

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**HOUSE BILL 704**

Short Title: Study and Encourage Use of Telemedicine. (Public)

Sponsors: Representatives Brody, Steinburg, and Fulghum (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Health and Human Services.

April 11, 2013

A BILL TO BE ENTITLED  
AN ACT DIRECTING THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON  
HEALTH AND HUMAN SERVICES TO STUDY THE USE OF TELEMEDICINE IN  
PROMOTING INCREASED ACCESS TO HEALTH CARE, REDUCING HEALTH  
DISPARITIES, AND PROVIDING FOR MORE EFFICIENT HEALTH CARE  
DELIVERY; AND PROHIBITING THE DEPARTMENT OF HEALTH AND HUMAN  
SERVICES FROM ADOPTING MEDICAL COVERAGE POLICIES THAT  
DISCOURAGE THE USE OF TELEMEDICINE UNDER MEDICAID AND HEALTH  
CHOICE.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** The Joint Legislative Oversight Committee on Health and Human Services shall study the use of telemedicine in promoting increased access to health care, reducing health disparities, and providing for more efficient health care delivery. In conducting the study, the Committee may consult with interested stakeholders. The study shall include an examination of at least all of the following:

- (1) State and federal regulatory requirements impacting the use of telemedicine for health care delivery.
- (2) Infrastructure and technology needs to support statewide implementation of telemedicine initiatives.
- (3) Credentialing and licensure issues for health care providers providing health care services through telemedicine.
- (4) Government and third-party payer coverage of, and reimbursement for, health care services provided through telemedicine, including clinical, administrative, and other requirements on the use of these services.
- (5) The impact of reimbursement on utilization.
- (6) Telemedicine initiatives in other states and their impact on access, cost, and quality of care.
- (7) The potential of telemedicine to reduce readmission rates.
- (8) Funding sources for telemedicine initiatives.
- (9) Any other issues related to telemedicine as determined by the Committee.

**SECTION 1.(b)** By no later than April 1, 2014, the Committee shall issue a final report of its findings and recommendations, including any proposed legislative changes, to the General Assembly.

**SECTION 2.(a)** The following definitions apply in this section:



- 1 (1) Consultant site. – The site at which the health care provider is physically
- 2 located at the time the health care provider delivers health, mental health, or
- 3 substance abuse services by means of telemedicine.
- 4 (2) Health Choice. – As defined in G.S. 108C-2.
- 5 (3) Medicaid. – As defined in G.S. 108C-2.
- 6 (4) Medical coverage policy. – As defined in G.S. 108A-54.2(b).
- 7 (5) Referring site. – The site at which a recipient is physically located at the
- 8 time the recipient receives health, mental health, or substance abuse services
- 9 by means of telemedicine.
- 10 (6) Telemedicine. – The delivery of health care, mental health care, or substance
- 11 abuse care, including diagnosis or treatment, by means of two-way real-time
- 12 interactive audio or video by a consulting provider at a consultant site to an
- 13 individual patient at a referring site. The term does not include the standard
- 14 use of telephones, facsimile transmissions, unsecured electronic mail, or a
- 15 combination of these in the course of care.

16 **SECTION 2.(b)** The Department of Health and Human Services shall not adopt or  
17 amend a medical coverage policy for Medicaid or Health Choice that does any of the  
18 following:

- 19 (1) Requires prior approval for the delivery of telemedicine services to an
- 20 eligible recipient, unless prior approval is also required for the same health,
- 21 mental health, or substance abuse services when rendered in a face to face
- 22 encounter.
- 23 (2) Limits an eligible recipient's access to coverage for telemedicine services
- 24 based on the location of the referring site in relation to the consultant site.

25 **SECTION 3.** Section 2 of this act becomes effective July 1, 2013, and applies to  
26 health care services rendered on or after that date. The remainder of this act is effective when it  
27 becomes law.