

AMENDED IN ASSEMBLY MAY 6, 2014
AMENDED IN ASSEMBLY MARCH 11, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1771

Introduced by Assembly Member V. Manuel Pérez

February 14, 2014

An act to add Section 1374.14 to the Health and Safety Code, and to add Section 10123.855 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1771, as amended, V. Manuel Pérez. Telephonic and electronic patient management services.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Insurance Commissioner. Existing law prohibits a health care service plan or health insurer from requiring in-person contact between a health care provider and a patient before payment is made for covered services appropriately provided through telehealth, which is defined to mean the mode of delivering health care services via information and communication technologies, as specified.

This bill would require a health care service plan or a health insurer, with respect to contracts and policies issued, amended, or renewed on or after January 1, 2015, to cover physician telephonic and electronic patient management services, *as defined*, and to reimburse those services ~~at the same level and amount as face-to-face patient encounters with~~

based on their similar complexity and time expenditure. Because a willful violation of the bill’s requirements by a health care service plan or health insurer would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. The Legislature hereby finds and declares all of~~
- 2 ~~the following:~~
- 3 ~~(a) The lack of primary and specialty care physicians continues~~
- 4 ~~to be a significant barrier to individual access to health care~~
- 5 ~~services, a barrier that will only be exacerbated by health care~~
- 6 ~~reform efforts that will increase the number of insured individuals.~~
- 7 ~~(b) The term “telehealth,” as defined in Section 2290.5 of the~~
- 8 ~~Business and Professions Code, includes telephonic and electronic~~
- 9 ~~patient management, which means the use of electronic~~
- 10 ~~communication tools, such as the telephone and electronic mail,~~
- 11 ~~to enable treating physicians to evaluate and manage their existing~~
- 12 ~~patients in a manner recognized by the American Medical~~
- 13 ~~Association, Current Procedural Terminology codes.~~
- 14 ~~(c) Telephonic and electronic patient management is an effective~~
- 15 ~~strategy to address the problems associated with the physician~~
- 16 ~~shortage in California, as it increases physician practice efficiency~~
- 17 ~~through the reduction of unnecessary office visits and increases~~
- 18 ~~productivity by allowing physicians to treat more patients.~~
- 19 ~~(d) In addition, studies have shown that telephonic and electronic~~
- 20 ~~patient management reduces costs and yields positive results for~~
- 21 ~~health care payers due to the reduced use of costly services and~~
- 22 ~~reported improvements in quality of care.~~
- 23 ~~(e) Consumers of health care will benefit from telephonic and~~
- 24 ~~electronic patient management in many ways, including expanded~~
- 25 ~~access to physicians, faster and more convenient treatment, better~~

1 continuity of care, and reduced lost work time and health care
2 costs:

3 ~~(f) While some third-party payers reimburse physicians for~~
4 ~~telephonic and electronic patient management, some do not even~~
5 ~~though that reimbursement would assist in improving the physical~~
6 ~~and economic health of the state.~~

7 ~~SEC. 2.~~

8 SECTION 1. Section 1374.14 is added to the Health and Safety
9 Code, to read:

10 1374.14. (a) ~~Notwithstanding any other law, a~~ health care
11 service plan shall, with respect to plan contracts issued, amended,
12 or renewed on or after January 1, 2015, cover physician telephonic
13 and electronic patient management services and reimburse those
14 services ~~at the same level and amount as face-to-face patient~~
15 ~~encounters with similar~~ *based on their* complexity and time
16 expenditure.

17 (b) This section shall not be construed to authorize a health care
18 service plan to require the use of telephonic and electronic patient
19 management services when the physician has determined that those
20 services are not medically appropriate.

21 (c) This section shall not be construed to alter the scope of
22 practice of a health care provider or authorize the delivery of health
23 care services in a setting, or in a manner, that is not otherwise
24 authorized by law.

25 (d) All laws regarding the confidentiality of health information
26 and a patient’s rights to his or her medical information shall apply
27 to telephonic and electronic patient management services.

28 (e) This section shall not apply to a patient under the jurisdiction
29 of the Department of Corrections and Rehabilitation or any other
30 correctional facility.

31 (f) For purposes of this section, “telephonic and electronic
32 patient management services” means ~~the use of electronic~~
33 ~~communication tools, such as the telephone and electronic mail,~~
34 ~~to enable treating physicians to evaluate and manage existing~~
35 ~~patients in a manner~~ *non-face-to-face telephone services and online*
36 *medical evaluation, as* recognized by the American Medical
37 Association, Current Procedural Terminology codes.

38 ~~SEC. 3.~~

39 SEC. 2. Section 10123.855 is added to the Insurance Code, to
40 read:

1 10123.855. (a) ~~Notwithstanding any other law, a~~ health
 2 insurer shall, with respect to policies of health insurance issued,
 3 amended, or renewed on or after January 1, 2015, cover physician
 4 telephonic and electronic patient management services and
 5 reimburse those services ~~at the same level and amount as~~
 6 ~~face-to-face patient encounters with similar~~ *based on their*
 7 complexity and time expenditure.

8 (b) This section shall not be construed to authorize a health
 9 insurer to require the use of telephonic and electronic patient
 10 management services when the physician has determined that those
 11 services are not medically appropriate.

12 (c) This section shall not be construed to alter the scope of
 13 practice of a health care provider or authorize the delivery of health
 14 care services in a setting, or in a manner, that is not otherwise
 15 authorized by law.

16 (d) All laws regarding the confidentiality of health information
 17 and a patient’s rights to his or her medical information shall apply
 18 to telephonic and electronic patient management services.

19 (e) This section shall not apply to a patient under the jurisdiction
 20 of the Department of Corrections and Rehabilitation or any other
 21 correctional facility.

22 (f) For purposes of this section, “telephonic and electronic
 23 patient management services” ~~means the use of electronic~~
 24 ~~communication tools, such as the telephone and electronic mail,~~
 25 ~~to enable treating physicians to evaluate and manage existing~~
 26 ~~patients in a manner~~ *non-face-to-face telephone services and online*
 27 *medical evaluation, as* recognized by the American Medical
 28 Association, Current Procedural Terminology codes.

29 ~~SEC. 4.~~

30 *SEC. 3.* No reimbursement is required by this act pursuant to
 31 Section 6 of Article XIII B of the California Constitution because
 32 the only costs that may be incurred by a local agency or school
 33 district will be incurred because this act creates a new crime or
 34 infraction, eliminates a crime or infraction, or changes the penalty
 35 for a crime or infraction, within the meaning of Section 17556 of
 36 the Government Code, or changes the definition of a crime within
 37 the meaning of Section 6 of Article XIII B of the California
 38 Constitution.

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