ISSUE BRIEF

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The case for permanent telehealth policy and expanded access to virtual care

Executive summary

During the COVID-19 public health emergency, Congress and the Centers for Medicare & Medicaid Services (CMS) temporarily removed key barriers to telehealth access under Medicare, spurring unprecedented adoption of virtual care. Emergency waivers and legislation, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020), Consolidated Appropriations Acts (2021 and 2023), enabled patients to access telehealth services at home, allowed audio-only visits, expanded provider eligibility, and increased reimbursement rates. As Congress continues to assess telehealth's impact on Medicare costs, extension of these flexibilities remains temporary.

Telehealth utilization surged during the COVID-19 pandemic out of both necessity and due to temporary policy waivers. Since then, in addition to adding over 100 services that may be provided via telehealth, Medicare has increased payment rates for at-home services and allowed audio-only visits for the first time. Together, these reforms catalyzed rapid uptake of virtual care. Data show telehealth serves as a substitute for in-person care rather than driving unnecessary utilization, especially for patients managing chronic conditions. Telehealth also significantly reduced missed appointments with data indicating that patients were 64% more likely to complete telehealth visits, improving care continuity and efficiency.

The continued reliance on temporary extensions has created instability for providers and patients. Congress stands at a pivotal policy juncture. Permanent telehealth reform is not only necessary to preserve the expanded access achieved during the pandemic, but it is also aligned with CMS's broader digital transformation agenda. The CMS Health Tech Ecosystem Initiative, announced in July 2025, aims to create a unified, interoperable digital health infrastructure by 2026. These efforts lay the groundwork for a patient-centric, tech-enabled health system, but cannot succeed without concurrent updates to coverage, payment and policy.

Telehealth is already proving its value; studies show it reduces hospital readmissions, improves chronic disease management and increases access to care. However, evaluating the value of telehealth requires a broader perspective that goes beyond short-term cost modeling. Now is the time to solidify these gains through permanent reform that supports a modern health care delivery system.

Background

During the COVID-19 public health emergency (PHE), Congress temporarily waived key statutory restrictions on Medicare-covered telehealth services under Section 1834(m) of the Social Security Act through legislation such as the CARES Act (2020) and the Consolidated Appropriations Acts of 2021 and 2023. These flexibilities, which continue to be extended temporarily, enabled expanded access to virtual care across the U.S. health system.

At the same time, CMS adopted significant policy changes under the Trump Administration in 2020 to support broader telehealth adoption. These included adding over 100 services to the Medicare telehealth list, increasing payment rates for at-home services, and allowing audio-only visits for the first time. Together, these reforms catalyzed rapid uptake of virtual care.

However, ongoing reliance on temporary extensions has created confusion and uncertainty for providers and patients alike. Without permanent policy reform, critical provisions—such as allowing telehealth at home, lifting geographic restrictions and expanding provider eligibility—are at risk of expiring.

Congress now faces a pivotal decision: make these flexibilities permanent and expand digital access, or risk reversing progress toward a more modern, patient-centered health care system aligned with the quadruple aim: i.e., better outcomes, improved patient experience, enhanced clinician satisfaction and lower costs.

This urgency is amplified by CMS's Health Tech Ecosystem initiative, launched in July 2025. This effort promotes a voluntary, interoperable digital health framework using shared standards, like FHIR-based data exchange and secure digital identity, to enable seamless clinical and claims data sharing through "CMS Aligned Networks" by early 2026. While CMS is investing in digital infrastructure, policy, payment, and coverage reform are also essential to ensure widespread adoption and integration of digital medicine.

Permanent telehealth policy reform complements both congressional and CMS innovation goals. By eliminating outdated barriers, Congress can help embed virtual care into a fully connected, secure, and interoperable health care system. The evidence is clear: telehealth improves access, outcomes and efficiency. Failing to enact permanent reforms risks disrupting care continuity, stalling innovation, and undermining the nation's shift toward value-based, tech-enabled health care.

