

# Legislative Analysis



## TELEMEDICINE SERVICES

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<http://www.house.mi.gov/hfa>

**House Bill 4213 as introduced**  
**Sponsor: Rep. Christine Morse**  
**Committee: Health Policy**  
**Complete to 10-4-23**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

House Bill 4213 would amend the Social Welfare Act to revise statutory language concerning the coverage of telemedicine services under Medicaid and the Healthy Michigan program.

Under the act, *telemedicine* services are covered under those programs if the *originating site* is an in-home or in-school setting, another originating site allowed in the Medicaid Provider Manual, or any established site considered appropriate by the health provider. The distant provider or organization is responsible for verifying a recipient's identification and program eligibility and must ensure that the information is available to the primary care provider.

*Telemedicine* means the use of an electronic media to link patients with health care professionals in different locations. To be considered telemedicine, the health care professional must be able to examine the patient via a Health Insurance Portability and Accountability Act (HIPAA)-compliant, secure interactive audio or video, or both, telecommunications system, or through the use of store and forward online messaging.

*Originating site* means the location of the eligible recipient at the time the service being furnished by a telecommunications system occurs.

The bill would add that telemedicine services are also covered under those programs if provided at, or contracted through, a *distant site* allowed in the Medicaid Provider Manual. The Medicaid and Healthy Michigan programs would have to include a comprehensive set of their services and benefits as covered telemedicine services, including at least medical, dental, behavioral, and substance use disorder services, and would have to authorize as many types of health care *distant providers* as allowable by law to render telemedicine services. The Medicaid program or Healthy Michigan program could not do any of the following:

- Impose more restrictive quantity or dollar amount maximums or limitations for telemedicine services than those for comparable in-person services.
- Reimburse distant providers for telemedicine services at a lower rate than comparable in-person services, except for providers who exclusively provide telemedicine services.
- Impose specific requirements or limitations on the technology used to deliver telemedicine services, except that it comply with HIPAA.
- Impose additional certification, location, or training requirements on a distant provider as a condition of reimbursing them for telemedicine services.

*Distant provider* and *distant site* would mean, respectively, the health care professional providing the service being furnished by a telecommunications system and their location at the time the service is furnished. Distant site could include the health care professional's office or an established site they consider appropriate, as long as the

privacy of the recipient and the security of the information shared during the telemedicine visit are maintained.

The distant provider would have to notify the recipient that personally identifiable health information will be discussed during the telemedicine service and encourage the recipient to proceed only if they are in a safe and private environment. The distant provider would have to follow generally accepted clinical practice guidelines and ensure the clinical appropriateness and effectiveness of services delivered using telemedicine.

Telemedicine services would be covered when a distant provider's synchronous interactions occur using an audio and video electronic medium, as well as when using an audio-only electronic medium.

A telemedicine service would be an allowable encounter for a federally qualified health center, rural health clinic, or tribal health center in the Medicaid or Healthy Michigan program.

Telemedicine services authorized under these provisions would have to be incorporated in rate development for any managed care program that is implemented in either program, subject to federal actuarial soundness requirements.

Reimbursement for telemedicine services authorized under these provisions would be contingent upon the availability of federal financial participation for those services in the programs.

DHHS would have to seek any necessary waiver or state plan amendment from the U.S. Department of Health and Human Services to implement the provisions of the bill.

MCL 400.105h

#### **FISCAL IMPACT:**

House Bill 4213 would likely have no fiscal impact on the Department of Health and Human Services (DHHS) or the state's Medicaid program. The bill would codify current telehealth policies that were established<sup>1</sup> prior to the ending of the COVID-19 public health emergency.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

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<sup>1</sup> <https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Assistance-Programs/Medicaid-BPHASA/2023-Bulletins/Final-Bulletin-MMP-23-10-Telemedicine.pdf>