

STORAGE NAME: h1855s1.hcr

DATE: April 6, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE STANDARDS & REGULATORY REFORM
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 1855

RELATING TO: Task Force on Telemedicine

SPONSOR(S): Committee on Health Care Standards and Regulatory Reform and Representative Flanagan

COMPANION BILL(S): SB 1798(s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH CARE STANDARDS and REGULATORY REFORM YEAS 6 NAYS 0
 - (2) FINANCE AND TAXATION
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

CS/HB 1855 provides for the creation of a nine-member Task Force on Telemedicine. The members are to be appointed by the Secretary of the Department of Health.

The task force, in consultation with the Office of the Secretary of the United States Department of Health and Human Services, is to address a number of issues related to telecommunication technologies currently used within the state and by other states to provide medical information.

The Department of Health is responsible for travel expenses, staff support, research, and data retrieval and analysis services, as requested by the task force.

The task force is to review the various factors included in the bill and submit a report of its findings and recommendations by January 1, 1999, to the Governor and the Legislature.

There will be minimal fiscal impact to the State, and no fiscal impact to local government and the private sector.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

According to the Department of Health (DOH), the technology associated with the practice of medicine is advancing more rapidly than the medical authorities' ability to effect the necessary changes to statutes and rules to regulate the practice of medicine across state lines. This is particularly true in the case of electronic communications, such as radiologic images (x-rays, MRIs, etc.) being sent across state lines for interpretation. This type of communications is often called Telemedicine.

In 1995, the Legislature passed s. 458.3255, F.S., which states "... only a physician licensed in this state or otherwise authorized to practice medicine in this state may order, from a person outside this state, electronic-communications diagnostic-imaging or treatment services for a person located in this state." This section also addresses the practice of medicine by electronic means. According to the DOH, as long as the physician ordering the tests and sending them out of the state for interpretation, is a Florida licensed physician, the practice complies with existing law. It was their intent to have a Florida-licensed physician that could be held primarily responsible by the DOH in case there was a problem.

For instance, the physician(s) for a large company in South Florida currently have a large number, if not all of their radiologic images sent out of state to be read by physicians located at a University in California. This practice currently complies with existing law. According to the DOH, no documented cases or major problems have occurred because of this arrangement.

A number of states have made this practice illegal, unless the out of state physician is also licensed in the state where the imaging originates. There are at least two, if not more reasons given for this process. The in-state physicians give the justification that it is to protect the Florida public; and if a physician is going to interpret such documents on Florida residents, they should be licensed in Florida.

Physicians or health entities that currently use the practice of sending radiologic images (x-rays, MRIs, etc.) across state lines for interpretation maintain that the state physicians (radiologists) want to protect their business and minimize or eliminate the potential for competition.

B. EFFECT OF PROPOSED CHANGES:

It provides for the creation of a nine member task force on Telemedicine to be appointed by the Secretary of the Department of Health. The task force, in consultation with the Office of the Secretary of the United States Department of Health and Human Services, shall address a number of issues related to telecommunication technologies currently used within the state and by other states to provide medical information.

The Department of Health is responsible for travel expenses, staff support, research, and data retrieval and analysis services, as requested by the task force.

The task force is to review the various factors included and submit a report of its findings and recommendations by January 1, 1999, to the Governor and the Legislature.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

E. SECTION-BY-SECTION RESEARCH:

Section 1.

Section 2. Provides an effective date of January 1, 1998.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

See Fiscal Comments.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

No direct private sector benefits. However, the recommendations to the Legislature may result in future benefits to the general public.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

The fiscal impact to the Department of Health for the task force and staff support should be minimal. The department will provide a more detailed list of expenses later.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

According to the DOH, "...telemedicine has the potential for lowering the cost of medicine to the public, particularly as the technology improves,..." Also, telemedicine offers "the opportunity to broadly utilize the technology which can improve the delivery of medical services, while lowering the costs."

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

There was one strike everything amendment adopted by the committee. It eliminated any restrictions on the practice of telemedicine and provides for the creation of a nine member Task Force on Telemedicine to be appointed by the Secretary of the Department of Health. The task force, in consultation with the Office of the Secretary of the United States Department of Health and Human Services, shall address a number of issues related to telecommunication technologies currently used within the state and by other states to provide medical information.

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VII. SIGNATURES:

COMMITTEE ON HEALTH CARE STANDARDS & REGULATORY REFORM:

Prepared by:

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Robert W. Coggins

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