Key evidence for permanent telehealth and digital medicine policy

The rapid expansion of telehealth and digital medicine during the COVID-19 pandemic provided an unprecedented, large-scale, real-time demonstration of how virtual care can improve access, enhance patient outcomes, and support an overstretched health care workforce, particularly among Medicare beneficiaries. As policymakers consider the future of these services, a growing body of evidence makes a strong case for making key Medicare telehealth flexibilities permanent. Drawing from claims data, peer-reviewed research and real-world implementation, this section highlights how telehealth, and digital medicine more broadly, have become an essential pillar of modern health care delivery, with demonstrated impact in behavioral health, rural access and chronic disease management.

Telehealth utilization and cost data

1. Telehealth adoption during and after the pandemic

a. A 2022 HHS OIG report found that over 28 million Medicare beneficiaries used telehealth during the pandemic, particularly for:[1]
   i. Behavioral health
   ii. Primary care

b. Telehealth utilization in rural areas is critical, where provider shortages are most acute and access to care is a challenge.[2]
   i. Community health centers continue to rely on telehealth with 18 million telehealth visits being delivered in 2023.[3]
   ii. Telehealth comprised approximately 13% of all visits in health centers, highlighting its role in improving access for rural and medically underserved areas.
   iii. A lower share of Medicare beneficiaries in the most rural areas (57%) and areas adjacent to urban areas (51%) reported that their usual provider offers telehealth services compared with beneficiaries in urban areas (69%).

c. A study published in 2024 in the *Journal of the American Informatics Association* analyzed the impact of

telehealth on access, specifically missed appointments.[4]

i. i. 87,000 matched health care appointments across diverse patient demographics found that telehealth visits were 9.2 percentage points more likely to be completed than in-person visits (73.4% vs. 64.2%, $P < .001$).

ii. When adjusting for other factors, patients had 64% higher odds of completing a telehealth appointment compared to an in-person visit.

iii. This reduction in no-shows has major implications. It allows patients to be treated when their symptoms or health conditions are still at an early stage and avoid complications, exacerbations, and emergency services. It also improves care continuity, reduces administrative burden, helps optimize clinical schedules, and signals a straight-forward analysis of utilization doesn't tell the whole story.

d. A study using EPIC Cosmos data found that telehealth visits are unlikely to require in-person follow-up within 90 days, indicating telehealth as an alternative pathway to receive care as opposed to being duplicative.[5]

2. Medicare spending trends

a. In 2019 and before COVID flexibilities, total Medicare Physician Payment Schedule spending was only $36 million for 60 services approved on the telehealth list. In 2023, $2.3 billion in spending occurred for physician services described by 2023 CPT codes included on the expanded telehealth services list.[6]

i. 21 million individual services included on the telehealth list were provided to patients in traditional Medicare in 2023. Nearly all of the volume and charges for these services relate to evaluation and management (E&M) or behavioral health services.

ii. A large percentage of behavioral health services continue to be provided via telehealth. For example, more than 40% of psychotherapy provided to patients with traditional Medicare is provided via telehealth.

