

Important Update: Medicare Telehealth Waivers Have Expired

To: TNOTA Members

From: Tennessee Occupational Therapy Association

Subject: Action Required: Changes to Medicare Telehealth Coverage for OT Services

Dear TNOTA Members,

We are writing to inform you of a significant change affecting occupational therapy practice that requires immediate attention from practitioners who provide telehealth services to Medicare beneficiaries.

What Has Changed

Effective October 1, 2025, Medicare waivers that previously allowed occupational therapy services via telehealth have expired. These waivers expired when Congress did not reach an agreement on federal budget negotiations that included extension of these provisions.

Current Status: Occupational therapy practitioners will not be reimbursed by Medicare for OT telehealth services provided to beneficiaries unless Congress reinstates the waivers and makes coverage of these services retroactive to October 1.

Important Context for Tennessee Practitioners

This federal policy change is particularly significant for Tennessee OT practitioners because **telehealth is specifically addressed in Tennessee's occupational therapy regulations**. Tennessee's state regulations permit occupational therapy services via telehealth when appropriate clinical standards are met. However, the expiration of federal Medicare waivers means that while telehealth remains a legally permissible service delivery method under Tennessee law, Medicare reimbursement for these services is currently suspended.

Key Point: The ability to provide telehealth services under Tennessee regulations does not guarantee Medicare reimbursement for those services. These are separate regulatory frameworks that must both be satisfied for compliant, reimbursable service delivery.

Immediate Action Steps for Practitioners

If you provide occupational therapy services via telehealth to Medicare beneficiaries, please take the following steps:

1. Review Your Current Caseload

- **Identify all clients** who receive occupational therapy services via telehealth
- **Determine which clients** are Medicare beneficiaries who may be affected by this change

- **Assess** whether these clients can transition to in-person care or have alternative coverage options

2. Consult with Your Employer or Facility

- **Discuss options** for meeting affected clients' therapy needs
- **Determine your facility's approach** to handling Medicare telehealth services during this lapse
- **Clarify documentation requirements** if your organization decides to continue providing telehealth services

3. Understand Medicare Part A vs. Part B Guidance

Medicare Part A (Inpatient/SNF Settings):

- CMS has not issued specific guidance for Medicare Part A services
- If your facility decides to provide telehealth services for Medicare Part A patients, you must **accurately document all services provided**
- Consult with your facility's billing department regarding their approach

Medicare Part B (Outpatient Settings):

- CMS recommends issuing an **Advance Beneficiary Notice of Non-coverage (ABN)** to clients who request telehealth services
- The ABN informs the client that the service may not be covered by Medicare and that they may be financially responsible if Medicare denies the claim

4. Claims Management Recommendations

If you provide Medicare telehealth services on or after October 1, CMS suggests the following approach:

- **Hold claims for 10-14 days** before submitting them to Medicare
- This strategy may help avoid denied claims or the need for reprocessing should the waivers be reinstated quickly
- If the lapse extends beyond 14 days, CMS is expected to provide further guidance

Important: Coordinate with your billing department or practice manager to ensure consistent handling of telehealth claims during this period.

What This Means for Your Practice

Services Affected:

- Medicare-reimbursed occupational therapy services delivered via telehealth
- Both evaluation and treatment services provided through telecommunication technology

Services NOT Affected:

- In-person occupational therapy services (continue as usual)
- Telehealth services covered by other payers (check individual payer policies)

- Telehealth services provided under Tennessee Medicaid (TennCare has separate telehealth policies)

Tennessee Regulatory Compliance:

- Tennessee regulations continue to permit appropriate use of telehealth for OT services
- Practitioners must continue to meet all clinical and professional standards outlined in Tennessee regulations when providing telehealth services
- The issue is Medicare reimbursement, not state-level authorization to practice via telehealth

Potential for Retroactive Coverage

Congress may reinstate the telehealth waivers when federal budget negotiations conclude. If this occurs, it is possible that Congress will authorize **retroactive reimbursement** for OT telehealth services provided during the lapse period (from October 1 forward).

