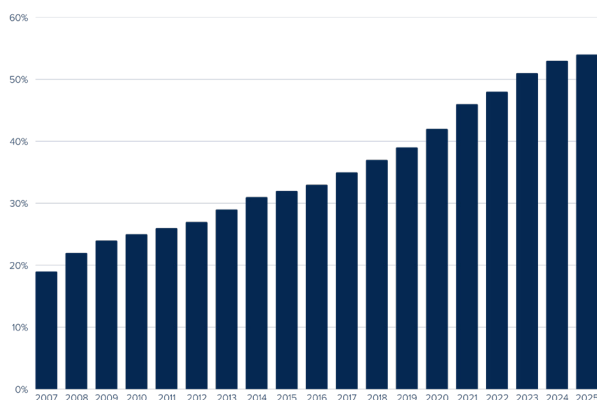


# MEDICARE ADVANTAGE

Report prepared by the Nebraska Hospital Association

Medicare Advantage (MA) plans now cover 54% of all Medicare eligible individuals nationwide, a sharp increase from just over a third less than a decade ago. The Congressional Budget Office (CBO) projects that the share of all Medicare beneficiaries enrolled in Medicare Advantage plans will rise to 64% by 2034. This growth, driven by aggressive marketing and the promise of low out-of-pocket costs, is negatively impacting patient access to care and jeopardizing the financial stability of Nebraska hospitals.

## Total Medicare Advantage Enrollment, 2007–2025



Note: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 62.8 million people are enrolled in Medicare Parts A and B in 2025.

Source: KFF analysis of CMS Medicare Advantage Enrollment Files (2010–2025); Medicare Chronic Conditions (CCW) Data Warehouse (5% of beneficiaries, 2010–2016; 20% of beneficiaries, 2017–2020); CCW data from 100% of beneficiaries (2021–2023); and Medicare Enrollment Dashboard (2024–2025).

This report, based on the Nebraska Hospital Association’s (NHA) 2025 survey of Nebraska hospitals, reveals that a significant majority of hospitals are facing severe challenges with MA plans. Patient access to care is eroding as MA plans restrict medically necessary services through prior authorization requirements, issue inappropriate denials, and create an immense administrative burden on the health care system. The survey results show that increasing Medicare Advantage enrollment is a serious threat to the state’s health care infrastructure, particularly in rural communities.



## DID YOU KNOW?

Insurance agents and brokers are not required to give seniors all their coverage options. The Nebraska State Health Insurance Assistance Program (SHIP) provides free, unbiased, and personalized counseling on Medicare to help seniors understand their options.

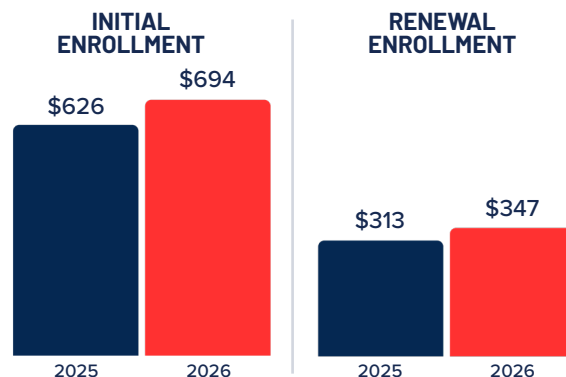
Nebraska seniors need to fully understand their Medicare enrollment choices this fall. Does your plan make you wait for care or deny it? Do you have the best plan for your health care needs, budget, and location? **Seniors should know** the facts about Medicare Advantage and consult with their health care provider before enrolling or switching plans.



## DID YOU KNOW?

Many seniors rely on insurance agents and brokers to help them choose a Medicare plan. However, unlike with Traditional Medicare, these agents are compensated by insurance companies to sign seniors up for Medicare Advantage plans and paid a recurring annual fee for each subsequent year the beneficiary remains in the plan. Seniors should know, an agent may have incentive to sell you a plan even if it isn’t ideal for you.