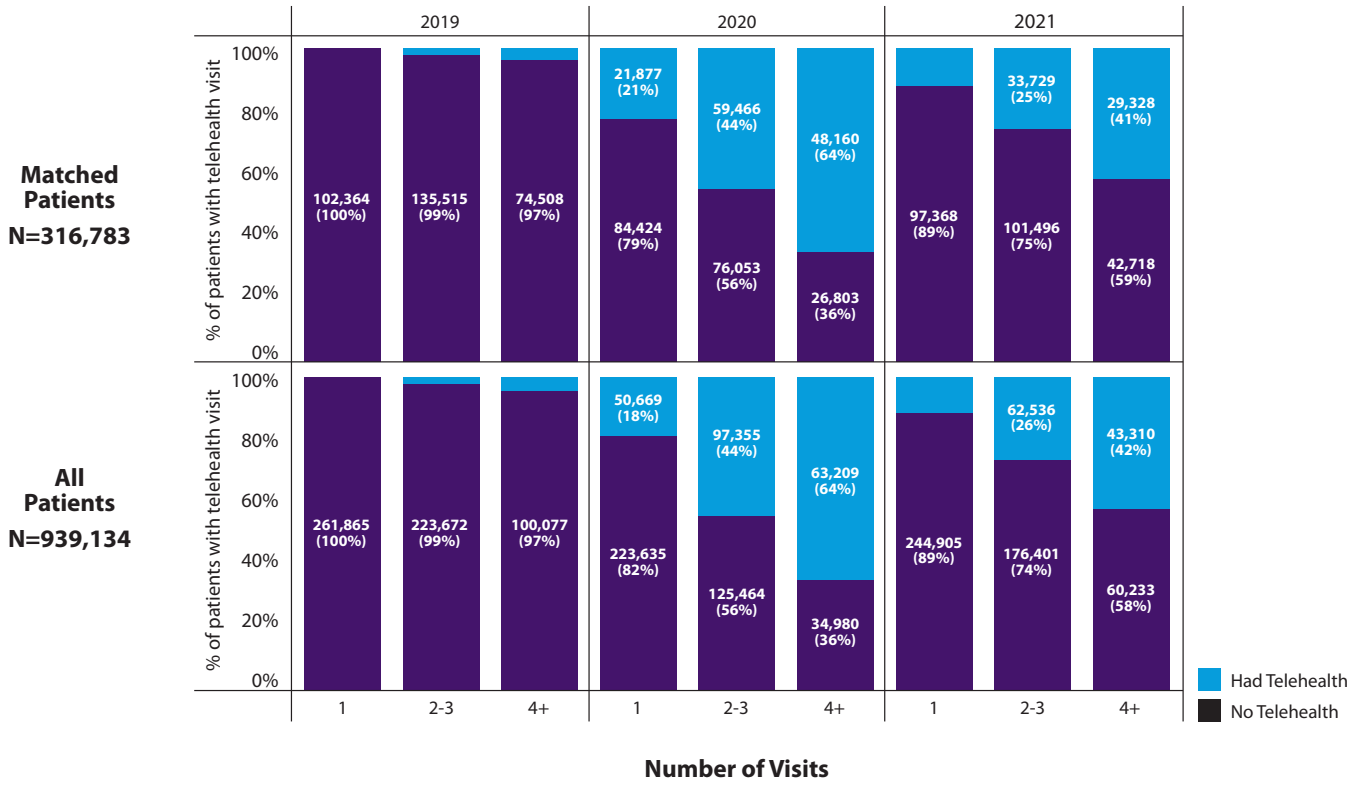
iii. In 2023, telehealth accounted for approximately 6.2% of all E&M visits, remaining stable at about 6.0% in 2024.[7]

1. Behavioral health remained the highest telehealth user: about 40% of E&M visits in 2023 (declining slightly to ~38% in 2024).
2. Primary care telehealth share was around 6.7% in 2023, and ~6.3% in 2024.

b. A study published in NPJ Digital Medicine looked at 4,114,651 primary care encounters (939,134 unique patients) from three health care systems between 2019 and 2021 and found little change in utilization as telehealth became widely available.[8]

i. Results suggest the availability of telehealth does not result in additional primary care visits, rather, telehealth is serving as a substitute for certain in-person encounters resulting in no overall increase in primary care utilization.

1. Telehealth was mostly utilized for patients whose medical needs required multiple primary care visits during each year, suggesting that these telehealth encounters enabled follow-up for patients with chronic illness.



3. Cost impact and economic modeling

a. Two studies out of the University of Michigan's Institute for Healthcare Policy and Innovation, published in 2025, found that telehealth did not increase total Medicare visits and did drive down post-visit costs.[9]

i. The first study assessed telehealth's impact on outpatient evaluation and management (E&M) visit volume by comparing overall E&M utilization before and after the pandemic across specialties with varying levels of telehealth use. High and medium telehealth-use specialties experienced a 4.1% and 7.2% relative decline in overall E&M visits, respectively, in the post-pandemic period.[10]

ii. The second study looked at the total costs to Medicare in the 30 days after a person had an appointment to evaluate or manage a health condition, either via telehealth or in person. Payments by Medicare were $82 lower per person for patients who had their initial visit for a condition via telehealth, compared with people seen in person.[11]

b. RAND (2022) modeling suggests that permanent telehealth for behavioral health and chronic disease management reduces total medical spending by 3–4%, largely by avoiding emergency visits and inpatient stays.[12]

c. A privately commissioned study, funded by the American Medical Association, performed a comprehensive economic analysis of the cost-effectiveness of hybrid telehealth care models, which combine telehealth with traditional in-person care, across various medical specialties. The year-long study was initiated in 2022 and employed Markov decision analytic models, decision tree analysis and retrospective cross-sectional study designs to evaluate cost-effectiveness.

