Update on Medicare Operations: Telehealth, Claims Processing, and Medicare Administrative Contractors Status During the Shutdown

When certain legislative payment provisions ("extenders") are scheduled to expire, CMS directs all Medicare Administrative Contractors (MACs) to implement a temporary claims hold. This standard practice is typically up to 10 business days and ensures that Medicare payments are accurate and consistent with statutory requirements. The hold prevents the need for reprocessing large volumes of claims should Congress act after the statutory expiration date and should have a minimal impact on providers due to the 14-day payment floor. Providers may continue to submit claims during this period, but payment will not be released until the hold is lifted.

Absent Congressional action, beginning October 1, 2025, many of the statutory limitations that were in place for Medicare telehealth services prior to the COVID-19 Public Health Emergency will take effect again for services that are not behavioral and mental health services. These include prohibition of many services provided to beneficiaries in their homes and outside of rural areas and hospice recertifications that require a face-to-face encounter. In some cases, these restrictions can impact requirements for meeting continued eligibility for other Medicare benefits. In the absence of Congressional action, practitioners who choose to perform telehealth services that are not payable by Medicare on or after October 1, 2025, may want to evaluate providing beneficiaries with an Advance Beneficiary Notice of Noncoverage. Practitioners should monitor Congressional action and may choose to hold claims associated with telehealth services that are not payable by Medicare in the absence of Congressional action. Additionally, Medicare would not be able to pay some kinds of practitioners for telehealth services. For further information: https://www.cms.gov/medicare/coverage/telehealth.

CMS notes that the Bipartisan Budget Act of 2018 allows clinicians in applicable Medicare Shared Savings Program Accountable Care Organizations (ACOs) to provide and receive payment for covered telehealth services to certain Medicare beneficiaries without geographic restriction and in the beneficiary's home. There is no special application or approval process for applicable ACOs or their ACO participants or ACO providers/suppliers. Clinicians in applicable ACOs can provide these covered telehealth services and bill Medicare for the telehealth services that are permissible under Medicare rules during CY 2025, irrespective of further Congressional action. For more information:

https://www.cms.gov/files/document/shared-savings-program-telehealth-fact-sheet.pdf.

MACs will continue to perform all functions related to Medicare Fee-for-Service claims processing and payment.