## 2025 vs 2026 National Commission Caps



Note: The increases in 2026 are significant, reflecting a continued upward trend in insurance agent compensation over the past decade.

“A patient recently came in for services and was surprised to find that they were now on a Medicare Advantage plan. This happens frequently. Misleading marketing causes them to think they’re taking advantage of additional Medicare benefits, when they are really leaving Traditional Medicare. For this patient it got worse. The closest in-network facility was 50 miles away in another state. She was very upset. The inability to receive services locally will likely reduce what the insurance plan spends, but I can’t imagine it will be good for her health.”

— NHA Member Hospital (District 5)

# Key Findings from the 2025 NHA Survey

In 2025, 50% of Nebraska hospitals reported refusing to contract with certain MA plans, a clear sign of the growing strain. The data shows that the shift to MA is creating a more challenging financial future for hospitals, with 70% considering moving away from accepting MA plans altogether.

## Biggest Challenges with Medicare Advantage



“Our ability to keep long-term care and assisted living facilities available for our community is being threatened by Medicare Advantage plan’s low reimbursement rates and payment denials.”

— NHA Member Hospital (District 4)

“We have seen a drastic improvement in our patient experience, length of stays, and administrative burden after exiting Medicare Advantage participation in 2025.”

— NHA Member Hospital (District 3)

## Financial Impact

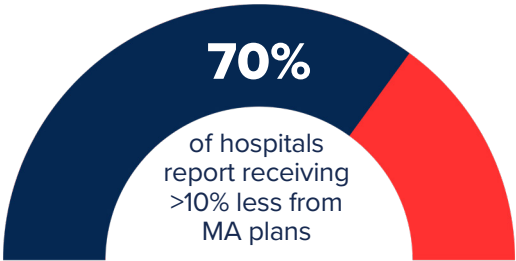
The shift in payer mix toward MA plans has negatively impacted the financial position of 89% of Nebraska hospitals, with 35% reporting a significant negative impact.

### Impact of Medicare/MA Payer Mix on Hospital Finances



Reimbursement payments from MA plans are significantly less than those from Traditional Medicare for the same services. Almost 70% of hospitals receive more than 10% less from MA plans and over 18% receive more than 25% less.

### Hospital Reimbursements MA Plans vs Traditional Medicare

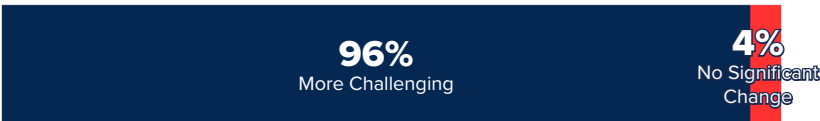


### Perceived Impact of Lower MA Payments on Hospital Care



### Impact Of MA Enrollment Growth On Hospital Financial Position

96% of hospitals believe their financial position will become more challenging if MA enrollment continues to grow.



## Administrative Burdens and Costs

93% of hospitals report that their overall cost to comply with MA policies has increased in the last three years. Almost 87% of hospitals have incurred additional staffing costs related to MA plans, with 48% reporting a significant increase. Nearly 30% of hospitals report that MA plans force them to incur 25% or more additional administrative cost per patient versus Traditional Medicare, with 73% reporting at least 10% more.

**“Our staff spent months trying to get a Medicare Advantage (MA) plan to pay what it was obligated to pay. Regardless of what we did, the claim was denied. Mainly, staff were trying to explain the case to chat bots on the company’s help desk. Finally, after the patient called the MA plan multiple times to complain and our CFO spent days online and on the phone, the plan paid and acknowledged their mistake. A week later, due to an automatic Artificial Intelligence (AI) review, the company retracted the payment without explanation. We had to again spend weeks fighting to get our payment back.”**

— NHA Member Hospital (District 5)