The table below summarizes the findings from various medical specialties, highlighting the cost-effectiveness and benefits of hybrid telehealth care compared to traditional in-person care, with specific focus on cost reductions, net monetary benefits and the efficiency of care delivery.

Net monetary benefit (NMB) quantifies the economic value of a health intervention by expressing its health outcomes in monetary terms and subtracting its costs, using a willingness-to-pay (WTP) threshold as a weight for those outcomes.

Use case	Results
Cost-benefit and effectiveness of virtual urgent care	Virtual visits for low-acuity conditions led to substantial cost savings compared to traditional care settings, with indirect savings estimated at around $51 per visit.
Cost-effectiveness of hybrid telehealth care for co-occurring depression and type 2 diabetes	Hybrid care for co-occurring diabetes and depression slightly increased costs ($27,427) compared to in-person care ($26,369).
Cost-effectiveness of satellite sickle cell disease centers to receive and monitor the use of hydroxyurea	For sickle cell disease, hybrid telehealth care showed a lower mean medical cost ($31,660) compared to in-person care ($44,380), and a higher net monetary benefit.
Cost-effectiveness of store-and-forward telehealth for acute triage for dermatological conditions	In dermatology, hybrid telehealth care had a lower mean medical cost ($268.72) compared to in-person care ($321.98) and a slightly higher net monetary benefit.
Cost-effectiveness of telehealth for remote consultations of patients with traumatic brain injury	For TBI, hybrid telehealth care provided modest cost savings ($40,400 vs $42,377) compared to in-person care, with a significantly higher net monetary benefit.
Cost-effectiveness of telehealth for at-home treatment of patients with Parkinson's disease	In Parkinson's Disease, hybrid telehealth care showed marginal cost difference compared to in-person care but almost double the value in net monetary benefit.
Cost-effectiveness of telehealth for remote consultations for neonates	Neonatal care through hybrid telehealth care demonstrated lower mean medical costs ($18,633) compared to in-person care ($28,577) and a higher net monetary benefit.

Telehealth has become a vital part of care delivery in Medicare and across the U.S. health care system, but it stands to have more positive impact across specialties and health conditions by advancing policy, coverage and payment. Significant increases in access and sustained adoption have occurred. While some use cases have shown negligible growth in spending, evidence suggests long-term savings are possible, especially when telehealth is integrated into hybrid models or value-based care models. Future uncertainty created by a lack of permanence has also prevented health systems from investments and model change to drive further value. While cost and utilization are critical factors in the future of telehealth and digital medicine, data is nuanced and context matters.

Real-world data

Real-world data (RWD), including case studies, patient-reported outcomes, and clinical notes, provides a more complete and nuanced view of care delivery than traditional claims data. While claims data primarily reflects billing and utilization patterns, it lacks clinical depth, clinician and patient experience insights, and quality-of-care indicators.

In contrast, RWD offers critical evidence on how telehealth affects patient outcomes, treatment adherence, and access to care. For policymakers and researchers, leveraging RWD is essential to understanding the true value and impact of telehealth and remote care models, guiding sustainable and innovative long-term health care delivery and policy reforms.

