

MEDICARE FEE-FOR-SERVICE

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Telehealth Services for Critical Access Hospitals

The Centers for Medicare and Medicaid Services (CMS) have developed targeted billing and payment guidelines to support the use of telehealth services within Critical Access Hospitals (CAHs). These guidelines are specifically designed to help CAHs, which often serve rural and underserved communities, integrate telehealth into their care delivery models. By following these guidelines, CAHs can ensure they receive proper reimbursement for telehealth services while maintaining compliance with Medicare regulations. As telehealth becomes increasingly vital in healthcare, it is essential for CAHs to understand and navigate these guidelines to enhance patient access and sustain their operations effectively.

Consent

Medicare Consent Requirements: Medicare requires beneficiary consent (verbal or written) to receive telehealth and other virtual services. The patient must be informed of any applicable cost-sharing, including potential deductible and coinsurance amounts. Consent must be documented in the patient’s medical record and can be obtained at the time services are provided.

Sources: [Critical Access Hospital Telehealth Guide](#), [CMS Telehealth Services Fact Sheet](#)

Supervision

General Supervision: In general, auxiliary personnel under the general supervision of the billing practitioner may obtain patient consent for digital health services. The person obtaining consent can be an employee, independent contractor, or leased employee of the billing practitioner.

Source: [CMS Telehealth Services Fact Sheet](#)

Authorized Clinicians

A range of healthcare professionals are authorized to provide telehealth services from Critical Access Hospitals (CAHs) and receive Medicare reimbursement. Eligible providers include physicians, physician assistants, nurse practitioners, clinical nurse specialists, nurse-midwives, certified registered nurse anesthetists, clinical psychologists, clinical

social workers (excluding psychiatric diagnostic interviews or E/M services), registered dietitians, nutrition professionals, marriage and family therapists (MFTs), and mental health counselors (MHCs).

Originating Site

Authorization: CAHs are authorized to act as originating sites for services provided to Medicare beneficiaries. They are eligible to receive reimbursement for the originating site fee using the Health Care Common Procedure Code System (HCPCS) code Q3014.

Recent updates from the Centers for Medicare and Medicaid Services (CMS) final rule for 2025 introduce a significant change: Starting October 1, 2024, CMS will modify section 1834(m)(2)(B) of the Social Security Act to allow CAHs to receive reasonable cost-based reimbursement for the facility fee when serving as an originating site for telehealth services. The reimbursement rate for this facility fee will be 101% of its reasonable costs for overhead, salaries, and fringe benefits associated with telehealth services at the CAH. Geographic and location restrictions have been lifted through December 31, 2024. The originating site does not need to be in a county outside a Metropolitan Statistical Area or a rural Health Professional Shortage Area in a rural census tract to receive reimbursement.

Source: [Critical Access Hospital Telehealth Guide, CMS Final Rule for 2025](#) (Published in the Federal Register on August 28, 2024), [Federal Registrar 2024-17021](#) (PDF), [Social Security Act Title 18, Sec. 1834 \[42 U.S.C. 1395m\]](#)

Distant Site

CMS Policy: Previously, CAHs and their RHCs were not included as distant sites by CMS, meaning Medicare could not reimburse these organizations for delivering digital health services. However, under the new 2025 CMS final rule, this policy has been modified. CMS will now allow CAHs to receive 101% of reasonable costs for telehealth services provided by a distant site physician or practitioner located at the CAH, provided that the physician or practitioner has reassigned their billing rights to the participating CAH. This change applies regardless of whether the CAH has chosen the Optional Payment Method II for outpatient services. For those physicians and practitioners who have not reassigned their billing rights, payment will continue under the Medicare physician fee schedule. Through December 31, 2024, all providers eligible to bill Medicare for professional services can provide distant site digital health, regardless of previous restrictions.

Source: [Critical Access Hospital Telehealth Guide, CMS Final Rule for 2025](#) (Published in the Federal Register on August 28, 2024), [Social Security Act Title 18, Sec. 1834 \[42 U.S.C. 1395m\]](#)