

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**HOUSE BILL 704  
PROPOSED COMMITTEE SUBSTITUTE H704-PCS70347-TK-17**

Short Title: Study and Encourage Use of Telemedicine.

(Public)

Sponsors:

Referred to:

April 11, 2013

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

10 The General Assembly of North Carolina enacts:

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

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

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

34 **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 and 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 results in any of the  
18 following:

- 19 (1) Requirement of 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) Limitations on an eligible recipient's access to coverage for telemedicine  
24 services based on the location of the referring site in relation to the  
25 consultant site.

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