Key case studies

Description	Impact
Hybrid primary care (combination of in-person and telehealth visits)	**How is works** • 24/7 digital-first model with in-person care access. **Utilization** • 736,000 members in 2021 (34% YoY growth). • Average of 10 touchpoints/year (8 digital, 2 in-person). **Impact** • 45% reduction in risk-adjusted monthly spend. • 45% increase in engagement. • 8,000+ companies partnered to expand employee health benefits. Source: AMA Future of Health Case Study – One Medical[13]
Connected transitional care	**How it works** • Telehealth enabled nurse practitioner (NP)/medical assistant (MA) teams perform transitional care management (TCM) services for referred patients. Patients are referred by protocol for high readmission risk or for identified gaps by care transition nurses. Services last 30 days and include E&M type services as well as care coordination with a goal of returning patients to primary and specialty care management. **Utilization** • 4 NP/MA pairs supporting 9 hospitals. • Approximately 3,000 unique patients are managed annually. • Approximately 30% of patients decline, reporting alternative plans for follow up. These visits would not occur if not for this telehealth model, this is all net new service. **Impact** • 3% absolute decrease in 30-day readmissions. • Approximately 70 patient readmissions avoided per year. • $1.1 M in savings on less than $500,000 in E&M payments. • $2.20 return in readmission savings on each $1 spent for this program. • Patient experiences improved quality and safety with safety interventions involving medications, improved connection to home health, rehabilitation, and primary care services post-discharge. Source: Provided by MedStar Health
Remote patient monitoring for maternity care	**How it works** • Bluetooth BP cuffs and wireless scales linked to EHRs. **Utilization** • 1,600 active monthly participants, 2,250+ enrolled in a year. **Impact** • 20% reduction in preterm births. • 3 in-person visits saved per patient. • 10.7% re-enrollment rate. • OB clinic capacity improved by 0.6 FTE per 1,000 patients. Source: AMA Future of Health Case Study – Ochsner Health[14]

Virtual chronic care management	**How it works** • Evidence-based virtual care provider that helps patients manage chronic conditions, including prediabetes, diabetes, hypertension, and musculoskeletal (MSK) conditions. • Offers supplemental support between clinical visits. **Utilization** • Enrolled 1 million patients. **Impact** • 48% of patient with uncontrolled blood pressure (BP) at baseline experienced enough positive change to improve their BP category. • More than 90% of members report satisfaction. • Cost savings: ◦ $1,169 annual gross medical cost savings per program member. ◦ Diabetes: $1,300 cost savings for members at one year. ◦ Hypertension: $1,981 potential gross annual savings per member in program. ◦ MSK: 27% overall reduction in medical spend for program members. • High satisfaction, low staff turnover. • Enhanced PCP workflows for large patient panels. Source: AMA Future of Health Case Study – Omada Health[15]
Virtual specialty care	**How it works** • Multidisciplinary team for GI conditions. **Utilization** • Available in 22 states, covering 75% of U.S. population. **Impact** • 92% of patients achieve symptom control (within 4 months). • 98% patient satisfaction (NPS > 80). • Saves $10,200 per patient in 6 months. • Regains 1.3 workdays/month per patient. Source: AMA Future of Health Case Study – Oshi Health[16]
Health at home community paramedicine program	**How it works** • Provides a combination of home visits, telehealth, and remote monitoring to address high utilization of the emergency department due to lack of primary care, detox, and barriers to care related to social determinants of health. • Targets patients with difficulty implementing care plans. **Utilization** • 54 Enrolled Patients (2024). • 11 average touch points/patient. **Impact** • 72% reduction in ER visits resulting in cost savings of $249K. • No re-admissions within 30 days. • Average emergency department visits decrease per patient (5.21 per 90-days vs. 1.44 per 90-days). • Lower inpatient costs and length of stay. • Reduces total health care expenditures. Source: Provided by University of Virginia Health

Hospital at home	**How it works** • In-home care + 24/7 virtual RN monitoring + RPM tools. **Utilization** • Over 8,400 patients served across Charlotte, NC. **Impact** • 30,000 bed days saved. • 13% higher patient satisfaction vs inpatient. • Lower readmission rates. • Approximately 20% lower operating costs vs. traditional inpatient care. • Improved clinician engagement. Source: AMA Future of Health Case Study – Advocate Health[17]

Telehealth utilization surged during the COVID-19 pandemic and has since stabilized at rates higher than pre-pandemic levels, particularly among Medicare beneficiaries. While overall annual Medicare spending has modestly increased with expanded telehealth use, per-episode costs tend to be lower, indicating improved efficiency. More importantly, telehealth has become an essential tool in supporting the quadruple aim of health care: improving outcomes, enhancing patient and clinician experience, reducing costs and addressing workforce well-being.

