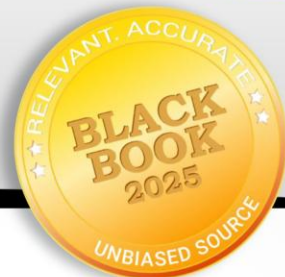


# Healthcare Providers Ill-Prepared for Looming Telehealth Policy Cliff



**Black Book**  
*Research Insights*

**September 2025**

# Black Book

## *Research Insights*



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|--|-----------|
| <b>Executive Summary.....</b>                  | <b>2</b>  |
| <b>Background: The Policy Cliff .....</b>      | <b>4</b>  |
| The Rise of Telehealth during COVID-19 .....   | 5         |
| Survey Methodology .....                       | 6         |
| Findings .....                                 | 7         |
| Provider Fears and Strategic Implications..... | 9         |
| Policy and Industry Outlook .....              | 10        |
| <b>Conclusion .....</b>                        | <b>11</b> |

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## **Executive Summary**





The scheduled expiration of Medicare’s broad telehealth flexibilities on September 30, 2025 represents one of the most significant inflection points for digital healthcare since the COVID-19 pandemic. While telehealth utilization soared during the Public Health Emergency (PHE), its future now hangs in the balance. Unless Congress enacts further extensions or reforms, Medicare coverage will revert to pre-2020 restrictions—significantly curtailing access, especially for vulnerable patients reliant on audio-only visits and care across geographic barriers.

In preparation for this “policy cliff,” Black Book Research surveyed 431 provider telehealth users in August 2025. The findings paint a troubling picture:

- **Compliance Gaps:** More than 70% of providers reported being underprepared for the rollback, and fewer than 10% have adequately trained staff on upcoming requirements.
- **Technology Weaknesses:** Only 29% reported full integration of telehealth and electronic health record (EHR) platforms, while more than half are uncertain that their current systems meet federal privacy/security standards.
- **Operational Risks:** A majority anticipate disruptions in care delivery, scheduling, and patient engagement, particularly among low-income and rural populations.
- **Privacy and Security:** Confidence in compliance with overlapping state and federal mandates is low, raising liability and reputational concerns.

Providers fear that the expiration of waivers will undo five years of hard-won digital health advances. Survey respondents overwhelmingly expect billing confusion, reimbursement losses, and a decline in equitable access.

This report analyzes the survey findings, outlines systemic vulnerabilities, and explores the broader policy implications. It also provides targeted recommendations for healthcare organizations, vendors, and policymakers to mitigate risks and preserve telehealth’s gains. Without urgent legislative and operational responses, the September 2025 cliff could transform a public health achievement into a major setback for digital health equity.



## **Background: The Policy Cliff**





## The Rise of Telehealth during COVID-19

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The COVID-19 pandemic transformed telehealth from a niche offering into a mainstream modality. In response to the PHE, the federal government issued broad waivers from existing Medicare restrictions. These flexibilities removed geographic and originating site limits, expanded provider eligibility, authorized audio-only visits, and lifted prior restrictions on modality types. This rapid deregulation allowed providers to maintain care continuity while protecting patients from in-person exposure.

Between 2020 and 2022, telehealth usage surged: in some specialties, over half of outpatient encounters were virtual. Subsequent policy extensions, including the Consolidated Appropriations Act (CAA), ensured that most flexibilities would remain in place through September 30, 2025.

### What Happens After September 30, 2025

If Congress does not act, Medicare's telehealth coverage will revert to pre-2020 rules:

- Only patients in rural areas will qualify.
- Services must be delivered at designated originating sites (not the patient's home).
- Audio-only encounters will no longer qualify.
- A narrower set of providers will be eligible.

This reversion threatens access for millions of Medicare beneficiaries. Low-income, elderly, and minority populations—many of whom embraced virtual care during the pandemic—stand to lose the most.



## Survey Methodology

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In August 2025, Black Book Research conducted a flash survey of 431 provider telehealth users. The study reached hospitals, physician practices, and ambulatory clinics, ensuring broad representation.

- Respondents by Role: 35% administrators, 42% clinicians, 23% compliance or IT staff.
- Sampling and Validity: Data achieved a 95% confidence level with  $\pm 5.4\%$  margin of error.
- Focus Areas: Operational preparedness, compliance concerns, technology readiness, and patient care risks.

