

As Clock Ticks, AMA Seeks New CBO Scoring It Says Would Justify Permanent Telehealth

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With just 26 days before Medicare telehealth flexibilities expire, the American Medical Association (AMA) on Monday asked lawmakers to work with the Congressional Budget Office on new forward-looking scoring it says would justify permanent telehealth reforms. The powerful physician lobby floated an issue brief that dovetails with the Trump administration's Make America Healthy Again agenda, arguing empirical analysis not currently considered by CBO suggest telehealth offers long-term savings from early intervention, improved chronic disease management and reduced use of costly emergency and inpatient services.

"While current Congressional Budget Office (CBO) scoring is based heavily on historical data and limited assumptions about future utilization and costs, the AMA calls for a more robust analysis," AMA wrote in the Jan. 5 brief.

Empirical evidence included in the brief suggests telehealth is an effective substitute for in-person care, driving higher appointment completion rates and lowering hospital readmissions. Telehealth identifies systemic efficiencies that in-person care models miss, according to AMA.

"This data-driven perspective, if incorporated in CBO scoring, can yield more reliable estimates and guide sustainable policy reforms," the organization wrote. "The AMA urges Congress to work closely with CBO, leveraging the latest real-world data and peer-reviewed research to achieve an accurate budgetary score for permanent Medicare telehealth legislation."

The brief says these elements affect key drivers of health care costs: clinician retention, care quality, patient engagement and the avoidance of costly emergency or inpatient care. A more comprehensive approach is needed to evaluate the economic impact of telehealth, including effects on the sustainability and efficiency of federal health programs and the broader health care system, the lobby says.

Telehealth has the potential to reduce downstream health care costs by improving early intervention, enhancing chronic disease management and reducing avoidable emergency and inpatient utilization in high-risk populations and those affected by workforce shortages, according to AMA.

"Two studies out of the University of Michigan's Institute for Healthcare Policy and Innovation, published in 2025, found that telehealth did not increase total Medicare visits and did drive down post-visit costs," AMA wrote. "The first study assessed

telehealth's impact on outpatient evaluation and management (E&M) visit volume by comparing overall E&M utilization before and after the pandemic across specialties with varying levels of telehealth use."

The findings are similar to those touted by the American Telemedicine Association last year that supported Medicare telehealth is a substitute for in-person care and does not result in additional appointments.

High and medium telehealth-use specialties experienced a 4.1% and 7.2% decline in overall E&M visits, respectively, in the post-pandemic period, according to the research.

The second study looked at the total costs to Medicare in the 30 days after a person had an appointment to evaluate or manage a health condition, either via telehealth or in person.

"Payments by Medicare were \$82 lower per person for patients who had their initial visit for a condition via telehealth, compared with people seen in person," AMA wrote. "RAND (2022) modeling suggests that permanent telehealth for behavioral health and chronic disease management reduces total medical spending by 3-4%, largely by avoiding emergency visits and inpatient stays."

The organization wrote that significant increases in access and sustained adoption have occurred with some use cases while there was negligible growth in spending.

"Evidence suggests long-term savings are possible, especially when telehealth is integrated into hybrid models or value-based care models," AMA wrote.

AMA is specifically advocating for permanent removal of restrictions on Medicare coverage of telehealth services, an extension of the acute hospital-at-home waiver, authorization of virtual diabetes prevention program services and removal of barriers to coverage of remote patient monitoring devices that improve maternal and child health outcomes.