CAHPR CENTER FOR ADVANCING HEALTH POLICY THROUGH RESEARCH

School of Public Health BROWN UNIVERSITY

Medicare Telehealth Flexibilities at Risk with Government Shutdown

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Introduction

In the context of the government shutdown, Medicare's expanded coverage of telehealth services expired on September 30, 2025. Expanded telehealth coverage, introduced during the COVID-19 public health emergency (PHE), allowed patients to access care from their homes, expanded the types of clinicians who could provide telehealth, and covered audio-only visits. Their impact was dramatic: in the first months of the pandemic, telehealth accounted for more than 40% of Medicare outpatient visits.[1]

Since that point, telehealth use has declined and stabilized at approximately 5% of outpatient visits, and as our analyses below show, telehealth has become a common way for millions of Medicare beneficiaries to receive care. Surveys show that patients and clinicians alike want telehealth to remain an option, citing its ability to overcome barriers like transportation, mobility challenges, and access to behavioral health specialists.[2] Patients and clinicians have made telehealth a core part of their care.

This system is now under threat, as we describe below. The September 2025 government shutdown, combined with uncertainty over whether telemedicine reimbursement will be permanent, has already led to a decline in telemedicine visits within the Medicare program, with potentially broad implications for access if the shutdown continues.

[1] Mehrotra, J. G., Douceur Tengu, Ateev. (2021, August 30). *3 surprising trends in seniors' telemedicine use during the pandemic*. STAT. https://www.statnews.com/2021/08/30/three-surprising-trends-seniors-telemedicine-use-pandemic/

[2]Uscher-Pines, L., Arora, N., Jones, M., Lee, A., Sousa, J. L., McCullough, C. M., Lee, S., Martineau, M., Predmore, Z., Whaley, C. M., & Ober, A. J. (2022). Experiences of Health Centers in Implementing Telehealth Visits for Underserved Patients During the COVID-19 Pandemic: Results from the Connected Care Accelerator Initiative. RAND Corporation. https://doi.org/10.7249/rra1840-1, SteelFisher, Gillian K., Caitlin L. McMurtry, Hannah Caporello, Keri M. Lubell, Lisa M. Koonin, Antonio J. Neri, Eran N. Ben-Porath et al. "Video Telemedicine experiences in COVID-19 were positive, but physicians and patients prefer in-person care for the future: study examines patient and physician opinion of Telemedicine experiences during COVID-19." Health affairs 42, no. 4 (2023): 575-584.

A Recurring Challenge

Congress has repeatedly faced deadlines on Medicare telehealth coverage since the end of the COVID-19 public health emergency (PHE) in May 2023, implementing numerous short-term extensions. This cycle of temporary fixes left providers and beneficiaries uncertain about the future of telemedicine reimbursement.[3]

- **December 2022 extension:** The *Consolidated Appropriations Act, 2023*, extended most PHE telehealth flexibilities for two years, through December 31, 2024. These included allowing beneficiaries to receive telehealth at home, continuing coverage for audio-only visits, delaying in-person requirements for telemental health, and authorizing FQHCs and RHCs as distant-site providers.
- **December 2024 stopgap:** With the 2024 deadline approaching, Congress passed the *American Relief Act*, which provided a short-term extension until March 31, 2025. This three-month reprieve continued the existing flexibilities, but again left their long-term status unresolved.
- **March 2025 extension:** Congress again acted through the *Full-Year Continuing Appropriations and Extensions Act (H.R. 1968)*, which temporarily extended the flexibilities to September 30, 2025. At the same time, lawmakers deferred more permanent decisions until later in the year.

