

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4101 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires Oregon Health Authority to ensure reimbursement of health services delivered using telemedicine.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See analysis.

Summary of Expenditure Impact:

Analysis:

HB 4101 with the -1 amendment requires the Oregon Health Authority (OHA) to reimburse health care providers the cost of services delivered using telemedicine and to adopt rules to ensure that coordinated care organizations (CCOs) reimburse the cost of health services delivered using telemedicine. The bill directs OHA to take all steps necessary to carry out the provisions of this bill beginning July 1, 2021.

The fiscal impact of this bill on OHA is indeterminate, at this time. Depending on the level of work necessary to implement the bill within the required timeline, OHA could potentially need 1 position (0.25 FTE) for the 2019-21 biennium, which would largely be supported with federal Medicaid match. If this position was needed throughout the 2021-23 biennium, the biennial cost is estimated at \$218,054 Total Funds [\$98,296 General Fund and \$119,758 Federal Funds]. OHA reports it is currently working on reimbursing health care providers for the cost of services delivered using telemedicine, but efforts are slow due to lack of staffing. With passage of this bill, additional work is likely needed to spearhead a review of all current approved codes and determine which codes, in all programs, are appropriate to use telemedicine. Additionally, the agency would need to research Centers for Medicare and Medicaid Services (CMS) standards and ensure all program areas have updated policy, rules, coding and fee schedules that align with CMS's standards and Health Evidence Review Commission (HERC) guidance. The agency will also need to complete a Medicaid State Plan amendment and amendments to coordinated care organizations (CCOs) contracts. In addition, OHA staff will need to work with stakeholders and providers to educate them on the requirements and procedures on how to bill OHA for these services. As telemedicine develops and its utilization increases, OHA policy, rules, and provider education and guidance will need continual attention. Depending on this overall level of work, an additional position may be necessary.

In addition to potential administrative costs, the impact of this bill on Medicaid service expenditures is indeterminate. At this time, it is not possible to know how the utilization of telemedicine services will evolve. Nor is it possible to know how increased utilization will impact the use of other services. It is believed increased use of telemedicine will improve the identification of serious conditions at earlier stages, lowering overall costs for OHA. However, the actual impact these services will have on OHA's budget cannot be predicted at this time.