

Medicare Advantage: It's Here, Now What?

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Medicare Advantage



REALITY IS THAT
MA IS *PRIVATE*
INSURANCE WITHIN
MEDICARE
PARAMETERS



ENROLLMENT
INCREASING, MORE
THAN 50%, WITH
NEARLY 40% OF
RURAL
BENEFICIARIES



FEDERAL
PAYMENT IS
CAPITATED, BUT
TO THE HEALTH
PLANS

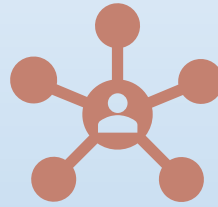


HEALTH PLAN
PAYMENTS TO
PROVIDERS
VARIES

Medicare Advantage



Attraction to enrollees:
benefits, low premiums

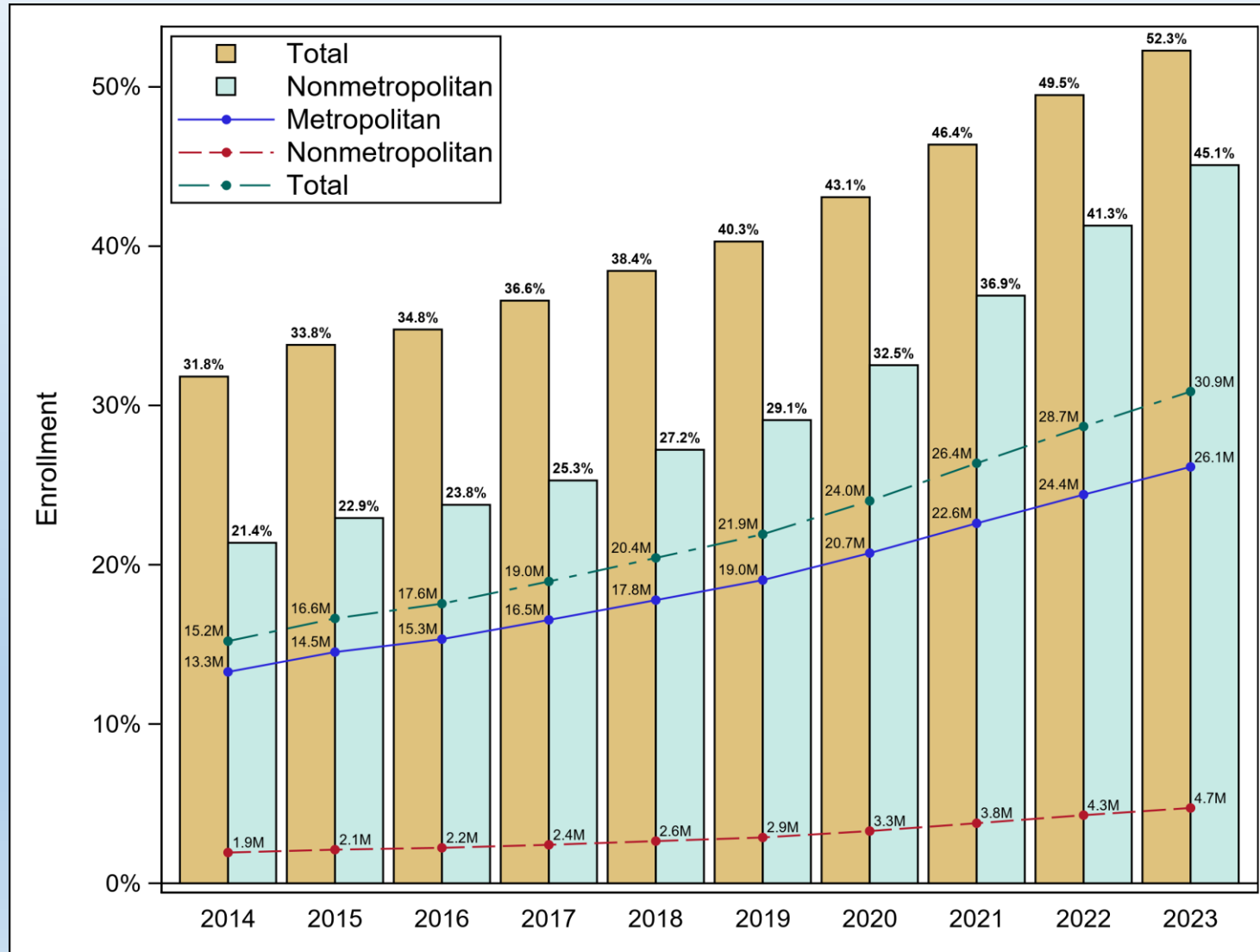


Potential problems for
enrollees: narrow
networks, limited benefits

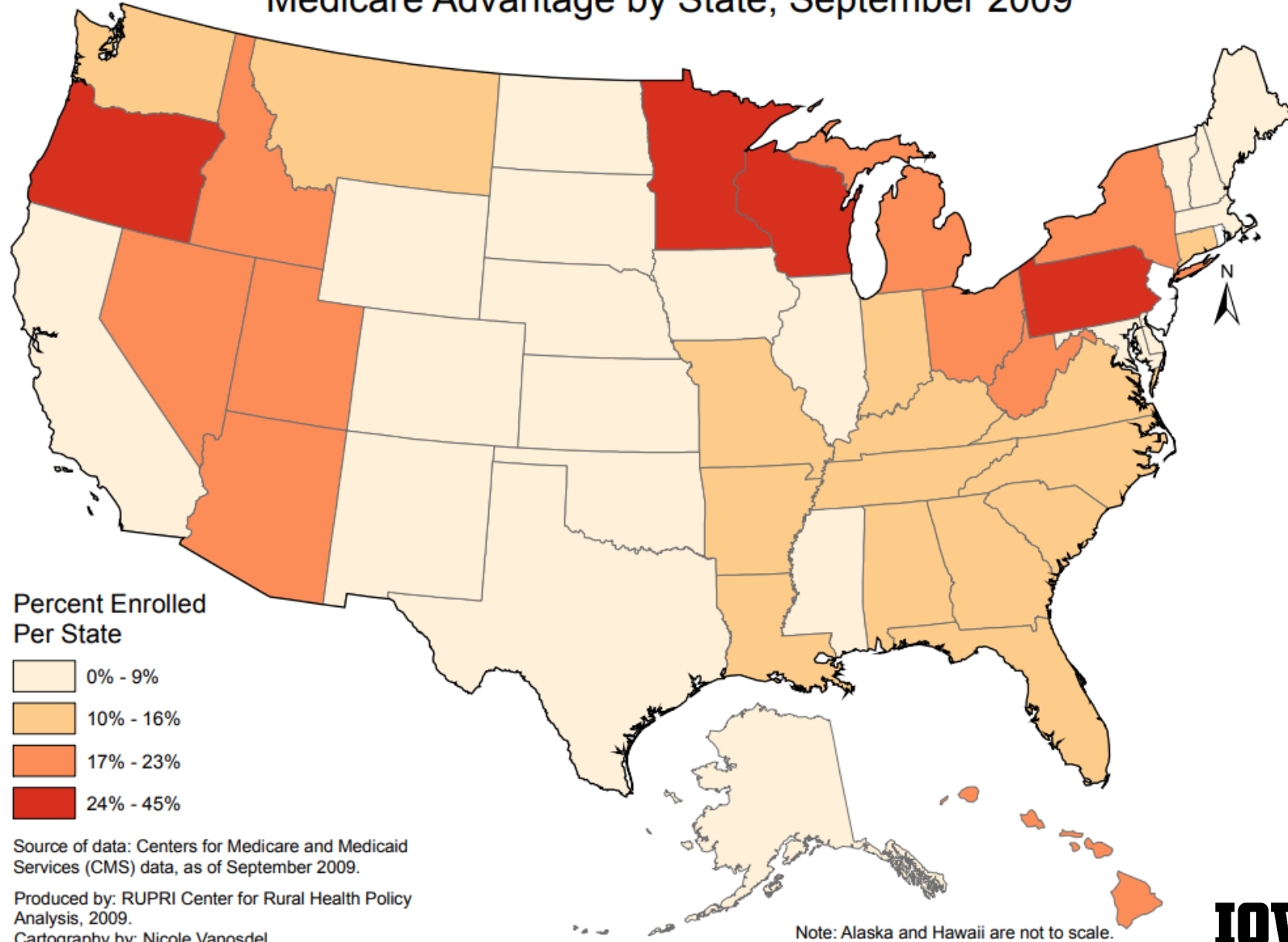


What does it mean for a
“new world” in health care
delivery and finance?

