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FISCAL IMPACT REPORT

SPONSOR HCPAC DATE TYPED 2/16/04 HB 581/HCPACS

SHORT TITLE Public Peace, Health, Safety & Welfare SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	See Narrative				

Relates to HB 367; SB 387

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

Developmental Disabilities Planning Council (DDPC)

SUMMARY

Synopsis of Bill

House Consumer and Public Affairs Committee Substitute for House Bill 581 enacts the New Mexico Telehealth Act (NMTHA) and establish a framework for health care providers to follow in providing telehealth to New Mexico citizens when it is impractical for those citizens to receive health care consultations face-to-face. The bill defines “health care providers” to be persons licensed to provide health care to patients in New Mexico.

The bill defines “originating sites” as places where a patient may receive health care via telehealth, including: licensed inpatient centers, ambulatory surgical or treatment centers, skilled nursing centers, residential treatment centers, home health agencies, diagnostic laboratories or imaging centers, assisted living centers, school-based health programs, mobile health clinics, rehabilitation or other therapeutic health settings, or patients’ residences.

The bill defines “telehealth” as the use of electronic information, imaging, and communication technologies, including interactive audio, video, data communications as well as store-and-forward technologies, to provide and support health care delivery, diagnosis, consultation, treat-

ment, transfer of medical data and education when distance separates the patient and the health care provider.

The bill would:

- ❑ recognize and encourage the delivery of health care via telehealth as a safe, practical, and necessary practice in New Mexico;
- ❑ declare that no health care provider or operator of an originating site shall be disciplined for or discouraged from participating in telehealth pursuant to NMTHA;
- ❑ require that all health care providers and operators of originating sites engaged in telehealth comply with all applicable federal and state guidelines and follow established federal and state rules regarding security, confidentiality, and privacy protections for health care information;
- ❑ not alter the scope of practice of any health care provider or authorize the delivery of health care services in a setting or manner not otherwise authorized by law, and
- ❑ strongly encourage the use of telehealth, but would not require inclusion of telehealth into any plans or policies offered by health insurers, health maintenance organizations, managed care organizations, provider service organizations, or the state's medical assistance program.

Significant Issues

Telehealth is a growing method for meeting the health service needs of rural or isolated populations. Effective telehealth requires: creation of appropriate technological connections between remote areas and health service centers; training of health care providers in the use of telehealth methods; organization of clinical and educational telehealth systems; and appropriate reimbursement of telehealth procedures by public and private health care payors.

Telehealth is currently being used in New Mexico in a wide variety of ways, including 1) pain management consultation and hospice education, 2) early childhood developmental assessments, 3) pre-admission screening to Las Vegas Medical Center, 4) brain injury home visits, 5) geriatric psychiatry home visits and 6) in the behavioral health Regional Care Coordination (RCC) system as well as with Native American providers. There are currently 19 Telehealth supported sites throughout the state, containing telehealth interactive video or a videophone equipment (UNM Center for Telehealth).

A major new use of telehealth is the training of health care providers in providing quality hepatitis C treatment throughout New Mexico. The most critical issue facing the more than 30,000 New Mexicans living with hepatitis C is access to quality education, medical care, and treatment services. The University of New Mexico Health Sciences Center (UNMHSC), in partnership with the Department of Health (DOH) and the New Mexico Corrections Department (NMCD), has successfully piloted a telehealth solution to expand access to hepatitis C treatment in underserved areas.

FISCAL IMPLICATIONS

Depending on the cost of providing telehealth services and how it is established, there is a potential for savings: 1) through service expansion in the Regional Care Coordination system, and 2) providing pediatric multi-specialty outreach clinics. Currently the Children's Medical Services

program pays for travel for providers to community-based outreach clinics, and these costs might be eliminated if telehealth could be utilized. In FY 02, CMS spent nearly \$60,000 for travel for providers to outreach clinics.

Currently, DOH is using federal funding from the Centers for Disease Control and Prevention to support communications, provide access to up-to-date medical/technical information, and medical consultation. Telehealth is included in state bioterrorism response plan as one way to diagnose significant illnesses without having a provider exposed to large numbers of people.

RELATIONSHIP

HB 367 makes special appropriations for UNM Health Sciences Center, including an appropriation of \$1.6 million to expand access to treatment for New Mexicans living with hepatitis C in rural or outlying areas through the use of telemedicine and Internet technology.

SB 387 makes an appropriation of \$1.6 million for UNM Health Sciences Center to establish a statewide hepatitis C virus outreach identification and treatment program, including patient, community and professional education.

TECHNICAL ISSUES

The list of health care providers in the bill is not inclusive of all health professionals who may wish to utilize telehealth. For example, Masters-level clinicians who provide, by far, the majority of behavioral health treatment services in New Mexico are not included. Any listing may have gaps, and it might be preferable to refer to general categories of providers and sites, such as "health care practitioners licensed or certified by the State of New Mexico."

The bill does not explicitly include private physician practices, public health offices, or substance abuse treatment facilities in the list of originating sites. The hepatitis C telehealth initiative currently includes both private physician practices and public health offices. Substance abuse treatment facilities are current single service providers within the behavioral health service system.

DOH acknowledges that the bill would establish a good first step in developing telehealth in New Mexico, but it may be advisable to expand its provisions by :

- ❑ Establishing a lead agency within state government to work with the private sector to develop telehealth capacity; and
- ❑ Requiring appropriate reimbursement by health insurers and others for the delivery of health care services through telehealth means.

DOH notes that it may be useful to modify the bill to recognize some of the existing telehealth groups in NM, possibly establishing a statewide policy group or commission to address telehealth issues.

OTHER SUBSTANTIVE ISSUES

The NM TeleHealth Alliance, a collaborative effort of diverse stakeholders in telemedicine and composed of representatives from the NM Department of Health, Department of Corrections,

Tech Net, Medicaid Salud, and private entities such as Rehoboth McKinley Christian Hospital in Gallup, the NM Medical Society and the NM Hospital Association, is supporting telemedicine as the best solution to reduce health disparities.

The UNM Center for TeleHealth has been collaborating with the NM Department of Health in the use of telehealth within the behavioral health service system. The Center states that behavioral health services will be a major user and beneficiary of expanded telehealth services. Master-level clinicians, such as Licensed Professional Counselors (LPCs), Licensed Clinical Social Workers (LCSWs), and Licensed Alcohol and Drug Abuse Counselors (LADACs), provide the majority of behavioral health treatment services and are in short supply in rural and other underserved areas.

The telemedicine model could be further expanded to include the management of other serious chronic diseases, including asthma, diabetes, heart disease, and cancer. Large numbers of New Mexicans are impacted by these conditions, which can be difficult to manage in rural settings.

Several public and private organizations have begun to work on the development of telehealth. For example, the Office of Telehealth at the University of NM's Health Sciences Center has assisted in the development of several telehealth demonstration efforts for the state. Similarly, the NM Health Policy Commission has addressed some of the policy issues surrounding telehealth.

DDPC states that persons with developmental disabilities often have unique medical needs. Through the sharing of expertise offered through telehealth, there is the potential for improved medical services for this population in rural or frontier areas.

AMENDMENTS

Page 3, Section 3.A. "health care provider," add (20) Licensed Alcohol and Drug Abuse Counselor, (21) social workers, (22) licensed mental health counselors, or (23) other mental health professionals.

Pages 3 and 4, Section 3. B. "originating site", add (12) substance abuse treatment facility, (13) public health office, (14) private physician/provider office, or (15) the patient's residence.

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