The Future of Telehealth – Changes for 2026 and Beyond

Each year, usually in November, the Centers for Medicare & Medicaid Services (CMS) release the Calendar Year 20xx Physician Fee Schedule Final Rule. This 1,000+ page document finalizes much of what is published in the proposed rule in July of the same year -after CMS has reviewed and addressed public comments. The Northwest Regional Telehealth Resource Center (NRTRC) and others eagerly await publication of the final rule to celebrate and share any good news and to ensure that telehealth and other services have not been adversely impacted in ways that limit provision of and access to healthcare in the states that we serve.

However, CMS' regulatory authority only goes so far, which means that we also keep a keen eye on the required actions by Congress to extend many of the COVID-era telehealth flexibilities. In November 2025, Congress passed an act to ensure extension of those flexibilities through January 30, 2026. We anxiously await congressional action to finalize these flexibilities!

Telehealth Changes from CMS:
Calendar Year 2026 Physician Fee Schedule Final Rule (CY2026 PFS FR)

Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) as Distant Sites

FQHCs and RHC may continue to act as distant sites and to bill for telehealth visits (including audio-only) for Medicare beneficiaries using G2025 through December 31, 2026.

This provision is essential for our rural states! In conjunction with the permanent changes for direct supervision and for teaching physicians' virtual presence (below), this could be a game changer for our rural residency programs, especially for those providing family medicine while providing telehealth services at an FQHC or RHC.

Direct Supervision

For direct supervision, CMS has historically required that the physician (or other supervising practitioner) be immediately available in person. However, starting January 1, 2026, CMS will permanently "…allow the presence of the physician (or other practitioner) to include virtual presence through audio/video real-time communications technology (excluding audio-only). The presence of the physician (or other practitioner) may include virtual presence through audio/video real-time communications technology (excluding audio-only) for services without a 010 or 090 global surgery indicator." Those services include most "incident to" services, many diagnostic tests, and both pulmonary and cardiac rehabilitation.

For rural areas that struggle to recruit and retain physicians and other practitioners to provide direct supervision, this permanent change is essential to continue to provide a full range of services for their patients and to prevent the need for extensive travel for both patients and providers alike.

Teaching Physicians' Virtual Presence (to bill for a visit)

CMS is permanently allowing "…teaching physicians to have a virtual presence in all teaching settings, **only in clinical instances when the service is (a 3-way telehealth visit, with the teaching physician, resident, and patient in different locations)**." Note that this is specific to the ability of the teaching physician to bill for the Medicare telehealth visit for all residency training locations. CMS notes that documentation in the medical records must include "…whether the teaching physician was physically present or present through audio/video real-time communications technology at the time of the Medicare telehealth service, which includes documenting the specific portion of the service for which the teaching physician was present through audio/video real-time communications technology". Additionally, direct supervision of physician residents and what is and is not allowed is specified by the Accreditation Council for Graduate Medical Education (ACGME) and each residency program.

Recruiting and retaining physicians who will precept and supervise resident physicians is an ongoing challenge in both rural and urban communities. Teaching physicians, especially those from the community, may be more inclined to precept and/or accept resident physicians for clinical rotations with this change. This permanent change also removes the metropolitan statistical area[1] (MSA) constraint and expands training opportunities for resident physicians in both rural and urban settings.

Frequency Limits

Frequency limits were permanently removed for furnishing the following services via telehealth. This streamlines care and expands access, especially for patients and providers in rural areas.

- Subsequent Inpatient Visits (CPT codes 99231, 99232, 99233)
- Subsequent Nursing Facility Visit (CPT codes 99307, 99308, 99309, 99310)
- Critical Care Consultation Services (HCPCS codes G0508, G0509)

[1] MSA's are essentially cities (population of at least 50,000) and the surrounding areas that are economically connected to it.

Simplified Process to Add Codes to CMS' List of Telehealth Services

CMS maintains a List of Telehealth Services for which they reimburse when these services are provided to Medicare beneficiaries. Every year, CMS provides the opportunity to add additional codes to this list through their annual rulemaking process.

Submissions to be considered for addition for 2027 must be submitted by February 10, 2026; the CY2026 PFS FR simplifies the process for submitting requests, reducing it from five to three steps:

1. Determine whether the service is separately payable under the physician fee schedule.
2. Determine whether the services "ordinarily involve direct, face-to-face interaction between the patient and physician or practitioner such that the use of an interactive telecommunications system to deliver the service would be a substitute for an in-person visit." (p. 49318)
3. Determine whether "one or more face-to-face component(s) of the service, if furnished via audio-video communications technology, would be equivalent to the service being furnished in-person" (p. 49318). Include evidence of substantial clinical improvement in different beneficiary populations that may benefit from the requested service when furnished via telehealth (e.g., rural populations).

Minus 2.5% Efficiency Adjustment – NOT FOR TELEHEALTH SERVICES!

CMS finalized a minus 2.5% efficiency adjustment to select services that it believes are likely to become more efficient over time, as compared to time-based services like office visits or behavioral health therapy. They cite examples such as surgical procedures, diagnostic imaging interpretation, outpatient interventions, interventional pain management, and orthopedic services, which may benefit from technological advancements or standardized workflows. Interestingly, CMS exempts time-based codes, codes on the CMS List of Telehealth Services, and new codes for CY 2026.

Telehealth Changes from Congress: Extension of Certain Telehealth Flexibilities – Ending on January 30, 2026

In November 2025, Congress passed legislation to extend the following telehealth flexibilities and to make those flexibilities retroactive to September 30, 2025. CMS does not have the regulatory authority to make any of these telehealth flexibilities permanent; Congress will need to do this.

- Remove geographic requirements and expand originating sites for telehealth to include the home of individuals.
- Expand practitioners eligible to furnish telehealth to include qualified occupational therapists, physical therapists, speech-language pathologists, and audiologists
- Extend telehealth services for federally qualified health centers (FQHCs) and rural health clinics (RHCs)
- Delay the in-person requirements under Medicare for mental health services furnished through telehealth and telecommunications technology, including those services provided by FQHCs and RHCs (extended to "on or after January 31, 2026")
- Allow for the furnishing of audio-only telehealth services
- Extend use of telehealth to conduct face-to-face encounter prior to recertification of eligibility for hospice care

Resources and References

- Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026. H.R. 5371. Signed by the President 11/12/2025. See SEC. 6208. EXTENSION OF CERTAIN TELEHEALTH FLEXIBILITIES. (Go to the "Enrolled Bill" version, which includes links to the sections of §1395m. Special payment rules for particular items and services that have been modified.)
- Calendar Year 2026 Medicare Physician Fee Schedule Final Rule (CY2026 PFS FR). CMS. November 5, 2025.
- Telehealth FAQ Calendar Year 2026. CMS. Applies to Medicare beneficiaries.
- Final CY 2026. Medicare Physician Fee Schedule Fact Sheet. Center for Connected Health Policy. November 2025.
- Medicare Telehealth Waivers Extended …For Now, Anyway!. CCHP. November 18. 2025.