

# Licensing Reform Task Force

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## HEALTHCARE SUBCOMMITTEE - DRAFT RECOMMENDATION

June 8, 2026

### Draft Recommendation: Telehealth Policy Options and Recommended Next Steps

## Executive Summary

The Healthcare Subcommittee reviewed telehealth as part of the Task Force's broader work on pathways to licensure, access to care, and occupational licensing reform. Montana's current telehealth framework is generally aligned with national practice: telehealth is authorized as a lawful modality of care, commercial insurance coverage parity is in place, Medicaid provides strong payment parity, and Montana recognizes audio-only and other telehealth modalities in appropriate circumstances.

The Subcommittee did not identify a need to revisit whether telehealth should be allowed in Montana. Instead, the discussion focused on whether Montana should clarify or further study targeted issues involving: **commercial payment policy, telehealth-specific prior authorization barriers, provider and consumer notice, audio-only flexibility, cross-state licensure access, and alignment between Medicaid and commercial payer policies.**

Based on the meeting discussion, the policy options most ready for Task Force consideration are: **Option 5, expand cross-state access through compacts or registration, and Option 7, align Medicaid and commercial policies where appropriate.** The Subcommittee also discussed Options 1 and 2 as potentially related to Option 7, but additional payer and provider input is recommended before proposing broad commercial insurance legislation.

## Background

Staff presented a 50-state telehealth analysis and summarized national trends for the Subcommittee. Across states, the dominant approach is to allow telehealth when the provider is properly licensed, the service is within the provider's scope of practice, the provider meets the same standard of care required for in-person care, patient identity and location are appropriately addressed, and consent, privacy, and recordkeeping requirements are followed.

Montana follows this general approach. Montana law provides that a person licensed under Title 37 to provide health care may provide services by telehealth when telehealth is appropriate for the services provided, meets the standard of care, and complies with applicable board rules.<sup>1</sup>

Montana also requires many commercial health insurance policies to cover otherwise covered health care services when delivered by telehealth. Under 33-22-138, MCA, telehealth coverage must be equivalent to coverage for services provided in person; insurers may not impose restrictions based on the patient's or provider's site; insurers may not distinguish between rural and urban telehealth services; and cost-sharing or

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<sup>1</sup> Chapter 497, SB 357 (2021)

other limitations for telehealth may not be more restrictive than those applicable to other covered medical services.

For Medicaid, Montana permits enrolled providers to provide medically necessary services by telehealth if clinically appropriate, consistent with applicable Medicaid provider manual guidance, and not specifically required to be delivered face-to-face. Medicaid telehealth services may be provided using secure portal messaging, secure instant messaging, telephone communication, or audiovisual communication, and must be reimbursed at the same rate as services delivered in person.<sup>2</sup>

## Meeting Discussion Summary

### Staff presentation

Staff summarized Montana's current position against national trends and identified the following points:

1. **Montana aligns with common state practice** by authorizing telehealth as a lawful modality of care.
2. **Montana has commercial coverage parity**, meaning covered services generally may not be denied solely because they are delivered by telehealth.
3. **Montana has strong Medicaid payment parity**, including same-rate reimbursement for Medicaid telehealth services.
4. **Montana recognizes multiple Medicaid telehealth modalities**, including audio-only communication.
5. **Potential gaps remain**, including the absence of an express statewide commercial prior authorization parity rule, less explicit commercial payment parity, reliance on Medicaid rules and provider manuals for operational billing details, and a narrower approach to home-originating-site reimbursement.

### DPHHS input

DPHHS stated that it is supportive of telehealth and that Medicaid generally provides parity and reimbursement for telehealth services. DPHHS did not identify immediate Medicaid statutory changes that were necessary during the meeting but expressed willingness to continue reviewing alignment issues and to hear from providers and commercial payer representatives.

DPHHS specifically expressed support for moving forward with further review of **Option 7**, Medicaid-commercial policy alignment, alongside representatives from the commercial payer community.

### Provider and stakeholder input

Provider representatives generally described Montana Medicaid telehealth billing and reimbursement as workable and sufficient. One provider representative noted that Medicaid allows providers to distinguish audio-only from real-time video and generally does not require a specific patient location beyond documentation that the patient is in Montana for licensure purposes.

Stakeholders also expressed support for **Option 5**, expanding cross-state access through compacts or registration. Support was noted from representatives associated with primary care, hospitals, dental hygiene, speech-language-hearing, optometry, and occupational therapy interests.

### Fraud, waste, and abuse discussion

A subcommittee member raised concerns about fraud and asked whether additional sideboards or penalties should be considered. DPHHS responded that Medicaid has a robust fraud, waste, and abuse framework and that telehealth claims are assessed under that framework like in-person claims. DPHHS stated it was not aware of widespread fraud in the telehealth space and emphasized the need to balance program integrity with avoiding unnecessary administrative burden for providers and Medicaid members.

