

Medicare Telehealth Flexibilities Extended Through 2027: Telehealth Gets a Two-Year Lifeline in Fiscal Year 2026 Spending Package

Client Alert

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What You Need to Know

- A two-year extension of certain Medicare telehealth flexibilities that were previously set to expire on January 31, 2026, have been implemented under The Consolidated Appropriations Act, 2026, recently signed into law as part of the federal government's fiscal year 2026 spending package.
- Key pandemic-era waivers now extended through December 31, 2027, include the availability of telehealth services from any location, expanded provider eligibility, audio-only services, and continued flexibility for behavioral health and hospice recertification.
- Although the extension is temporary, it serves to mitigate imminent coverage gaps and enable continued virtual care access. Providers and health care systems should use this time to stabilize operations while planning for compliance, reimbursement, and potential policy changes after 2027.

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On February 3, 2026, President Trump signed [HR 7148](#), the Consolidated Appropriations Act, 2026, as part of the federal government's fiscal year 2026 spending package. The Act provides for a significant two-year extension of key Medicare telehealth flexibilities, that were set to expire on January 31, 2026 and avoiding a potential "telehealth cliff" that we previously addressed on our [healthcare blog](#).

Core Medicare telehealth waivers will now remain in effect through December 31, 2027, providing regulatory and reimbursement certainty through the end of next year for Medicare beneficiaries, clinicians, and health systems.

Telehealth Flexibility Extensions

The Act extends multiple pandemic-era telehealth provisions, including:

- **Geographic and originating site flexibilities:** Medicare beneficiaries may continue to receive telehealth services from *any location*, including their homes, without geographic restrictions.
- **Expanded provider eligibility:** Occupational therapists, physical therapists, speech-language pathologists, and audiologists may continue to furnish Medicare telehealth services.
- **Telehealth in FQHCs and RHCs:** Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) remain eligible to serve as distant-site telehealth providers, including for audio-only services under specified conditions.
- **Audio-only telehealth:** Permits Medicare coverage of audio-only telehealth where clinically appropriate.
- **Behavioral/mental health telehealth:** Continued waivers of in-person requirements for behavioral/mental health telehealth services through early 2028.
- **Hospice recertification via telehealth:** Hospice physicians and nurse practitioners can use telehealth for recertification encounters through the extension period.

Other Telehealth-Related Provisions

The Act includes several health care provisions that interact with telehealth policy:

- **Acute Hospital Care at Home (AHCAH) waivers:** The Act extends AHCAH waivers through September 30, 2030, and includes a telehealth waiver for cardiopulmonary rehabilitation services at home through January 1, 2028.
- **Medicare payment policies:** Related provisions, such as a one-year extension of the Geographic Practice Cost Index (GPCI) floor, continue to support telehealth-related rural reimbursement.

Practical Implications for Stakeholders

- Providers can plan for continued Medicare telehealth reimbursement under the extended flexibilities through 2027, avoiding service disruptions related to originating site, provider type, and use of audio-only technologies.
- Health systems and telehealth platforms benefit from regulatory stability, particularly around distant-site eligibility for FQHCs/RHCs and expanded practitioner categories.
- Policy advocates should note that, although this legislation provides temporary relief, telehealth stakeholders continue to pursue longer-term or permanent statutory reforms outside the appropriations process.

Next Steps for Providers and Health Systems

While the two-year extension provides welcome stability, these flexibilities remain temporary and subject to future congressional action.

Providers and health systems should:

- Confirm continued compliance with Medicare billing and documentation requirements tied to extended telehealth services, including audio-only and behavioral health services.
- Evaluate telehealth program infrastructure and contractual arrangements in light of the December 31, 2027, sunset date.
- Monitor CMS rulemaking for potential refinements or guardrails around utilization, fraud prevention, and reimbursement.
- Consider state-law telehealth requirements, which may differ from Medicare flexibilities and may not align with federal timelines.

Hospitals, digital health companies, and multi-state provider groups should also assess licensure, supervision, prescribing, and reimbursement policies to ensure continued operational alignment as federal and state frameworks evolve.

Looking Ahead and Future Legislation

Congressional supporters of telehealth are also advancing stand-alone proposals, such as the Telehealth Modernization Act ([H.R. 5081](#) and [S.2709](#)) and CONNECT for Health Act ([H.R. 4206](#) and [S. 1261](#)), to make broader telehealth flexibilities permanent. Engagement with CMS and legislative stakeholders will continue to shape policy evolution beyond the current two-year extension.

Overall, the Act delivers a meaningful extension of Medicare telehealth flexibilities, mitigating imminent coverage gaps and enabling continued virtual care access for beneficiaries and providers through December 31, 2027. Stakeholders should consider implications for compliance, reimbursement strategies, and advocacy around telehealth permanency.

Our [Healthcare](#) team will continue to monitor these developments and is available to assist you in evaluating how these extensions may impact your telehealth operations and in preparing you for the next phase of federal telehealth reform. Please contact the authors of this Alert with any questions or to discuss your specific circumstances.

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