

AMENDED IN SENATE JUNE 9, 2014  
AMENDED IN ASSEMBLY MAY 28, 2014  
AMENDED IN ASSEMBLY MAY 23, 2014  
AMENDED IN ASSEMBLY MAY 6, 2014  
AMENDED IN ASSEMBLY MARCH 11, 2014  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1771**

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**Introduced by Assembly Member V. Manuel Pérez**

February 14, 2014

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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. Telephone visits.

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, 2016, to cover telephone visits, as defined, provided by a physician. The bill would provide that a health care service plan or a health insurer is not required to reimburse separately for specified telephone visits, including a telephone visit provided as part of a bundle of services reimbursed on a capitated *or prepaid* basis *or using an episode-based payment methodology*. Because a willful violation of the bill’s requirements by a health care service plan 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. Section 1374.14 is added to the Health and Safety
- 2 Code, to read:
- 3 1374.14. (a) A health care service plan shall, with respect to
- 4 plan contracts issued, amended, or renewed on or after January 1,
- 5 2016, cover telephone visits provided by a physician.
- 6 (b) This section shall not be construed to authorize a health care
- 7 service plan to require the use of telephone visits when the
- 8 physician has determined that providing services by telephone is
- 9 not medically appropriate.
- 10 (c) This section shall not be construed to alter the scope of
- 11 practice of a health care provider or authorize the delivery of health
- 12 care services in a setting, or in a manner, that is not otherwise
- 13 authorized by law.
- 14 (d) All laws regarding the confidentiality of health information
- 15 and a patient’s rights to his or her medical information shall apply
- 16 to telephone visits.
- 17 (e) This section shall not apply to a patient under the jurisdiction
- 18 of the Department of Corrections and Rehabilitation or any other
- 19 correctional facility.

1 (f) Notwithstanding subdivision (a), a health care service plan  
2 shall not be required to reimburse separately for any of the  
3 following:

4 (1) A telephone visit that is related to a service or procedure  
5 provided to an established patient within a reasonable period of  
6 time prior to the telephone visit, as recognized by the American  
7 Medical Association, Current Procedural Terminology codes.

8 (2) A telephone visit that leads to a related service or procedure  
9 provided to an established patient within a reasonable period of  
10 time, or within an applicable postoperative period, as recognized  
11 by the American Medical Association, Current Procedural  
12 Terminology codes.

13 (3) A telephone visit provided as part of a bundle of services  
14 for which reimbursement is provided for on a capitated or prepaid  
15 basis *or for which reimbursement is provided for using an*  
16 *episode-based payment methodology.*

17 (4) A telephone visit that is not initiated by the patient.

18 (g) Nothing in this section shall be construed to prohibit a health  
19 care service plan from requiring reasonable documentation specific  
20 to telephone visits.

21 (h) For purposes of this section, the following definitions apply:

22 (1) “Established patient” means a patient who, within the three  
23 years immediately preceding the telephone visit, has received  
24 professional services from the provider or another provider of the  
25 exact same specialty and subspecialty who belongs to the same  
26 group practice.

27 (2) “Telephone visit” means evaluation and management  
28 services that meets all of the following criteria:

29 (A) Do not require a face-to-face visit with the physician.

30 (B) Are provided remotely through live voice communication  
31 to an established patient, or parents or guardians of a minor who  
32 is an established patient.

33 (C) Are initiated by the patient, or the parents or guardians of  
34 a minor who is a patient. For purposes of this section, “initiated  
35 by the patient” excludes a visit for which a provider or staff  
36 contacts a patient to initiate a service.

37 (D) Are recognized by the American Medical Association,  
38 Current Procedural Terminology codes.

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

1 10123.855. (a) A health insurer shall, with respect to policies  
2 of health insurance issued, amended, or renewed on or after January  
3 1, 2016, cover telephone visits provided by a physician.

4 (b) This section shall not be construed to authorize a health  
5 insurer to require the use of telephone visits when the physician  
6 has determined that providing services by telephone is not  
7 medically appropriate.

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

12 (d) All laws regarding the confidentiality of health information  
13 and a patient’s rights to his or her medical information shall apply  
14 to telephone visits.

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

18 (f) Notwithstanding subdivision (a), a health insurer shall not  
19 be required to reimburse separately for any of the following:

20 (1) A telephone visit that is related to a service or procedure  
21 provided to an established patient within a reasonable period of  
22 time prior to the telephone visit, as recognized by the American  
23 Medical Association, Current Procedural Terminology codes.

24 (2) A telephone visit that leads to a related service or procedure  
25 provided to an established patient within a reasonable period of  
26 time, or within an applicable postoperative period, as recognized  
27 by the American Medical Association, Current Procedural  
28 Terminology codes.

29 (3) A telephone visit provided as part of a bundle of services  
30 for which reimbursement is provided for on a capitated or prepaid  
31 basis *or for which reimbursement is provided for using an*  
32 *episode-based payment methodology.*

33 (4) A telephone visit that is not initiated by the patient.

34 (g) Nothing in this section shall be construed to prohibit a health  
35 insurer from requiring reasonable documentation specific to  
36 telephone visits.

37 (h) For purposes of this section, the following definitions apply:

38 (1) “Established patient” means a patient who, within the three  
39 years immediately preceding the telephone visit, has received  
40 professional services from the provider or another provider of the

1 exact same specialty and subspecialty who belongs to the same  
2 group practice.

3 (2) “Telephone visit” means evaluation and management  
4 services that meets all of the following criteria:

5 (A) Do not require a face-to-face visit with the physician.

6 (B) Are provided remotely through live voice communication  
7 to an established patient, or parents or guardians of a minor who  
8 is an established patient.

9 (C) Are initiated by the patient, or the parents or guardians of  
10 a minor who is a patient. For purposes of this section, “initiated  
11 by the patient” excludes a visit for which a provider or staff  
12 contacts a patient to initiate a service.

13 (D) Are recognized by the American Medical Association,  
14 Current Procedural Terminology codes.

15 SEC. 3. No reimbursement is required by this act pursuant to  
16 Section 6 of Article XIII B of the California Constitution because  
17 the only costs that may be incurred by a local agency or school  
18 district will be incurred because this act creates a new crime or  
19 infraction, eliminates a crime or infraction, or changes the penalty  
20 for a crime or infraction, within the meaning of Section 17556 of  
21 the Government Code, or changes the definition of a crime within  
22 the meaning of Section 6 of Article XIII B of the California  
23 Constitution.