MEDICARE ADVANTAGE

NHA | NEBRASKA HOSPITALS

Failing patients and jeopardizing Nebraska hospitals.

Report prepared by the Nebraska Hospital Association

The Issues

Nebraska seniors need to fully understand their Medicare enrollment choices this fall.

Medicare Advantage (MA) plans now cover the majority (51%) of all Medicare eligible individuals. This is up sharply from five years ago when just over one-third of seniors chose Advantage plans. Due to the lure of lower out of pocket costs and aggressive sales tactics, in 2024, even more enrollees are expected to forgo their benefits of traditional Medicare and enroll in MA plans.

Patient access to health care is eroding as some Medicare Advantage plans restrict access to health services by inappropriately denying covered services that are medically necessary, requiring unreasonable levels of documentation to demonstrate clinical appropriateness, and changing health plan rules in the middle of a contract year.

While some enrollees may see savings, many living in rural communities across the state are losing access to medically necessary care with plans that erode the state's rural health care infrastructure and ultimately leave more cost on the backs of our seniors in these communities.

It's important for Nebraska seniors to understand that not all Nebraska hospitals contract with MA plans and nearly one-third of Nebraska hospitals (32.5%) refuse to contract with certain MA plans.

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Contents:

Negative Patient Experiences with Medicare Advantage

"A patient was sold a new plan that switched our hospital out-of-network right before a scheduled surgery. This caused the patient significant delays and frustrations. The patient seemed unaware that the switch was going to change anything for their care. We also have had many instances of beneficiaries being told that they can go on a new Medicare prescription coverage program, but find out later it meant they had been switched to an MA plan for all of Medicare services, not just pharmaceuticals."

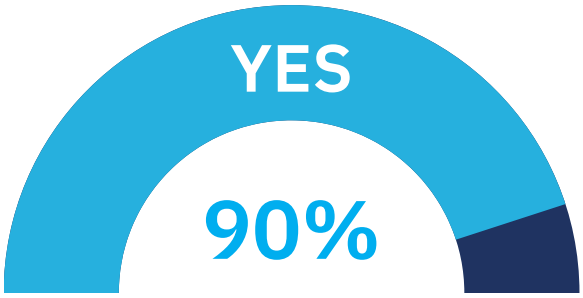
"A patient came into the ER for services and had a copay that was higher than the ER charge. The patient felt like his insurance meant nothing and couldn't understand why he had to pay anything. We have several Medicare Advantage patients that present and think that their Advantage Plan is supplemental to Medicare. They had no clue that this was changing their true Medicare benefits."

"We had a patient in her mid-80s that was in our hospital as an outpatient observation patient. Her balance due was $1,800 after her two-day stay with us due to her Medicare Advantage plan. She had no idea she owed anything."

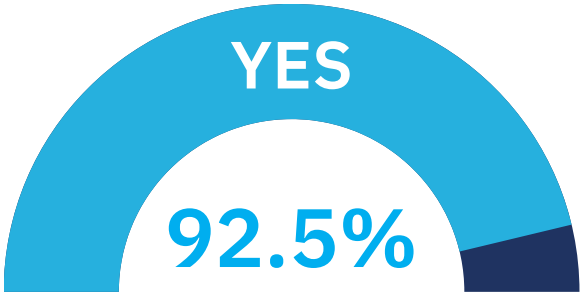
"A patient with an MA plan received IV antibiotics on a bi-weekly basis. She had a $250 copay for this type of service, each occurrence. Because of the plan, her balance due to the hospital was more than $6000 after her course of treatment was complete."

MA Prior Authorization Restricts Necessary Care

90% of NE hospitals report that Medicare Advantage plans negatively impact the care their hospital is able to provide to patients.

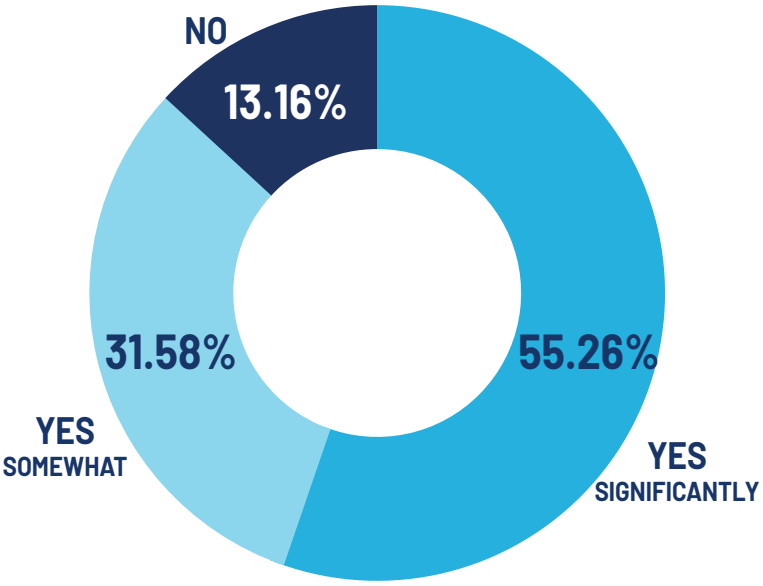


Over 92% of NE hospitals report that prior authorization requirements by Medicare Advantage plans DELAY necessary care.