By combining administrative, clinical, and compliance perspectives, the survey provides a robust snapshot of the healthcare industry's readiness—or lack thereof—for the policy cliff.



## Findings

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### Compliance Gaps

The survey revealed a striking lack of preparedness:

- 71% of respondents reported being only “somewhat” or “not at all” prepared for regulatory rollback.
- 84% indicated their compliance and IT teams lack formal response plans.
- Only 8% of staff had been trained or briefed on the upcoming changes.

These figures highlight a critical knowledge gap. Most providers have neither built contingency protocols nor conducted staff training, leaving care teams vulnerable to regulatory missteps, billing errors, and denial of claims beginning October 2025.

### Technology Weaknesses

Successful compliance will require secure, well-integrated technology—yet the survey findings suggest otherwise:

- Only 29% of organizations reported full API integration of EHR and telehealth platforms.
- 59% were uncertain their systems currently meet CMS encryption and authentication standards.
- Fewer than one-third had completed vendor audits for telehealth compliance.

Vendor dependence, slow interoperability progress, and limited oversight leave providers exposed. Without immediate investment and audits, organizations risk billing ineligible telehealth encounters or failing security requirements.





## Operational Risks

Operational disruptions loom large:

- 62% anticipate disruptions in scheduling and care delivery.
- 47% expect significant loss of patient engagement—chiefly among audio-only users.
- Staff confusion was ranked as the highest risk, reflecting failures in communication and training strategies.

Taken together, these issues foreshadow fragmented workflows after September 2025, undermining care coordination and patient satisfaction.

## Privacy and Security Concerns

Compliance with privacy/security rules is another vulnerability:

- 41% of organizations expressed low confidence in managing overlapping federal and state mandates.
- Few reported implementing strong consent management, audit trails, or cross-platform encryption.

Such deficiencies heighten exposure to regulatory penalties, civil liability, and reputational harm in the event of breaches or noncompliant practices.



## Provider Fears and Strategic Implications

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- 65% fear telehealth access loss among vulnerable populations, particularly elderly, rural, and minority patients.
- 89% anticipate significant billing confusion and reimbursement losses if rules reset.
- 83% consider vendor interoperability and compliance functions the top priorities in future purchasing decisions.

These sentiments suggest profound anxiety about both financial stability and patient well-being. Providers lack confidence in their ability to maintain service levels without legislative intervention.

Strategically, providers will need to:

1. Develop rapid contingency planning to minimize operational shocks.
2. Engage in policy advocacy to extend or reform telehealth statutes.
3. Invest in technology upgrades emphasizing integration, interoperability, and compliant security frameworks.



## Policy and Industry Outlook

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Without action from Congress by September 30:

- **Utilization Decline:** Telehealth volumes could contract sharply, especially among rural, elderly, and low-income patient groups.
- **Equity Reversal:** Gains in digital access achieved since 2020 may backslide, worsening disparities.
- **Payer Confusion:** Insurers will face parallel risks around inconsistent reimbursement and increased claims adjudication disputes.
- **Industry Mobilization:** Groups such as the American Medical Association (AMA) and American Hospital Association (AHA) are actively lobbying for permanent authorization.

The outcome could shape the long-term trajectory of digital health policy: either a fragmentation back to pre-pandemic standards or a push toward a federal telehealth strategy that recognizes new realities of patient demand.

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## **Conclusion**





The September 2025 telehealth policy cliff represents a pivotal moment for U.S. healthcare. It is both a risk—jeopardizing access, reimbursement, and compliance—and an opportunity to build a stronger, smarter national telehealth infrastructure.

## Recommendations

### For Healthcare Organizations:

- Implement contingency plans ahead of the September 30 deadline.
- Accelerate EHR/telehealth integration and conduct vendor compliance audits.
- Intensify staff training on new billing and compliance workflows.

### For Vendors:

- Deliver compliance-ready platforms with built-in consent management, encryption, and audit trails.
- Support providers with rapid implementation tools, training modules, and compliance updates.

### For Policymakers:

- Extend or permanently authorize telehealth flexibilities.
- Prioritize digital health equity, ensuring underserved populations retain access.
- Develop a clearer federal strategy for interoperability and telehealth reimbursement.

The U.S. healthcare system cannot afford to lose the ground it gained in digital access over the last five years. Congress, providers, payers, and vendors alike must act decisively in the next month to prevent unnecessary harm, preserve health equity, and ensure telehealth becomes not a temporary bridge for emergencies—but a core component of modern care delivery.