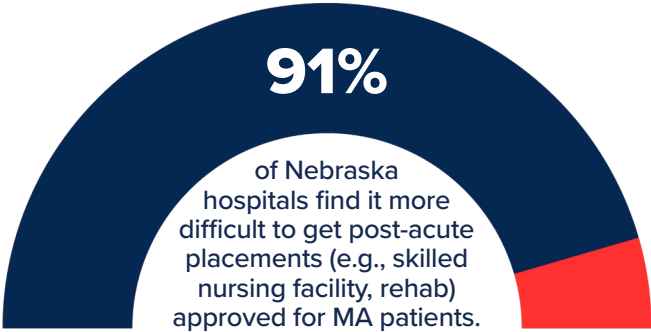
## Post-Acute Placement Delays

According to a 2024 Senate investigative report, MA plans deny post-acute care at significantly higher rates than Traditional Medicare. These denials, often using AI-driven prior authorization, lead to delayed or premature discharge from hospitals and a reduced ability for patients to access necessary skilled nursing, rehabilitation, or home health services, resulting in poorer health outcomes and increased costs for seniors.

**“We will see very sick patients in the hospital that are not ready to be discharged home, but their Medicare Advantage insurance will not authorize payment for any more time in the hospital. A patient fractured her pelvis, lived at home alone, and had limited family support able to help her. She could not afford to independently transfer to a skilled nursing facility and was having poor pain control, but she was only given a few days to stay in the hospital and continue therapy. Due to the financial burden, she chose to go home early. She had to be readmitted shortly after discharge because of her inability to care for herself at home.”**

— NHA Member Hospital (District 2)

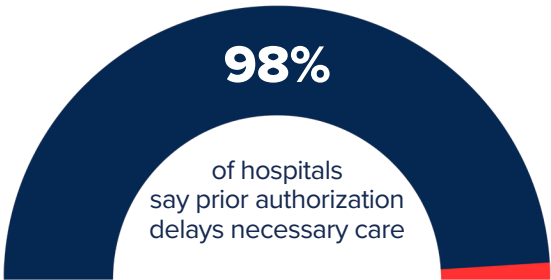
Difficulty Getting Post-Acute Placements Approved for MA Patients



**“Our hospital has three patients today alone that are clinically ready for discharge to a skilled nursing facility. All are delayed and will stay through the weekend waiting for authorization. We started the process a few days ago. This happens all the time with Medicare Advantage payers.”**

— NHA Member Hospital (District 2)

# Challenges in Patient Care



**“ A critical medication was needed by one of our cancer patients. The drug is required within 24 hours following chemotherapy. We were told by the insurance plan it was not urgent as the patient’s condition was not life threatening. We called ten times attempting to escalate. Our last call they said there would still be a 48-72-hour turnaround time. ”**

— NHA Member Hospital (District 5)

**“ Our hospital staff waited three days for a prior authorization for a COVID treatment. In that time, the patient deteriorated and had to be transferred to a larger hospital. ”**

— NHA Member Hospital (District 3)

91% of providers feel that the administrative requirements of MA plans contribute to physician and staff burnout.



50% of hospitals report that if their service area continues to experience growth in MA enrollments, they may be forced to reduce clinical services. 39% may require cutbacks in staff.

# Policy Changes for Medicare Advantage

Policy changes are required to ensure that Medicare Advantage plans serve the best interests of Nebraska patients and providers. The NHA recommends significantly limiting or eliminating prior authorization requirements for medical services. Prior authorization should not be used as a tool to delay or deny care and boost profits for insurance companies. Medicare Advantage plans should adhere to the same rules as Traditional Medicare. This includes requiring timely payments and aligning reimbursement to reflect the cost of care, particularly for Critical Access Hospitals (CAHs). There must also be increased oversight and transparency of the MA program at the federal level. This includes requiring public disclosure of prior authorization and denial rates.

Seniors deserve to fully understand their Medicare enrollment choices. Investments in statewide services and campaigns to educate seniors on the differences between Traditional Medicare and Medicare Advantage, highlighting potential barriers to care and the financial risks of MA plans, are critical.