



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 123 of the 130th G.A.](#)

Date: August 2, 2013

Status: As Passed by the House

Sponsors: Reps. Gonzales and Wachtmann

Local Impact Statement Procedure Required: No

Contents: Medicaid coverage of telehealth services

State Fiscal Highlights

- It is possible that the bill would increase administrative costs for the Office of Medical Assistance (OMA) due to the requirement of establishing reimbursement standards. The bill could also increase the number of Medicaid claims due to a standard reimbursement that could, in turn, increase administrative costs for OMA.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Telehealth services required under the Medicaid Program

Currently, reimbursement under the Medicaid Program for telemedicine service varies. There is no uniform system, but certain providers are able to bill Medicaid for providing such services. In the Revised Code, "the practice of telemedicine" refers to an out-of-state physician who provides services through any communication including oral, written, or electronic to someone in Ohio.¹ These services are covered by Medicaid now.² On the other hand, according to the Office of Medical Assistance (OMA), reimbursement for telemedicine services provided by in-state providers is currently built into the physician's reimbursement rates as overhead for face-to-face encounters.

The bill requires OMA to establish standards for Medicaid reimbursement for health care services OMA determines are appropriate to be covered by the Medicaid Program when provided as telehealth services. The bill defines a "telehealth service" as a health care service delivered to a patient through the use of interactive audio, video, or other telecommunications or electronic technology from a site other than the site where the patient is located.

It is possible that the bill would increase administrative costs for OMA due to the requirement of establishing reimbursement standards. The bill could also increase the number of Medicaid claims due to a standard reimbursement that could, in turn, increase administrative costs for OMA. An increase in claims may increase Medicaid service costs if telehealth services are not as cost effective as the Medicaid Program's coverage of health care services when provided by a health care provider at the same site where the patient is located.

Health care peer review committees

The bill provides that the release of any information, documents, or records that were produced or presented during proceedings of a peer review committee of a health care entity does not affect the confidentiality of any other information, documents, or records produced or presented during those proceedings. The bill also expands the definition of a health care entity to include accountable care organizations and expands the definition of a hospital to include a group of hospitals that are owned, sponsored, or managed by a single entity.

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¹ R.C. 4731.296.

² O.A.C. 5101:3-2-02.