



Leading Requirements of SB 781

Health Insurance – Coverage for Services Delivered through Telemedicine

July 2012

The Maryland General Assembly passed Senate Bill 781 (SB 781), *Health Insurance – Coverage for Services Delivered through Telemedicine*, during the 2012 legislative session and was signed into law on May 22, 2012 by Governor Martin O'Malley. The law becomes effective on October 1, 2012 and requires that health insurers and managed care organizations (MCOs) provide coverage for health care services provided appropriately using telemedicine technology, and that coverage cannot be denied because services were provided through telemedicine rather than in-person. Telemedicine is the use of interactive audio, video or other telecommunications or electronic technology to deliver health care service, and does not include audio-only phone conversations, e-mail messages or faxes between the provider and patient. Insurers are not required to cover telemedicine services if the health service would not be a covered benefit even if provided in-person, or if the telemedicine provider is out-of-network.

Additional components to SB 781 include:

- Insurers and MCOs may require deductibles, copayments or coinsurance for telemedicine services as they would for in-person services.
- Telemedicine services may be subject to an annual dollar maximum (as permitted by federal law) but not a lifetime dollar maximum.
- Insurers and MCOs may apply utilization review methods, such as preauthorizations, to telemedicine services as long as those same methods are applied to reviewing in-person consultations.
- Insurers and MCOs may not distinguish between rural and urban patients in determining coverage for telemedicine services.

SB 781 also mandates the completion of two studies to examine the potential benefits of telemedicine for specific populations. The Department of Public Safety and Correction Services (DPSCS) will conduct a study of the use of telemedicine to identify opportunities to reduce the costs of delivering health care services to inmates incarcerated in a State or local correctional facility, such as reducing the cost of secure transportation.

The second study will be conducted by the Maryland Department of Health and Mental Hygiene (DHMH) to determine which types of patients would be suitable for which types of telemedicine and will include a fiscal impact analysis that estimates the potential effect of Medicaid coverage on telemedicine. Medicaid will conduct a literature review and assess the policies of other State Medicaid agencies; the review will also include evidence regarding the appropriate use of telemedicine in delivering mental health services. The DPSCS and the DHMH are both required to deliver reports to the General Assembly by December 1, 2012.

Senate Bill 781 may be located at: <http://mlis.state.md.us/2012rs/bills/sb/sb0781t.pdf>.