CMS puts off remote patient monitoring crackdown for two years

The agency decided to delay a major change to rules governing remote patient monitoring reimbursement until 2029.

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The Centers for Medicare and Medicaid Services delayed for two years new rules aimed at stopping fraudulent reimbursements for remote patient monitoring — when a provider tracks patients' vital signs from their homes.

The delay, from Jan. 1, 2027, to Jan. 1, 2029, came after pushback from providers, monitoring vendors, and lawmakers concerned it would curtail a useful service for patients that CMS had previously encouraged.

The change was released Wednesday alongside rules outlining 2027 Medicare payment rates for doctors, outpatient hospital care, and home health aides or services.

Under the new remote monitoring rules, doctors and hospitals will have to use their own staff to monitor patients, not outside contractors, to receive Medicare reimbursement.

The original plan, to implement the rules starting next year, had drawn pushback from industry as well as lawmakers.

Republican Sen. Marsha Blackburn, who was elected governor of Tennessee on Tuesday, wrote to CMS in September alongside Sen. Mark Warner (D-Va.) to express their concerns that the change would hurt rural communities that don't have the staff to monitor patients.

A group of 32 House Democrats and Republicans wrote a similar letter to CMS Administrator Mehmet Oz last month.

The agency did finalize starting in 2027 several other changes to remote patient monitoring reimbursement, including updates to how the services are valued and a requirement that providers only offer the services to established patients.

The agency proposal comes after a 2023 warning from Health and Human Services' inspector general that companies were signing seniors up for remote monitoring who didn't need it. Another 2024 IG report found that Medicare remote patient monitoring spending spiked 20 times from 2019 to 2022.

Other changes in the payment rules include:

- A 2.3 percent cut to Medicare payments for doctors for 2027. CMS must set those rates using a statutory formula, but Congress has often stepped in to boost the formula rate; and
- A 28 percent cut to payments to hospitals for drugs acquired under the 340B discount program, which mandates drug companies give discounts to hospitals serving large numbers of low-income patients. Normally Medicare reimburses hospitals for the average sales price of the drug plus six percent for handling and

storage. However, Medicare will reimburse hospitals now the average sales price minus 28 percent starting next year. The agency said the goal is to better align Medicare payments to the actual hospital acquisition cost for the discounted drugs. CMS projects the move will save Medicare $4.3 billion in 2027.