Illinois Health and Hospital Association

FACT SHEET

FEBRUARY 2026

TELEHEALTH COVERAGE AND PRACTICE WAIVER UPDATES

Overview

This document provides updates to IHA members on federal and state telehealth coverage and practice waivers. Updates will be made periodically as new legislation, regulations, and guidance are made available.

Key Telehealth Changes That Took Place On Dec. 30, 2025

On Dec. 30, 2025, the U.S. Dept. of Health and Human Services (HHS) and the Drug Enforcement Administration (DEA) released a temporary rule extending **current waiver flexibilities for prescribing controlled substances via telemedicine through Dec. 31, 2026**.

The following waiver flexibilities were extended via this temporary rule:

- Allowance for the prescribing of schedule II-V controlled substances via audio-video telemedicine. This includes schedule III-V medications approved by the Food and Drug Administration (FDA) for treatment of opioid use disorder (OUD). Prescribing does not require a prior in-person medical evaluation if the following conditions are met:
    - The prescription is issued for a legitimate medical purpose by a practitioner acting in the usual course of professional practice.
    - The prescription is issued by a practitioner for a patient using an interactive telecommunications system (not asynchronous or store-and-forward telecommunications).
    - The practitioner is authorized to prescribe the basic class of controlled substance specified on the prescription or exempt from registering to obtain to dispense controlled substances.
    - The prescription must be consistent with all other legal and regulatory requirements.
- The flexibilities extend to all practitioner-patient relationships, not just relationships established during the COVID-19 public health emergency (PHE).

Separate final rules on telehealth practice published by HHS and DEA in Jan. 2025 and effective Dec. 31, 2025 are not affected by the Dec. 30, 2025 temporary rule. These final rules:

- Expand the ability of providers to issue prescriptions of buprenorphine for treatment of OUD via telemedicine; and separately
- Ensure continuity of care via telemedicine for Veterans Affairs patients.

Key Telehealth Changes That Took Place on Feb. 3, 2026

On Nov. 12, 2025, President Trump signed a Continuing Resolution (CR, HR 5371) funding the federal government following a 43-day government shutdown, the longest in history. **The CR restores temporary Medicare provisions until Dec. 31, 2027**, including **telehealth coverage waivers,** clearing the path for the Centers for Medicare & Medicaid Services (CMS) to release held telehealth claims. The following telehealth changes will expire again at the end of January if government funding is not extended:

- **Coverage for telehealth visits delivered to Medicare beneficiaries in their homes.** For originating site requirements, current physical and geographic location flexibilities reverted back to restrictions that required a patient to be physically present in a qualifying medical facility within a rural area for most services, except:
    - Monthly end-stage renal disease visits for home dialysis;
    - Acute stroke services, wherever a patient is located (e.g., mobile stroke clinics); and
    - Mental health services, if all in-person visit requirements are met, and separately, treatment for a substance use disorder (SUD) and any co-occurring mental health conditions.

- **Audio-only telehealth coverage for non-behavioral health services.** Note, audio-only will still be permitted when a patient is in-home and the distant site provider can use live video, but the patient cannot or will not use video technology.

- **Telehealth provider eligibility for specialists that serve vulnerable patient populations**, including occupational therapists, physical therapists, speech-language pathologists, and audiologists.

- **Permission to continue to use tele-behavioral health without an in-person visit requirement.** As of Oct. 1, 2025, new patients receiving mental/behavioral health services must have an in-person visit within six months of initiating telehealth services, and must have an in-person visit once every 12 months following initiation of tele-behavioral health services, subject to the following exceptions:
    - Patients located in a rural area and an eligible originating site as defined by permanent law;
    - Patients and providers may agree to waive if risks and burdens of travel outweigh benefits of in-person encounter; and
    - Patients receiving treatment for a SUD or co-occurring mental health condition are exempt from both geographic and in-person requirements.

Billing Updates

Billing updates on the Jan. 30, 2026 lapse in telehealth coverage will be provided as they are released by CMS. On Nov. 20, 2025, CMS updated an FAQ to state the agency will continue to pay telehealth claims in the same way they had been paid before Oct. 1, 2025. Telehealth flexibilities will apply retroactively as if there hadn't been a temporary lapse in the application of the telehealth flexibilities through Jan. 30, 2026.

CMS also added information on how to suppress street address details so practitioners can continue to use their currently enrolled practice location instead of their home address on Medicare enrollment and billing forms when they provide telehealth services from their home. Specifically, physicians and practitioners can either mark the address as a "Home office for administrative/telehealth use only" location in the Provider Enrollment, Chain, and Ownership System (PECOS), which will suppress street address details, or email the Quality Payment Program (QPP) Service Center to suppress the street address and/or phone number. Virtual-only telehealth practitioners will still need to enroll their home address as a practice location, but they will have the option to suppress their street address details.

On Nov. 7, 2025, CMS identified telehealth claims that may have been incorrectly denied over the last month due to systems and coding limitations. The agency is encouraging clinicians to resubmit claims

that should be permissible to pay under current law, submitted between Oct. 1, 2025 and Nov. 10, 2025, and **returned** with the messages "CARC 16" and "RARC M77," specifically from:

- Applicable Medicare Shared Savings Program ACOs, that may receive payment for covered telehealth services to certain Medicare beneficiaries without geographic restrictions, including in the beneficiary's home, per section 1899(l) of the Social Security Act as added by the Bipartisan Budget Act of 2018 (Pub. L. 115-123); and/or
- Behavioral and mental health services, which may not include a diagnosis code in the range previously identified by CMS as covered during the shutdown—often to further protect the privacy of the patient.

Medicaid Telehealth Coverage

For Medicaid telehealth coverage, the Illinois Dept. of Healthcare and Family Services issued a Provider Notice on May 9, 2023 that confirms the department's continuation of telehealth flexibilities beyond the end of the COVID-19 PHE, authorized under 89 Ill. Adm. Code 140.403(e). Effective Jan. 1, 2024, Medicaid coverage for community-based mental health and substance use treatment became permanent, with reimbursement required to be at parity with in-person care (305 ILCS 5/5-50).

Resources

For more information, see the HHS telehealth waiver summary, AHA's July 2025 fact sheet on telehealth waivers, or AHA's Sept. 28, 2025 summary on programs that would be impacted by a shutdown. CMS issued guidance instructing all Medicare Administrative Contractors to implement a temporary claims hold following the expiration of telehealth waiver flexibilities on Oct. 1. Providers who choose to perform telehealth services that are not payable following waiver expiration may want to evaluate providing beneficiaries with an Advance Beneficiary Notice of Noncoverage.

Guidance on the ability to bill retroactively to Sept. 30, 2025 for Medicare telehealth services will be provided if Congress passes a funding bill reinstating waivers following the Oct. 1, 2025 expiration. The law must explicitly permit providers to bill retroactively for these services. Providers are potentially at financial risk for Medicare telehealth services provided during the holdover period. The National Consortium of Telehealth Resource Centers has prepared provider resources on **contingency planning and a communications checklist** to help staff and patients navigate these changes.

Contact

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