Traditional claims data alone does not adequately reflect the full impact of telehealth. Real-world data—including patient-reported outcomes, organizational case studies and clinical performance metrics—offers a more comprehensive picture of how telehealth affects access, quality, and costs, especially for rural communities and other areas affected by workforce shortages.

As CMS and other federal agencies consider long-term policy focused on digital medicine, it will be important to integrate other data sources into decisions around coverage, payment and infrastructure. These decisions should support flexibility, patient access to health care, and align with broader initiatives such as the CMS Interoperability Framework, which was introduced along with its vision for the new health tech ecosystem. Failing to do so risks losing momentum on the investments in innovation, access, and patient-centered care, and the critical opportunity to modernize the U.S. health care system.

Key considerations for the evaluation of telehealth

When assessing the fiscal impact of telehealth, it is important to consider a broader range of factors that go beyond traditional cost modeling. Telehealth influences downstream health care utilization, workforce satisfaction, patient experience, access to care, and clinical outcomes, factors that may not generate immediate cost savings but can significantly shape long-term spending and program performance.

These elements affect key drivers of health care costs, including clinician retention, care quality, patient engagement, and the avoidance of costly emergency or inpatient care. A more comprehensive approach to evaluating the economic impact of virtual care, including telehealth, should account for these indirect but meaningful effects on the sustainability and efficiency of federal health programs and the broader U.S. health care system.

Telehealth as a catalyst for reducing long-term health care spending through expanded access

Expanding access to care through telehealth has the potential to meaningfully reduce downstream health care costs by improving early intervention, enhancing chronic disease management, and reducing avoidable emergency and inpatient utilization, particularly in high-risk populations and those affected by workforce shortages.

1. Telehealth offers a flexible, scalable solution to address barriers such as provider shortages, especially in rural and remote areas, long travel times, and limited appointment availability.[18]

2. Telehealth infrastructure, when supported by investments in broadband access and digital tools, can address patient access to health care barriers. These improvements may translate to better public health outcomes and lower long-term costs for federal health programs.

    a. Better chronic disease management and medication adherence:
    A 2023 *Journal of General Internal Medicine* study reported that patients with chronic conditions such as diabetes, hypertension, and COPD demonstrated higher medication adherence and improved engagement when supported by digital monitoring and virtual check-ins.
    b. Lower downstream spending in Medicare episodes initiated via telehealth:
    A growing body of evidence suggests telehealth can reduce use of costly services such as lab tests, imaging, and hospital admissions. In a large Medicare cohort study (2020–2022), episodes initiated via telehealth were associated with $82 lower 30-day spending per episode ($260 vs. $342), primarily due to fewer lab tests (7.8% vs. 24.2%) and imaging studies (3.5% vs. 7.8%) compared to those initiated with in-person visits.[19]

These outcomes suggest that telehealth not only expands access to care in the short term but also supports better long-term disease management, which can reduce preventable complications and overall health care expenditures.

Telehealth has a role to play in supporting the clinical workforce

Telehealth is a critical tool for addressing the escalating clinician workforce shortage by expanding access to care, increasing clinical efficiency, and alleviating burnout. The U.S. is projected to face a shortage of up to 86,000 physicians by 2036,[20] and the nursing workforce is also under significant strain, with an estimated shortfall of over 200,000 registered nurses expected annually through 2031. Contributing factors include an aging workforce, nearly 20% of RNs are age 65 or older, as well as high turnover and burnout, particularly in acute and primary care settings.

Telehealth enables physicians, nurses, and advanced practice providers to manage larger patient populations more efficiently through virtual visits, chronic disease monitoring, and remote follow-ups. This is particularly impactful in rural and medically underserved areas where both physician and nursing shortages are most acute. By supporting flexible scheduling, hybrid care models, and team-based care delivery, telehealth optimizes the use of clinician time, facilitates interdisciplinary collaboration, and reduces administrative burden. These efficiencies contribute to improved work-life balance, higher job satisfaction, and may help retain and extend the careers of health care professionals.