Several efforts have sought a longer-term or permanent extension. In 2024, the bipartisan *Preserving Telehealth, Hospital and Ambulance Access Act (H.R. 8261)* advanced out of the House Ways and Means Committee with a proposal to extend telehealth flexibilities for two years. The CONNECT for Health Act, bipartisan legislation reintroduced in both the House and Senate, has been seen as the most comprehensive telehealth bill in Congress. It would, in part, permanently remove geographic and originating site restrictions, expand distant-site eligibility for FQHCs and RHCs, and eliminate the in-person requirement for

[3] Mehrotra, A., & Perkins, J. (2025). Congress Can Unlock The Full Potential Of Telehealth Through A Permanent Fix | Health Affairs Forefront. *Health Affairs Forefront*. https://doi.org/10.1377/forefront.20250303.724320. In the Consolidated Appropriations Act of 2021, Congress permanently expanded telemedicine coverage for mental health treatment for all beneficiaries. Previously Congress had also permanently expanded coverage for stroke and substance use disorders.

telemental health. Despite bipartisan support and backing from hundreds of health care organizations, none of these permanent fixes have cleared Congress.

The resulting pattern of stopgap extensions created instability. Providers have been forced to plan staffing, technology investments, and patient outreach around the possibility that telehealth could disappear with little notice.[4] Beneficiaries, particularly those who rely on telemental health and chronic disease management services, face uncertainty about whether they should schedule their next appointment as a telehealth visit. This uncertainty was the context in October of 2025, when the government shutdown led to an expiration of telehealth flexibilities. While it is widely believed that, when the government shutdown ends, telehealth flexibilities will be reinstated, this cannot be guaranteed and some patients and clinicians may be turning away from telehealth.

What is at stake?

Telehealth Use Among Medicare Beneficiaries in Early 2025

Telehealth is no longer a temporary solution; it has become a mainstream part of care delivery. In just the first half of 2025, our analyses of Medicare fee-for-service data show:

- 4,297,532 or 15% of all Medicare fee-for-service beneficiaries[5] received a telehealth visit (audio-only or audio-visual). There was substantial use throughout the US, though there is variation across states.(Figure 1)
- Those patients received 11,139,779 telehealth visits for a wide range of conditions. The most common conditions treated in these visits included mental health conditions (e.g., depression) and chronic medical conditions (e.g., diabetes, hypertension, chronic kidney disease)
- 469,487 different clinicians or 29.6% of all clinicians[6] delivered one or more telehealth visits to a Medicare beneficiary. The common types of clinicians

