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## More telemedicine equals less spending

By RUTH READER and ERIN SCHUMAKER | 02/25/2025 02:00 PM EST

### EXAM ROOM

**In the debate** over whether to extend Medicare coverage for telehealth later this year, cost is king.

A fresh data point to consider: New research suggests that when health systems incorporate telehealth into Medicare patient care, it leads to less spending.

Dr. Ishani Ganguli, study co-author and associate professor of medicine at Harvard University, told Ruth that lawmakers are concerned telemedicine is driving excess Medicare spending and delivering worse care.

The study's findings indicate that theory is likely not the case, Ganguli said. "If anything, we're seeing some decreases in spending, and we're seeing less low-value care, which is a signal of higher quality care."

The results applied only to patients on traditional Medicare plans that reimburse for individual services and not Medicare Advantage plans, which operate under a different payment framework.

**Inside the study:** Among 2.3 million Medicare beneficiaries in 286 health systems, the patients at health systems that frequently used telemedicine were less likely to be prescribed low-value tests and more likely to have lower-cost visits, according to the study, published in JAMA Internal Medicine.

Those patients had slightly more doctors' visits than their counterparts in health systems that used telemedicine less often.

Low-value tests were defined as yielding little benefit to the patient, such as offering prostate screenings to men over 70. While the screenings can detect a cancerous tumor, treating it isn't always the best course of action, especially for older patients, because treatment can significantly reduce quality of life — and it's often expensive.

**By the numbers:** It's difficult to assess the cost savings associated with avoiding low-value tests and unnecessary treatments due to telemedicine, according to the researchers. Still, the authors estimated at least \$66 million in savings on visit reimbursements because virtual visits tend to bill for less complex care.

**Why it matters:** Lawmakers remain worried that telehealth will cost the Centers for Medicare and Medicaid Services big bucks.

But research shows that telehealth can deliver better quality of care while also saving money.

A study in [Health Affairs](#) last year found that patients at health systems that provide easy access to telemedicine were more likely to adhere to their medication regimens, received more continuous care from their doctors and visited the emergency room less often. The JAMA study builds on that work.

**What's next:** Medicare coverage for telehealth services could become much more limited. Telehealth flexibilities first granted under the Covid public health emergency are set to expire on March 31.

Congress has considered several different bills that would extend telehealth flexibilities for Medicare. The Congressional Budget Office estimated that a two-year extension of telehealth flexibilities would cost roughly \$4 billion.

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**This is where we explore the ideas and innovators shaping health care.**

The Department of Health and Human Services has taken down the AI Strategic Plan it released in January. The long-awaited document was part of an effort to lay a foundation at the department for better AI policy making. Do you work on AI at HHS? Reach out to Ruth.

**Share any thoughts, news, tips and feedback with Carmen Paun at [cpaun@politico.com](mailto:cpaun@politico.com), Daniel Payne at [dpayne@politico.com](mailto:dpayne@politico.com), Ruth Reader at [rreader@politico.com](mailto:rreader@politico.com), or Erin Schumaker at [eschumaker@politico.com](mailto:eschumaker@politico.com).**

**Send tips securely through SecureDrop, Signal, Telegram or WhatsApp.**

#### THE LAB

**Large language models** like GPT-4 perform well on tests that involve reasoning — but the technology struggles when asked to answer variations of the same problem.

New research published in the journal Transactions on Machine Learning Research tested humans against artificial intelligence-fueled GPT models on analogy problems, such as analyzing number or letter patterns, filling in missing letters or digits or understanding which of two stories corresponded to an example story.

AI performed well on standard analogies — for example, cup is to coffee as soup is to X — but struggled with variations of simple analogies. Unlike humans, GPT-4 tended to select the first answer as correct more often than others, regardless of the right answer to the question. The technology also struggled when words in a story were reordered, which suggests it was seeking surface-level patterns in the material instead of engaging in deeper reasoning.

Human performance remained consistently high when solving simple analogies and their variations.

“This suggests that AI models often reason less flexibly than humans and their reasoning is less about true abstract understanding and more about pattern matching,” Martha Lewis, research co-author and assistant professor at the Institute for Logic, Language and Computation at the University of Amsterdam, said in a statement.

**Even so:** Humans and artificial intelligence models each struggled with problems that involved complex reasoning.

**What’s next:** Since AI is being experimented with and deployed in critical fields like health care, it’s crucial that the systems be tested, the paper’s authors wrote, not only for accuracy but also for how robust their analogical reasoning abilities are.

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