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<sup>2</sup> 53-6-122, MCA

# Policy Options for Task Force Consideration

## Option 1: Clarify commercial telehealth payment policy

Montana could clarify whether commercial insurers must reimburse telehealth at the same rate as in-person services or whether payment rates remain subject to provider-insurer contracts.

Potential approaches include:

- Require full payment parity for all covered telehealth services.
- Require payment parity only for specified services, such as behavioral health, primary care, or rural access services.
- Require payment parity for audio-video services while allowing different rules for audio-only services.
- Preserve negotiated rates but require plans to disclose telehealth reimbursement policies clearly.
- Request the Commissioner of Securities and Insurance to collect data and report on access, cost, utilization, and premium effects of payment parity.

**Considerations:** This option could make Montana’s commercial insurance policy more explicit, but it may require additional input from commercial payers, providers, employers, and consumers before the Task Force recommends legislation.

## Option 2: Prohibit telehealth-specific prior authorization barriers

Montana could add language providing that an insurer may not impose prior authorization, medical necessity documentation, or utilization review requirements on telehealth services that are more restrictive than those applied to the same service when delivered in person.

**Considerations:** This approach would preserve ordinary utilization review for services that require authorization regardless of modality, while preventing additional requirements solely because telehealth is used. This option appears consistent with Montana’s existing coverage parity framework but would benefit from payer and provider input.

## Option 3: Require clear provider and consumer notice of telehealth billing rules

Montana could require health plans to publish clear telehealth billing and authorization policies, including covered modalities, audio-only coverage rules, billing modifiers, place-of-service requirements, prior authorization requirements, cost-sharing rules, excluded services, and appeal rights for denied telehealth claims.

**Considerations:** This option would not require a substantive coverage expansion but could reduce administrative uncertainty for providers and patients.

## Option 4: Establish a uniform minimum consent and notice standard

Montana could consider a baseline consent or notice standard for telehealth encounters. A minimum standard could include disclosure of the provider’s identity and credentials, the nature and limits of telehealth, privacy and security considerations, the patient’s ability to ask questions or request in-person care when available, and emergency or follow-up instructions.

**Considerations:** Any requirement should be flexible enough to avoid unnecessary burden and should account for existing board, payer, and professional standards.

### **Option 5: Expand cross-state access through compacts or registration**

Montana could continue to evaluate interstate licensure compacts and limited registration models for out-of-state telehealth providers.

#### **Potential approaches include:**

- Joining additional professional licensure compacts.
- Creating a telehealth registration for out-of-state providers in good standing.
- Allowing limited episodic or follow-up care for established patients who are temporarily located in Montana.
- Authorizing consultation exceptions when a Montana-licensed provider remains responsible for patient care.

**Considerations:** This option is most directly connected to the Task Force’s occupational licensing jurisdiction. It may be especially relevant for behavioral health, specialty care, speech-language pathology, chronic disease management, rural access, and continuity of care. It would allow Montana to expand access while preserving board oversight, complaint jurisdiction, and patient protection requirements.

### **Option 6: Preserve and monitor audio-only flexibility**

Montana’s inclusion of audio-only communication is consistent with access-oriented telehealth policy, especially for rural areas, older adults, low-income patients, and patients with limited broadband access. Montana could preserve audio-only authority while collecting data on quality, utilization, fraud prevention, and patient outcomes.

#### **Potential safeguards include:**

- Requiring documentation that audio-only care was clinically appropriate.
- Limiting audio-only coverage for services that require visual examination unless clinically justified.
- Requiring patient consent to audio-only services.
- Monitoring claims data for overutilization or inappropriate billing.

**Considerations:** The meeting discussion did not identify a need to narrow audio-only authority. Any safeguards should be calibrated to avoid reducing access for rural and underserved patients.

### **Option 7: Align Medicaid and commercial policies where appropriate**

Montana Medicaid has more explicit telehealth payment and operational requirements than Montana commercial insurance law. The Task Force could recommend further study of whether selected Medicaid concepts should be adapted for commercial coverage.

#### **Potential alignment topics include:**

- Same-rate reimbursement for selected services.
- Clear billing guidance.
- No more restrictive telehealth-specific authorization requirements.
- Recognition of audio-only services when clinically appropriate.
- Standard recordkeeping or documentation expectations.

**Considerations:** DPHHS expressed support for moving this option forward for further review with commercial payer participation. Alignment could reduce administrative complexity for providers serving both Medicaid and commercially insured patients, but commercial payer, employer, and consumer perspectives should be included before statutory recommendations are finalized.

