evaluation study on Optum. Through this resolution, the Department of Health and Welfare is directed to develop an MH and behavioral health (BH) plan describing how all plans or programs fit together, providing measurements to improve the Idaho BH services.

**MOTION:**

**Vice Chairman Packer** made a motion to send **HCR 54** to the floor with a **DO PASS** recommendation.

**Kathie Garrett**, Consortium of Idahoans with Disabilities, testified in support of **HCR 54**, stating this is a good step to provide a clearly communicated vision and plan.

For the record, no one else indicated their desire to testify.

**VOTE ON MOTION:** **Chairman Wood** called for a vote on the motion to send **HCR 54** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Rusche** will sponsor the bill on the floor.

**S 1341aa:** **Rep. Kelley Packer**, District 28, presented **S 1341aa**, which stipulates citations can only be issued for those cited in law and rule promulgated by law.

**MOTION:** **Rep. Hixon** made a motion to send **S 1341aa** to the floor with a **DO PASS** recommendation.

For the record, no one indicated their desire to testify.

**VOTE ON MOTION:** **Chairman Wood** called for a vote on the motion to send **S 1341aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Packer** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 10:39 a.m.

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Representative Wood  
Chair

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Irene Moore  
Secretary