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Senate Bill 898 (as introduced 4-29-20)
Sponsor: Senator Adam J. Hollier
Committee: Health Policy and Human Services

Date Completed: 10-7-20

CONTENT

The bill would amend Chapter 34 (Disability Insurance Policies) of the Insurance Code to require an insurer to provide the same coverage for a service that was provided through telemedicine as if that service involved face-to-face contact between the health care professional and the patient.

Currently, under Section 3476 of the Code, an insurer that delivers, issues for delivery, or renews a health insurance policy in Michigan may not require face-to-face contact between a health care professional and a patient for services appropriately provided through telemedicine, as determined by the insurer. Telemedicine services must be provided by a health care professional who is licensed, registered, or otherwise authorized to practice his or her health care profession in the state where the patient resides. Telemedicine services are subject to all terms and conditions of the health insurance policy agreed upon between the policy holder and the insurer.

("Telemedicine" means the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine under Section 3476 of the Code, the health care professional must be able to examine the patient via a real-time, interactive audio or video, or both, telecommunications system and the patient must be able to interact with the off-site health care professional at the same time the services are provided.)

Under the bill, if a service were provided through telemedicine, the insurer would have to provide the same coverage for that service as if the service involved face-to-face contact between the health care professional and the patient.

Section 3476, as amended by the bill, would apply to health insurance policies delivered, executed, issued, amended, adjusted, or renewed in the State, or outside of the State if covering residents of the State, beginning on the bill's effective date.

MCL 500.3476

Legislative Analyst: Dana Adams
Stephen Jackson

FISCAL IMPACT

The bill would require reimbursement by insurers for telemedicine be the same as for face-to-face contact between the provider and patient. The bill would have a marginal impact on employment health insurance costs for State and local governments, depending on the potential minor changes in reimbursement to equalize payment rates. A cursory view does

not indicate any significant gaps in reimbursement, so any potential changes in costs for insurers would be relatively minor and State and local governments as payers for employee health insurance would see zero or very small relative changes in their costs for employee health insurance.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.