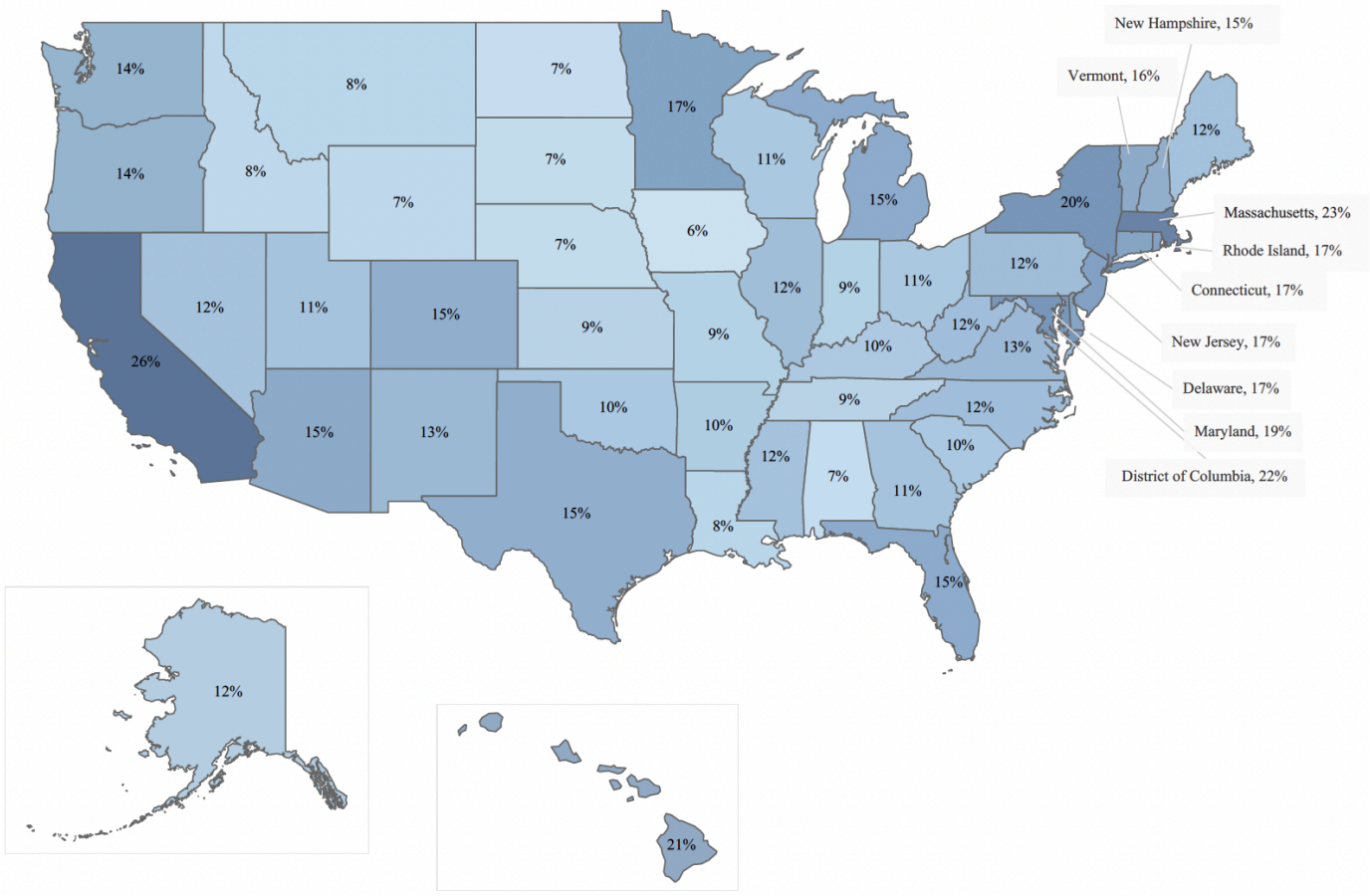
[4]Mehrotra, A., & Perkins, J. (2025). Congress Can Unlock The Full Potential Of Telehealth Through A Permanent Fix | Health Affairs Forefront. *Health Affairs Forefront*. https://doi.org/10.1377/forefront.20250303.724320

[5] Denominator is beneficiaries with Part A and Part B during this period.

[6] Denominator is clinicians who provided any evaluation and management visits during this 6 month period

providing telehealth visits included primary care physicians, nurse practitioners, and mental health specialists (psychiatrists, social workers).

