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# Memo

**Date:** September 12, 2014  
**To:** Sparb Collins  
**From:** Josh Johnson and Pat Pechacek  
**Subject:** REVIEW OF PROPOSED BILL 15.0079.02000 RELATING TO INSURANCE COVERAGE OF TELEMEDICINE.

The following summarizes our review of the proposed legislation and the preliminary response from Blue Cross Blue Shield (BCBS).

## **OVERVIEW OF PROPOSED BILL**

As proposed, this bill would require the medical benefits coverage of services provided by a health care provider by means of telemedicine which are the same as medical benefits coverage for the same services provided by a health care provider in-person.

## **EXPECTED FINANCIAL IMPACT**

There are many different ways and mediums by which telemedicine is delivered today and there will likely continue to be additional advances in this regard. The current NDPERS medical benefits cover healthcare facility based services from provider to members, and BCBS has therefore stated that there would be no cost impact if the coverage parameters are not changed. However, BCBS has stated that if the intent is to expand coverage of telemedicine mediums other than what is currently covered, there may be additional cost to the plan. Telemedicine providers claim impressive returns on investment, however, the equipment can be expensive. Therefore the services and mediums by which telemedicine is delivered need to be specifically considered and defined in the plan.

## **TECHNICAL COMMENTS**

As stated above, we recommend that coverage of any expanded telemedicine coverage be reviewed with BCBS to evaluate the administrative, clinical, and cost implications.