



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 5161	Introduced on March 29, 2022
Author:	Herbkersman	
Subject:	Telehealth and Telemedicine Modernization Act	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Tipton and Coomer	
Impact Date:	April 12, 2022	

Fiscal Impact Summary

This bill establishes the South Carolina Telehealth and Telemedicine Modernization Act by statutorily defining telehealth and telemedicine, providing requirements for health insurance policies relating to telehealth and telemedicine, and amending several sections of code to refer to the definitions of telehealth and telemedicine and update practices and procedures of telehealth providers.

This bill will have no expenditure impact on the Department of Insurance (DOI) as any additional requirements of the agency will be managed under normal business operation.

This bill will have an undetermined impact on insurance premium tax revenue. DOI indicates that the bill's effect on health insurance premiums will depend on the way in which healthcare providers implement and charge for telehealth services and how telehealth is utilized by the policy holder. Depending on these unknown factors, premium tax revenue may increase or decrease.

The impact of this bill on the Public Employee Benefit Authority (PEBA) and the Department of Labor, Licensing, and Regulation (LLR) is pending, contingent upon a response from the agencies.

Explanation of Fiscal Impact

Introduced on March 29, 2022

State Expenditure

This bill establishes the South Carolina Telehealth and Telemedicine Modernization Act by statutorily defining telehealth and telemedicine, providing requirements for health insurance policies relating to telehealth and telemedicine, and amending several sections of code to refer to the updated definition of telehealth and telemedicine. Under the provisions of this bill, health insurance policies may not impose a deductible, copayment, or coinsurance for telehealth that exceeds that of a similar face-to-face consultation and may not require additional prior authorization or administrative requirements for services provided through telehealth. Further, health insurance policies may not require a provider to be physically present at the originating site and may not limit the health care services provided by the means of telehealth to the extent

lawful or appropriate for the patient. This bill also prohibits health insurance policies from requiring the use of telehealth if deemed inappropriate by the patient or provider.

Additionally, this bill amends the practices and procedures required of practitioners who establish a physician-patient relationship solely via telemedicine. The bill expands a telehealth practitioner's ability to utilize questionnaires, prescribe Schedule II and Schedule III medications for patients enrolled in Medically Assisted Therapy, and prescribe lifestyle medications provided that there is a bona fide physician-patient relationship. The bill further prohibits telehealth providers who practice solely via telemedicine from promoting primary care medical homes with the patient and allows providers acting within the scope of their respective licenses to provide health services via telehealth.

This bill is not anticipated to trigger the defrayment requirement under the Affordable Care Act as it does not create new mandated coverage.

Department of Insurance. This bill establishes requirements for health insurance policies relating to telehealth and telemedicine under review and regulation of DOI. Any additional requirements of the agency will be managed under normal business operation. Therefore, this bill will have no expenditure impact on DOI.

Public Employee Benefit Authority. This bill requires PEBA to align the State Health Plan with the bill's rules and regulations relating to telehealth. The expenditure impact of this bill on PEBA is pending, contingent upon a response from the agency.

Department of Labor, Licensing, and Regulation. This bill allows practitioners who practice solely via telemedicine to prescribe without board authorization Schedule II and Schedule III medications for patients enrolled in Medically Assisted Therapy, as well as to prescribe lifestyle medications via telemedicine without board approval. The bill also removes a provision that prohibits practitioners practicing solely via telemedicine from utilizing only a simple questionnaire to assess a patient without an appropriate evaluation. The bill further prohibits practitioners who practice solely via telemedicine from promoting primary care medical homes with the patient and allows providers acting within the scope of their respective licenses to provide health services via telehealth.

The expenditure impact of this bill on LLR and the Board of Medical Examiners and the Board of Nursing, under the regulation of LLR, is pending, contingent upon a response from the agency.

State Revenue

This bill establishes the South Carolina Telehealth and Telemedicine Modernization Act by statutorily defining telehealth and telemedicine, providing requirements for health insurance policies relating to telehealth and telemedicine, and amending several sections of code to refer to the definitions of telehealth and telemedicine and update practices and procedures of telehealth providers.

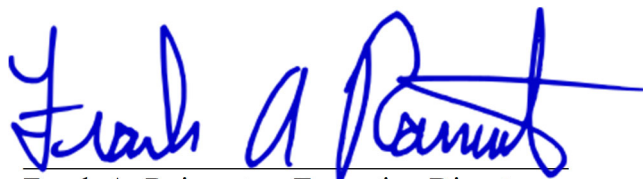
DOI indicates that the bill's effect on health insurance premiums and premium tax revenue will depend on the way in which healthcare providers implement and charge for telehealth services and how telehealth is utilized by the policy holder. By prohibiting health insurance policies from limiting telehealth coverage, this bill may expand certain policies and premiums may rise due to the addition of telehealth services. However, this bill may lower premiums by expanding services eligible to be provided via telehealth, which could be less expensive than current in-person visits. Insurance premium tax is 1.25 percent of premiums. The potential impact to insurance premium tax is dependent upon the change in premiums. As a result, this bill will have an undetermined impact on premium tax revenue.

Local Expenditure

N/A

Local Revenue

N/A



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