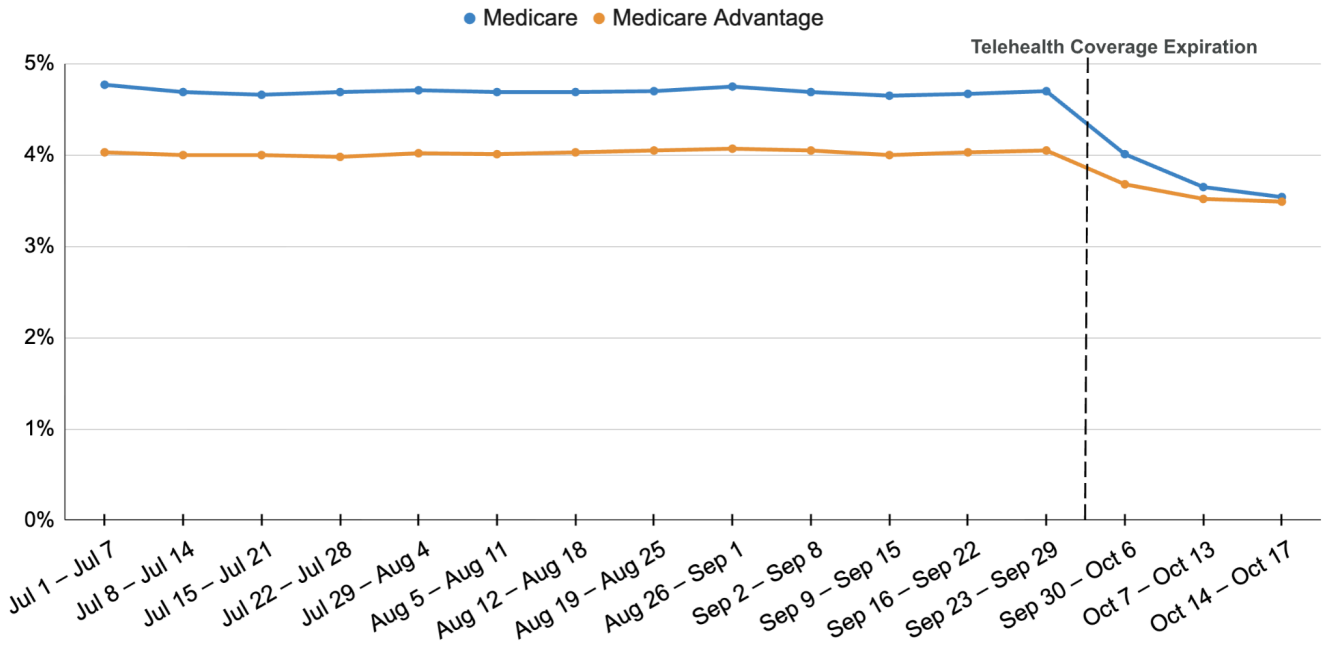
Figure 1: Fraction of Medicare fee-for-service beneficiaries in the state who received a telehealth visit from January 1 to June 30, 2025



Early Impact of the Government Shutdown

In an analysis of national data from health systems that use the Epic electronic medical record,[7] we are already observing a decline in telemedicine visits. Compared to July 1-September 29, 2025, the fraction of visits that were provided via telemedicine declined by 24% in the first 17 days of October 2025 for fee-for-service Medicare beneficiaries and 13% for Medicare Advantage beneficiaries (Figure 2).[8] This reduction in visits was much larger in some states than others (Figure 3). For example, in states as diverse as Florida, Louisiana, Washington, Tennessee, Maryland, Oklahoma, and New York, the use of telemedicine among fee-for-service and Medicare Advantage beneficiaries declined by nearly 40% or more. We believe this decline reflects the inherent uncertainty among clinicians on whether billed telemedicine visits will be retroactively reimbursed after the government reopens.