## Comparison of Options

Option	Primary purpose	Potential advantages	Potential concerns	Readiness for Task Force action
<b>1. Clarify commercial payment policy</b>	Determine whether commercial telehealth payment should be same-rate, contract-based, targeted, or disclosure-based.	Greater predictability; may improve provider participation; may reduce disputes.	Payer cost and premium concerns; requires commercial payer input.	Further study recommended.
<b>2. Prohibit telehealth-specific prior authorization barriers</b>	Prevent stricter authorization rules solely because a service is delivered by telehealth.	Reduces modality-based administrative barriers; preserves ordinary utilization review.	Requires payer and provider input; may overlap with broader prior authorization reforms.	Further study recommended; possible companion to Option 7.
<b>3. Require billing notice</b>	Improve transparency of telehealth billing and authorization rules.	Reduces uncertainty without expanding coverage mandates.	Could impose administrative burden if too prescriptive.	Further study recommended.
<b>4. Consent and notice standard</b>	Establish baseline patient notice and consent expectations.	Promotes patient understanding and record consistency.	May duplicate existing standards; could become burdensome.	Lower priority unless stakeholder need is identified.
<b>5. Cross-state access</b>	Expand access through compacts, registration, limited follow-up care, or consultation exceptions.	Directly related to occupational licensing; supports rural and specialty access; improves continuity of care.	Requires board-specific analysis and public protection safeguards.	Recommended for Task Force consideration.
<b>6. Preserve audio-only flexibility</b>	Maintain audio-only access while monitoring quality and program integrity.	Supports rural, low-income, older, and broadband-limited patients.	Risk of inappropriate use if not documented or monitored.	Monitor; no immediate restriction recommended.
<b>7. Medicaid-commercial alignment</b>	Evaluate whether Medicaid and commercial telehealth policies should be better aligned.	Reduces provider burden; supports consistency; DPHHS expressed support for further work.	Needs commercial payer input; may involve insurance issues beyond Title 37.	Recommended for Task Force consideration as further study.

## Recommended Task Force Direction

The Healthcare Subcommittee recommends that the Task Force consider the following direction:

1. **Advance Option 5 for further development.** The Task Force should continue to support appropriate interstate licensure compacts and evaluate whether targeted out-of-state telehealth registration, limited follow-up care, or consultation exceptions would improve access while preserving Montana oversight.
2. **Advance Option 7 for further development.** The Task Force should direct staff to work with DPHHS, commercial payers, providers, consumer representatives, and the Commissioner of Securities and Insurance to identify where Medicaid and commercial telehealth policies differ and whether alignment would improve access, clarity, or administrative efficiency.
3. **Treat Options 1 and 2 as related sub-issues under Option 7.** Commercial payment parity and prior authorization parity should be evaluated with stakeholder input before the Task Force recommends legislation.
4. **Preserve audio-only telehealth while monitoring for quality and program integrity.** The Task Force should not recommend narrowing audio-only authority at this time but may recommend data monitoring and documentation safeguards if evidence supports them.
5. **Avoid broad telehealth legislation without payer and provider input.** Several options affect insurance coverage, reimbursement, and utilization review rather than occupational licensing alone. Any legislative proposal should be developed with affected stakeholders.

### Action Items

Action item	Responsible participants	Purpose
Prepare draft recommendation language on Options 5 and 7	Staff, Healthcare Subcommittee co-chairs	Present a concise recommendation to the full Task Force.
Gather commercial payer input	Staff, Commissioner of Securities and Insurance, commercial payer representatives	Evaluate payment parity, prior authorization, billing transparency, and alignment issues.
Gather provider input	Staff, DPHHS, provider associations, rural health stakeholders	Identify operational barriers in Medicaid and commercial telehealth practice.
Identify licensing pathways for cross-state access	Staff, licensing boards, Department of Labor & Industry	Evaluate compacts, registration, limited follow-up care, and consultation exceptions.
Review program integrity safeguards	DPHHS, Department of Labor & Industry, affected boards	Confirm that existing fraud, waste, abuse, and disciplinary frameworks are sufficient.
Report back to the Task Force	Staff	Provide refined options and any proposed statutory or administrative changes.

## **Draft Recommendation Language for Task Force Consideration**

The Licensing Reform Task Force should continue to support telehealth as an access-oriented modality of care and should focus any near-term recommendations on targeted policy clarification rather than broad restructuring of Montana’s telehealth framework. Montana law already authorizes telehealth, requires commercial coverage parity, permits audio-only communication, and provides Medicaid payment parity. The Task Force should therefore prioritize issues where additional clarification may improve access, reduce administrative burden, or support occupational licensing reform.

The Task Force should recommend further development of two telehealth policy tracks: **(1) expanding cross-state access through appropriate licensure compacts, registration pathways, limited follow-up care authority, or consultation exceptions; and (2) evaluating alignment between Medicaid and commercial telehealth policies, including payment, prior authorization, billing transparency, audio-only treatment, and documentation requirements.** Staff should gather input from DPHHS, the Commissioner of Securities and Insurance, commercial payers, providers, licensing boards, consumer representatives, and rural health stakeholders before recommending specific legislation.

## **Conclusion**

Montana’s telehealth laws are broadly consistent with common state practices and, in several respects, are comparatively access oriented. The primary question is not whether telehealth should be permitted, but whether Montana should clarify selected payment, authorization, notice, and cross-state access policies. The Subcommittee’s discussion supports moving forward with targeted work on cross-state access and Medicaid-commercial alignment while preserving existing telehealth flexibility and public protection safeguards.