Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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Bill Number: HB1284 **Patron:** Downey
Bill Title: Department of Medical Assistance Services; state plan for medical assistance; patient-initiated consultation; provider-to-provider consultation.

Bill Summary: Directs the Department of Medical Assistance Services (DMAS) to modify state plan provisions covering provider-to-provider consultations to also include patient-generated consultations. The bill specifies that consultations provided through telemedicine services, including audio-only telemedicine services where applicable, shall be included in such provision.

Budget Amendment Necessary: Yes **Items Impacted:** 290, 291, 293
Explanation: A budget amendment is necessary to provide DMAS with the appropriation to meet the requirements of the bill.

Fiscal Summary: This bill has a fiscal impact on DMAS.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DMAS (602)	$0	$745,592	$855,597	$898,377	$943,296	$990,461
TOTAL	**$0**	**$745,592**	**$855,597**	**$898,377**	**$943,296**	**$990,461**

Nongeneral Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DMAS (602)	$0	$2,282,412	$2,612,844	$2,743,486	$2,880,660	$3,024,693
TOTAL	**$0**	**$2,282,412**	**$2,612,844**	**$2,743,486**	**$2,880,660**	**$3,024,693**

Fiscal Analysis: The bill would require DMAS to resume the coverage of telemedicine for audio-only interactions between Medicaid, Children's Health Insurance Program, and FAMIS members and health care providers. According to DMAS, the agency already covers certain audio-only communications between Medicaid members and healthcare practitioners. The federal Centers for Medicare and Medicaid Services (CMS) granted DMAS flexibility to cover audio-only services as a general clinical service as a pandemic-related flexibility. This flexibility ended March 31, 2025. However, CMS granted what appeared to be an open-ended extension for behavioral health and mental health audio-only services and announced that it would not continue Medicare telehealth flexibilities for non-behavioral health and mental health audio-only services.

Currently, there are no federal prohibitions against audio-only telehealth under Medicaid. This allows states the discretion to define their telehealth policies.

In Virginia, Medicaid coverage for telemedicine is limited by the definition in § 38.2-3418.16, Code of Virginia, which defines telemedicine services to specifically exclude audio-only telephone exchanges between providers and patients. However, DMAS also covers audio-only telehealth services for specified behavioral health, mental health, mobile crisis, and substance use services as permitted by federal laws and regulations. Additionally, the agency also recently aligned with CMS and American Medical Association (AMA) billing guidance by allowing certain audio-only telehealth billing codes for specified medical services.

Under the proposed legislation, the definition of telemedicine would be expanded to include audio-only communication in place of telemedicine at the discretion of the physician, if the patient is not capable of, or does not consent to, the use of video technology. As such, all services (and/or service components) that are currently allowable via telemedicine would be allowable via audio-only communication.

Based on costs incurred in FY 2024 for federally-allowed audio-only communications, DMAS estimates that the provisions of this bill will cost approximately $3.0 million ($745,592 general fund) in FY 2027. The annual costs are estimated to grow at approximately five percent in subsequent years. Should federal reimbursement not be available for some communications, the general fund impact would have to cover the federal share of costs.

Other: -