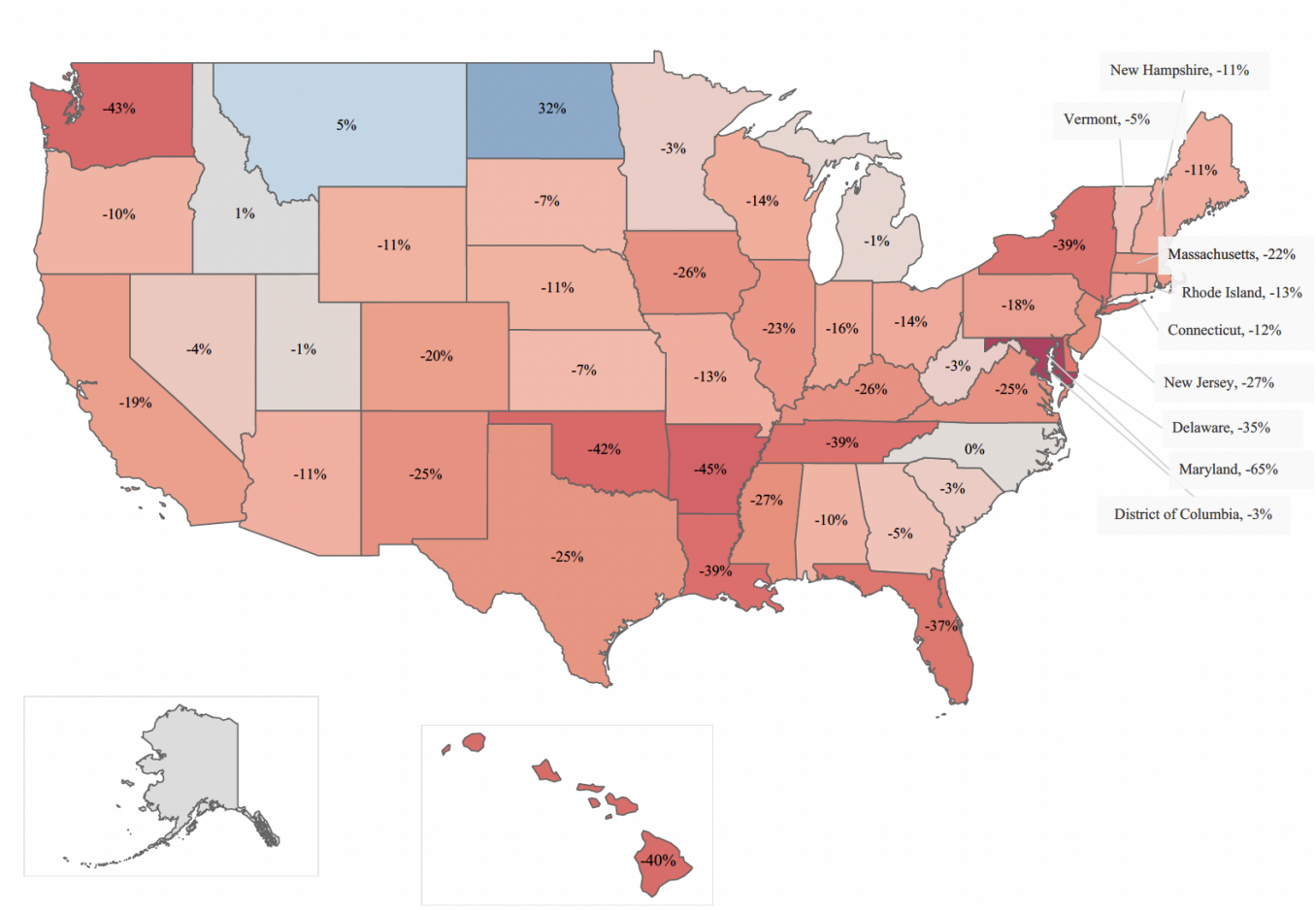
Figure 2: Proportion of Office Encounters that Are Via Telemedicine, By Week from July 1 to October 17, 2025



[7] Data used in this study came from Epic Cosmos, a dataset created in collaboration with a community of health systems using Epic representing more than 294 million patient records from over 1633 hospitals and 37,000 clinics as of November 2025. The community represents patients from all 50 states, D.C., Canada, Lebanon, and Saudi Arabia.

[8] Data in this study was restricted to office visits and telemedicine visits for adults ≥18 years old residing in the US (50 states + Washington DC) with Medicare fee-for-service or Medicare Advantage primary coverage as captured in Cosmos.

Figure 3: Relative Change in Proportion of Office Encounters that are Telemedicine from July 1-September 29 2025 vs. October 1-17 2025



Note: The state of Alaska has censored results in this figure due to a low sample size in October 2025.

Conclusion

The evidence from the first half of 2025 is clear: millions of Medicare beneficiaries nationwide were utilizing telehealth services for a wide range of conditions. With the government shutdown, Medicare telehealth flexibilities expired on September 30, 2025, and we are already observing a decline in telehealth visits among Medicare beneficiaries.

Without congressional action to reinstate telemedicine flexibilities, both beneficiaries and providers will continue to face disruptions in access to care, loss of critical services, and wasted investments in telehealth infrastructure.