Important Considerations:

- Retroactive coverage is possible but **not guaranteed**
- The timing of any Congressional action is uncertain
- Practitioners and facilities must make decisions based on current policy while understanding that the situation may change

Documentation Best Practices During This Period

Regardless of your facility's approach to telehealth services during this lapse, maintain comprehensive documentation:

- **Date and time** of telehealth services
- **Clinical rationale** for service delivery method
- **Patient consent** for telehealth services and understanding of potential payment responsibility
- **Copy of ABN** if issued to Medicare Part B beneficiaries
- **Technology platform** used and compliance with HIPAA requirements
- **Clinical outcomes** and justification for continued telehealth delivery if applicable

This documentation will be essential if retroactive coverage is authorized or if claims require reprocessing.

Additional Resources

Centers for Medicare and Medicaid Services (CMS):

- CMS issued updated guidance on October 1 regarding telehealth waiver expiration
- Visit [cms.gov] for the most current information

Tennessee State Regulations:

- Tennessee occupational therapy telehealth regulations remain in effect

- Review Tennessee Code for specific requirements: [relevant TN code citation]

AOTA Resources:

- AOTA is actively monitoring this situation and providing updates
- Visit [aota.org] for federal advocacy updates and practice guidance

TNOTA's Role

The Tennessee Occupational Therapy Association is:

- **Monitoring** federal developments regarding potential reinstatement of waivers
- **Coordinating** with AOTA on advocacy efforts
- **Providing updates** to members as new information becomes available
- **Supporting** practitioners navigating these changes

We will communicate any changes to this situation as soon as information becomes available.

Frequently Asked Questions

Q: Can I still provide telehealth services to Medicare patients?

A: You may provide telehealth services, but Medicare will not reimburse for these services unless the waivers are reinstated. Patients should be informed of potential financial responsibility.

Q: Does this affect my other payers?

A: This change specifically affects Medicare. Check with your other payers regarding their individual telehealth policies, which may differ from Medicare requirements.

Q: Does this change Tennessee's telehealth regulations?

A: No. Tennessee regulations that authorize appropriate use of telehealth for OT services remain unchanged. This is a federal Medicare reimbursement issue.

Q: Should I transition all my Medicare telehealth patients to in-person care?

A: This is a clinical and business decision that should be made in consultation with your employer, facility, and affected patients based on individual circumstances.

Q: What if Congress reinstates the waivers?

A: If waivers are reinstated, we expect CMS will provide guidance on handling claims from the lapse period, potentially including retroactive coverage. Continue monitoring for updates.

Questions or Concerns?

If you have specific questions about how this change affects your practice, please contact:

Tennessee Occupational Therapy Association

Summary of Action Items

- ☑ **Review your caseload** for Medicare beneficiaries receiving telehealth services
 - ☑ **Consult with your employer/facility** about organizational approach
 - ☑ **Prepare ABNs** if continuing Medicare Part B telehealth services
 - ☑ **Hold claims** for 10-14 days as recommended by CMS
 - ☑ **Maintain detailed documentation** of all telehealth services
 - ☑ **Monitor for updates** from TNOTA, AOTA, and CMS
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This is an evolving situation. TNOTA will continue to provide updates as new information becomes available from Congress, CMS, and AOTA. We encourage all members to remain informed and adjust practice patterns as necessary to ensure compliance with current Medicare policies while maintaining high-quality care for all patients.

Thank you for your attention to this important matter and your ongoing commitment to excellence in occupational therapy practice.

Sincerely,

Disclaimer: This communication provides general information about Medicare policy changes and is not intended as legal or billing advice. Practitioners should consult with their employers, billing departments, legal counsel, or professional advisors regarding specific situations and decisions related to their individual practices.