

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

Date: 2/28/14

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S. 234 – An Act Relating to Medicaid Coverage for Home Telemonitoring Services

The bill proposes to require Medicaid coverage for home telemonitoring services. The Department of Vermont Health Access (DVHA) and the Vermont Association of Home Health Agencies (VAHHA) worked together and determined the estimated fiscal impact of this bill would be approximately **\$315,000 gross (\$137,214 state share)**, based on a \$350 per member per month (PMPM) cost with an estimated utilization of approximately 75 individuals per month.

The DVHA also did a literature review of the potential for cost savings, and while the research is promising, specifically for the potential of reducing the length of stays in hospitals, at this time it is unclear how that research would translate into savings in Vermont. So while there may be cost-savings in the long-term, the immediate costs cannot be off-set by potential savings at this time.

Fiscal Impact: \$315,000 (gross) / \$137,214 (state)

NOTE: It should also be noted that State Innovation Model (SIM) Grant has money for telemonitoring/telemedicine. Potential funding of projects will work through the SIM/HIE/HIT work group – which is a multistakeholder engaged process – then up through the SIM governance process. The group is scheduled to start meeting in April 2014. So while this bill is specific to Medicaid coverage for these services, it is worth noting that there may be another potential funding source for telemonitoring in the near future (albeit limited to the duration of the SIM grant which is 3 years).