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## Overview

Medicare **Telehealth** and **Acute Hospital Care at Home (AHCaH)** programs are two of the most effective care innovations to emerge during the COVID-19 Public Health Emergency. Both have proven essential to expanding access to care, improving health outcomes, reducing costs, and delivering high-quality care—especially for older adults, rural communities, and patients with complex needs.

As these flexibilities are set to expire on September 30, 2025, Congress must act as soon as possible to **make these flexibilities permanent**. Short-term extensions create harmful uncertainty for patients, providers, and health systems.

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## Why Now is the Time to Make Medicare Telehealth Flexibilities Permanent

### 1. Telehealth is No Longer an Experiment—It’s a Proven Solution Five Years Post-Pandemic

- **Utilization Has Stabilized Above Pre-Pandemic Levels**
  - In 2023, over 28 million Medicare telehealth visits were provided—demonstrating continued, strong use well after pandemic surges.<sup>1</sup>
- **Clinical Outcomes Are Equal or Better Than In-person Care**
  - Patients managing diabetes and hypertension via telehealth had equal or improved clinical outcomes compared to in-person care.<sup>2</sup>
  - Tele-behavioral health visits reduced acute psychiatric episodes and improved treatment adherence.<sup>3</sup>
- **Cost Savings and System Efficiency Are Proven**
  - MedPAC and other evaluations show that telehealth services can substitute for higher-cost settings, especially emergency departments and urgent care.
  - Medicare Advantage plans reported \$120–\$140 savings per telehealth visit, primarily from avoided ED utilization.<sup>4</sup>
- **Adoption Is Widespread and Embedded**
  - Over 80% of Medicare-participating providers offer some form of telehealth services.<sup>5</sup>
- **Acute Hospital Care at Home (AHCaH) Program Impact**
  - Over 320 hospitals in 37 states participate.
  - More than 80,000 patients served.
  - Mayo Clinic: 30-day readmission rates cut by half.
  - Mount Sinai: Home hospital care \$2,000–\$7,000 less expensive per episode.
  - Fewer complications, lower infection risk, and faster patient recovery.<sup>6</sup>

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<sup>1</sup> CMS Medicare Telehealth Trends Report, 2024: [Medicare Telehealth Trends Snapshot](#)

<sup>2</sup> Eberly et al., *JAMA Network Open*, 2021

<sup>3</sup> Huskamp et al., *Health Affairs*, 2022

<sup>4</sup> FAIR Health White Paper, 2021

<sup>5</sup> AMA Digital Health Research, 2024

<sup>6</sup> [Fact Sheet: Report on the Study of the Acute Hospital Care at Home Initiative](#) | CMS

## 2. Short-Term Extensions Create Instability

- Disincentivize provider investment in telehealth platforms and training.
- Disrupt access to care for high-need populations.
- Increase administrative burdens and compliance complexity.

## 3. Healthcare Providers and Hospital Systems Need Stability to Invest

- Health systems have made substantial investments in telehealth technology, staffing, training, and infrastructure.
  - Uncertainty around long-term telehealth reimbursement was one of the top concerns for providers considering further investment.<sup>7</sup>
- Without permanent policy, many providers cannot justify continued investment in virtual care tools.

## 4. Older Patients Want It and Expect It

- 91% of Medicare beneficiaries said they were satisfied with their telehealth care.<sup>8</sup>
- Over 85% of Medicare patients reported they want telehealth as a permanent option going forward.<sup>9</sup>
- Eliminating or restricting access now would cause care disruptions for millions of beneficiaries.

## 5. There is Strong Bipartisan, Bicameral Support

- Bipartisan bills like the **CONNECT for Health Act and Telehealth Modernization Act** have strong support in both chambers.
- Aligning legislative action with ongoing provider needs and patient demand makes now the perfect time to act.

## 6. Medicare Must Keep Pace with the Modern Care Landscape

- Commercial payers, Medicaid programs, and the Veterans Affairs (VA) department are all integrating permanent telehealth models.
- All 50 states implementing legislation are requiring private payers to provide some sort of telehealth coverage and reimbursement for services delivered via telehealth.
- Medicare risks falling behind and fragmenting care without decisive, timely action.

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## Policy Recommendations

1. Congress should make permanent the Medicare telehealth flexibilities as soon as possible by passing the CONNECT for Health Act, Telehealth Modernization Act (soon to be reintroduced), or through any upcoming large vehicle.
2. Congress should permanently allow CMS to make the AHCaH program permanent.

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<sup>7</sup> The American Medical Association (AMA) Digital Health Care 2022 Study: [AMA survey shows widespread enthusiasm for telehealth | American Medical Association](#)

<sup>8</sup> [AMA survey shows widespread enthusiasm for telehealth | American Medical Association](#)

<sup>9</sup> [AMA survey shows widespread enthusiasm for telehealth | American Medical Association](#)