Key benefits:

1. Hybrid care models enabled by telehealth reduce provider overhead, offer location flexibility, and improve scheduling autonomy—all of which are associated with higher clinician satisfaction and retention.
    a. Surveys by the American Medical Association (2023) show that 63% of physicians believe telehealth improves job satisfaction, and 44% say it has helped reduce burnout.
2. Improved clinician well-being and retention can result in:
    b. Better patient outcomes and continuity of care due to stronger provider-patient relationships.
    c. Lower federal costs associated with recruitment, onboarding, and training in programs like Medicare, Medicaid, and the VA Health System.
    d. Sustained access in high-need areas, potentially reducing reliance on federal incentives (e.g., HRSA, National Health Service Corps) to staff rural and medically underserved communities.

As demand for health care services rises, telehealth offers a sustainable, patient-centered approach to workforce

management that includes helping maintain access, protecting care quality and strengthening system resilience.

Patient experience matters and can be an indicator of long-term cost savings

Patient experience is a financially relevant factor in evaluating the cost-effectiveness of telehealth as it directly influences utilization patterns, care efficiency and long-term health outcomes, all of which carry significant implications for health care spending. Positive telehealth experiences increase patient engagement, encourage adherence to care plans, and reduce unnecessary emergency department visits or hospitalizations. These behaviors contribute to better health outcomes and lower total cost of care, particularly among high-cost populations such as those with chronic diseases. As such, incorporating patient experience into telehealth cost evaluations ensures a more comprehensive and accurate assessment of its value and long-term sustainability.

1. Higher patient satisfaction drives better care engagement
   A 2023 Rock Health survey found that 87% of telehealth users reported satisfaction with their experience, and over 75% expressed willingness to use telehealth again. Higher satisfaction correlates with increased medication adherence, follow-up attendance and chronic disease management—key factors for reducing costs in Medicare and Medicaid populations, where chronic conditions account for ~90% of total spending (CDC, 2023).
2. Improved convenience creates access and reduces costly delays in care
   A JAMA Network Open™ study (2022) found that telehealth significantly reduced delays in care, with 28% fewer emergency department visits among those who accessed virtual care within seven days of symptom onset. Virtual access improves continuity of care and prevents minor issues from escalating into costly acute events.
3. Access to telehealth can reduce financial burdens for the population
   Telehealth plays a vital role in helping patients manage healthcare expenses, particularly amid rising costs of living that strain household budgets. By eliminating the need for transportation to medical appointments, telehealth reduces direct costs such as fuel, public transit fares and parking fees. Indirectly, it also helps patients avoid lost wages, childcare expenses, and time away from work or caregiving responsibilities.
   a. A JAMA Network Open study found that patients saved an average of $156 per telehealth visit, including nearly three hours of travel and wait time. These savings are especially meaningful for low-income individuals, rural residents and those living in high-cost areas, where accessing care often requires long commutes or time off work.[21]
   b. Prior to the COVID-19 PHE and related waivers and flexibilities, the University of Virginia Health tracked and demonstrated that telemedicine saved rural Virginia patients more than 32 million miles of driving.

A more comprehensive approach is needed to evaluate the long-term impact of telehealth on health care utilization and spending. Many of the benefits of virtual care, such as improved patient engagement, reduced clinician burnout and enhanced care coordination, unfold over time and are not always immediately reflected in traditional cost models. To capture the full value of telehealth, policymakers and analysts should consider the following strategies:

1. Leverage proxy measures such as clinician turnover rates and patient satisfaction data from systems like CMS and the VA to estimate long-term financial implications and trends in care delivery efficiency.

2. Conduct sensitivity analyses that incorporate variables like workforce burnout, patient engagement and care continuity to understand how shifts in these factors influence future health care costs.

3. Include qualitative data, such as case studies and implementation reports, in policy evaluations. While harder to quantify, these insights provide valuable context on how virtual care affects workforce sustainability, patient outcomes, and access in real-world settings.

Although these factors may not fit neatly into conventional budget models, they represent critical second-order effects that shape the long-term viability and cost-effectiveness of telehealth policies.