Post-Acute Placement Delays

87% of NE hospitals report it is more difficult to get post-acute placements approved for Medicare Advantage patients than traditional Medicare patients.



"The nursing homes in the area are less likely to accept a patient with Medicare Advantage due to the lower payment rate they receive."

"Patients often have to go self-pay because they can't go home, but can't find a nursing home."

Biggest Challenges with MA Plans

POOR PATIENT EDUCATION **PRIOR AUTHORIZATION REQUIREMENTS** **LOWER REIMBURSEMENT**

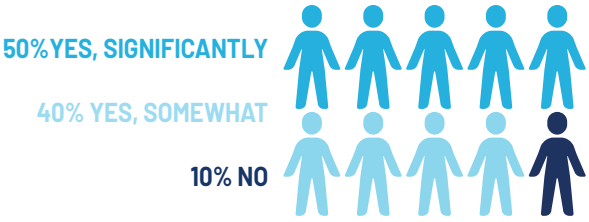
Financial Impact on Nebraska Hospitals

HAS THE SHIFT IN MEDICARE/MEDICARE ADVANTAGE PAYER MIX NEGATIVELY IMPACTED THE FINANCES OF YOUR HOSPITAL?

Administrative Burdens on Nebraska Hospitals

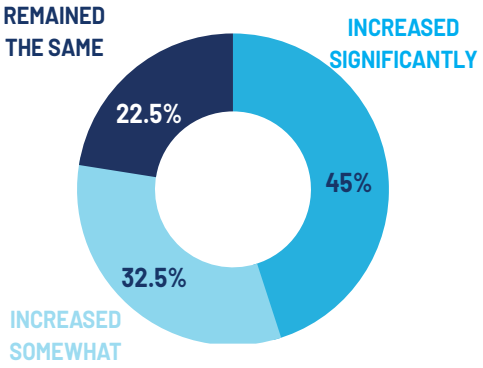
NEBRASKA HOSPITAL SURVEY RESULTS:

In the last two years, 90% of our hospitals' experience working with Medicare Advantage plans has gotten worse.

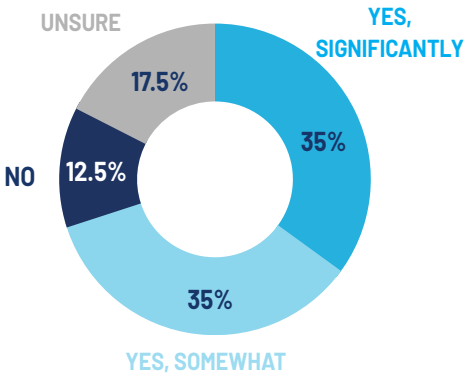


"More Medicare Advantage patients mean more administrative work in the way of prior authorization and getting claims paid. Often we have to follow-up with Medicare Advantage plans for non-payment or vague denial codes."

77.5% of NE hospitals report that the cost to comply with MA plans has increased.



70% of NE hospitals tell us the increased administrative barriers in MA plans to provide care contribute to physician burnout.



Policy Changes for Medicare Advantage

Aggressive prior authorization practices add financial burden and strain on the health care system through inappropriate payment denials and increased staffing and technology costs to comply with MA plan requirements. They are also a major burden to the health care workforce and contribute to provider burnout.

The NHA recommends streamlining prior authorization requirements under Medicare Advantage plans. This includes increasing transparency on services that require prior authorization, standardizing the format and process to transmit requests and responses, improving the timeliness of responses, requiring more detailed and complete denial notices, and streamlining appeals processes.

The NHA recommends that CMS include Medicare Advantage plan data in the Medicare Cost Report, which would ensure that Critical Access Hospitals can be adequately reimbursed for services provided to MA patients. This would preserve healthcare services in rural communities.

The NHA recommends Congress pass legislation with further oversight of the MA program, including greater data collection and reporting on plan performance and more streamlined pathways to report suspected violations of federal rules, to ensure timely patient access, consumer protection and meaningful enforcement of new CMS rules.

The NHA recommends:

STREAMLINING PRIOR AUTHORIZATION REQUIREMENTS FOR MA PLANS.

PAYING RURAL HOSPITALS ADEQUATELY TO PRESERVE HEALTH CARE SERVICES.

FEDERAL LEGISLATION WITH ADDITIONAL OVERSIGHT OF THE MA PROGRAM.

Source: NHA member survey October 2023