

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 and to reimburse those services at the same level and amount as face-to-face patient encounters with 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) ~~Telephonic~~—The term “telehealth,” as defined in Section
8 2290.5 of the Business and Professions Code, includes telephonic
9 and electronic patient management—is, which means the use of
10 electronic communication tools, such as the telephone and
11 electronic mail, to enable treating physicians to evaluate and
12 manage their existing patients in a manner recognized by the
13 American Medical Association, Current Procedural Terminology
14 codes.

15 (c) Telephonic and electronic patient management is an effective
16 strategy to address the problems associated with the physician
17 shortage in California, as it increases physician practice efficiency
18 through the reduction of unnecessary office visits and increases
19 productivity by allowing physicians to treat more patients.

20 (d) In addition, studies have shown that telephonic and electronic
21 patient management reduces costs and yields positive results for
22 health care payers due to the reduced use of costly services and
23 reported improvements in quality of care.

24 (e) Consumers of health care will benefit from telephonic and
25 electronic patient management in many ways, including expanded
26 access to physicians, faster and more convenient treatment, better
27 continuity of care, and reduced lost work time and health care
28 costs.

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

5 SEC. 2. Section 1374.14 is added to the Health and Safety
6 Code, to read:

7 1374.14. (a) Notwithstanding any other law, a health care
8 service plan shall, with respect to plan contracts issued, amended,
9 or renewed on or after January 1, 2015, cover physician telephonic
10 and electronic patient management services and reimburse those
11 services at the same level and amount as face-to-face patient
12 encounters with similar complexity and time expenditure.

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

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

21 (d) All laws regarding the confidentiality of health information
22 and a patient's rights to his or her medical information shall apply
23 to ~~telephone~~ *telephonic* and electronic patient management services.

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

27 (f) For purposes of this section, "telephonic and electronic
28 patient management services" means the use of electronic
29 communication tools, such as the telephone and electronic mail,
30 to enable treating physicians to evaluate and manage existing
31 patients in a manner recognized by the American Medical
32 Association, Current Procedural Terminology codes.

33 SEC. 3. Section 10123.855 is added to the Insurance Code, to
34 read:

35 10123.855. (a) Notwithstanding any other law, a health insurer
36 shall, with respect to policies of health insurance issued, amended,
37 or renewed on or after January 1, 2015, cover physician telephonic
38 and electronic patient management services and reimburse those
39 services at the same level and amount as face-to-face patient
40 encounters with similar complexity and time expenditure.

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

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

9 (d) All laws regarding the confidentiality of health information
10 and a patient's rights to his or her medical information shall apply
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16 patient management services" means the use of electronic
17 communication tools, such as the telephone and electronic mail,
18 to enable treating physicians to evaluate and manage existing
19 patients in a manner recognized by the American Medical
20 Association, Current Procedural Terminology codes.

21 SEC. 4. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 the only costs that may be incurred by a local agency or school
24 district will be incurred because this act creates a new crime or
25 infraction, eliminates a crime or infraction, or changes the penalty
26 for a crime or infraction, within the meaning of Section 17556 of
27 the Government Code, or changes the definition of a crime within
28 the meaning of Section 6 of Article XIII B of the California
29 Constitution.