Areas of opportunity

The American Medical Association advocates for a modernized approach to evaluating the value of virtual care, one that moves beyond assessing individual telehealth visits in isolation. The AMA promotes a broader, episode-based framework that considers how the use of virtual modalities impacts the overall delivery of care and the health system writ large. This includes integrating virtual and in-person services to improve access, patient experience and care quality while reducing long-term costs.

The AMA emphasizes that digitally enabled care should be assessed by its ability to streamline clinical workflows, support team-based care and generate actionable insights from data. This approach redefines value not merely as cost savings, but as measurable improvements in access, health outcomes, and quality.

The AMA is advocating for the following congressional actions:

1. **Permanently remove restrictions on Medicare coverage of telehealth services (Section 1834m)**
   - Allow Medicare beneficiaries to receive telehealth at home regardless of location, removes the in-person requirement on tele-mental services and other necessary fixes to Section 1834(m) of the SSA statute such as permanently authorizing HHS to continue to determine which health care providers may provide telehealth services. The AMA supports passage of "Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2025." (H.R.4206/S.1261)

2. **Extend Acute Hospital at Home Care waiver**
   - Allow Medicare beneficiaries to continue to receive Acute Hospital Care at Home (AHCaH) services by extending waiver authority through 2030. "The AMA supports passage of the Hospital Inpatient Services Modernization Act." (H.R. 4313/S.2237)

3. **Authorize virtual diabetes prevention program services**
   - Allow health care entities to provide virtual services under the Medicare Diabetes Prevention Program for an additional three years. The AMA supports passage of the "Promoting Responsible and Effective Virtual Experiences through Novel Technology to Deliver Improved Access and Better Engagement with Tested and Evidence-based Strategies Act." (H.R. 1523)

4. **Address barriers to coverage and payment of RPM devices to improve maternal and child health outcomes**
   - The AMA supports passage of the "Connected Maternal Online Monitoring Act" (S. 141). The bill will require the Centers for Medicare & Medicaid Services (CMS) to send a report to Congress that identifies barriers to coverage of remote physiologic devices (e.g., pulse oximeters, blood pressure cuffs, scales, blood glucose monitors) under state Medicaid programs to improve maternal and child health outcomes for pregnant and postpartum women. The bill will also require CMS to update state resources, such as state Medicaid telehealth toolkits, to align with evidence-based recommendations to help decrease maternal mortality and morbidity.

Additionally, after five years of temporary extensions, the Trump administration's 2026 Medicare regulatory proposals take a significant step forward by permanently removing frequency limitations on telehealth services delivered to inpatient hospital and skilled nursing facility patients. The proposals also permanently authorize virtual direct supervision for Medicare services that require direct oversight, both long-standing policy priorities championed by the AMA. In addition to these advancements, the AMA continues to advocate for further regulatory action on:

1. Permanent policy allowing virtual supervision by teaching physicians of residents in both metropolitan and non-metropolitan areas.
2. Permanent policy on prescribing controlled substances to patients with whom the physician has not had an in-person evaluation.
3. Permanently lifting the Medicare requirement for physicians who provide telehealth services to report their home address to Medicare.
4. Medicare recognition of the CPT codes for telemedicine evaluation and management services.

Conclusion

To fully harness the benefits of telehealth, stakeholders across the health care system must advance sustainable coverage and payment policies that reflect its real-world value. When thoughtfully integrated, particularly through coordinated systems and hybrid care models, telehealth has demonstrated the ability to reduce care fragmentation, improve outcomes, enhance patient engagement and lower costs. Real-world data increasingly supports its role in delivering high-quality, efficient care across populations.

Yet many telehealth flexibilities remain tethered to temporary pandemic-era policies. Treating them as stopgap measures rather than foundational tools undermines progress toward a modern, innovative and resilient health system. Critically, long-term cost savings, improved health outcomes, and system efficiencies must be factored into any legislative and regulatory decisions shaping the future of health care delivery. Forward-looking policy reforms should treat telehealth and digital medicine as essential components of care, not alternatives. Doing so will sustain innovation, expand access, reduce disparities and help build a high-performing infrastructure that meets the needs of patients and 21st century medicine.

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