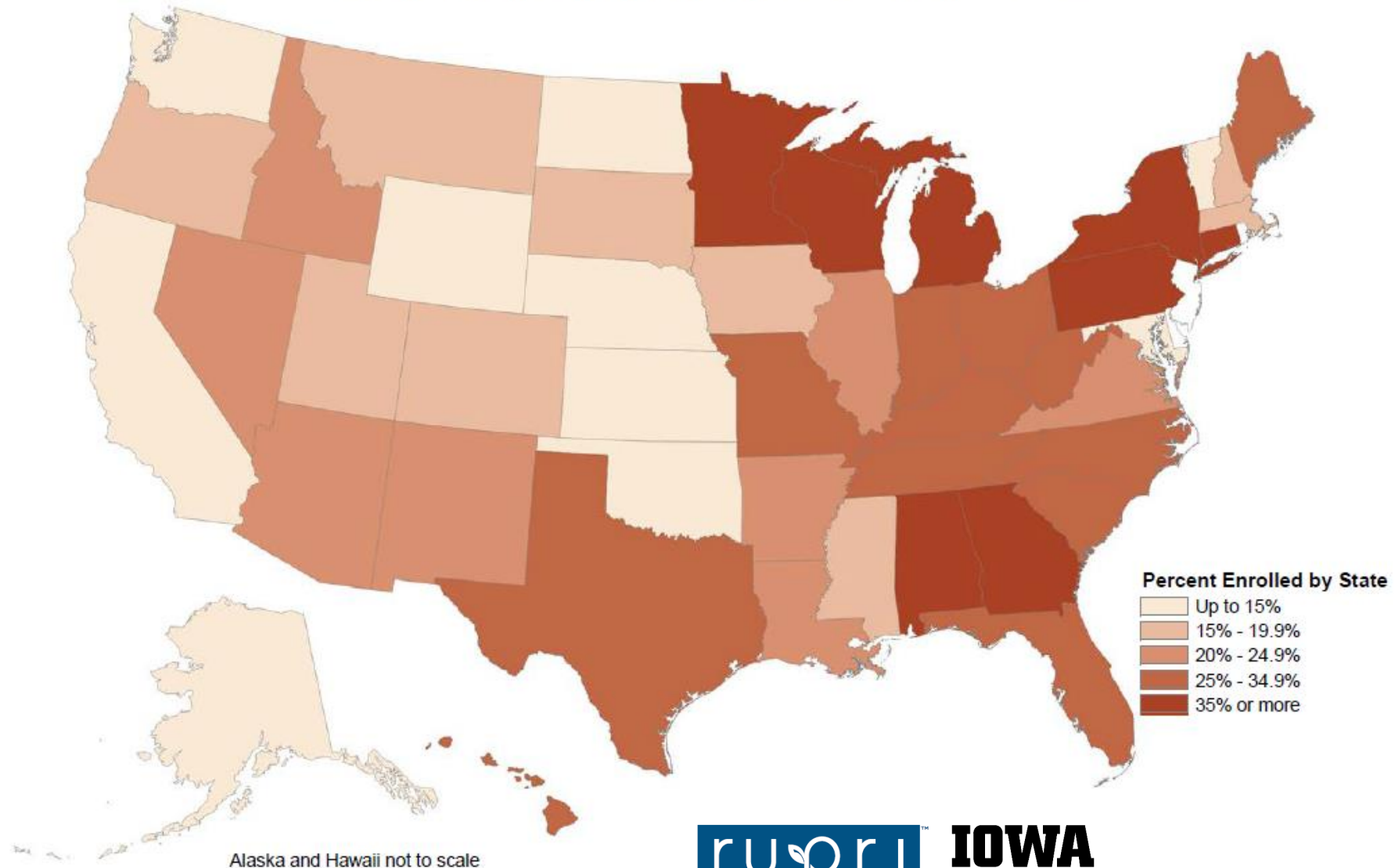
Increases in Rural Beneficiary Enrollment in MA Plans, 2014 - 2023



Percent of Eligible Medicare Nonmetropolitan Beneficiaries Enrolled in Medicare Advantage by State, September 2009

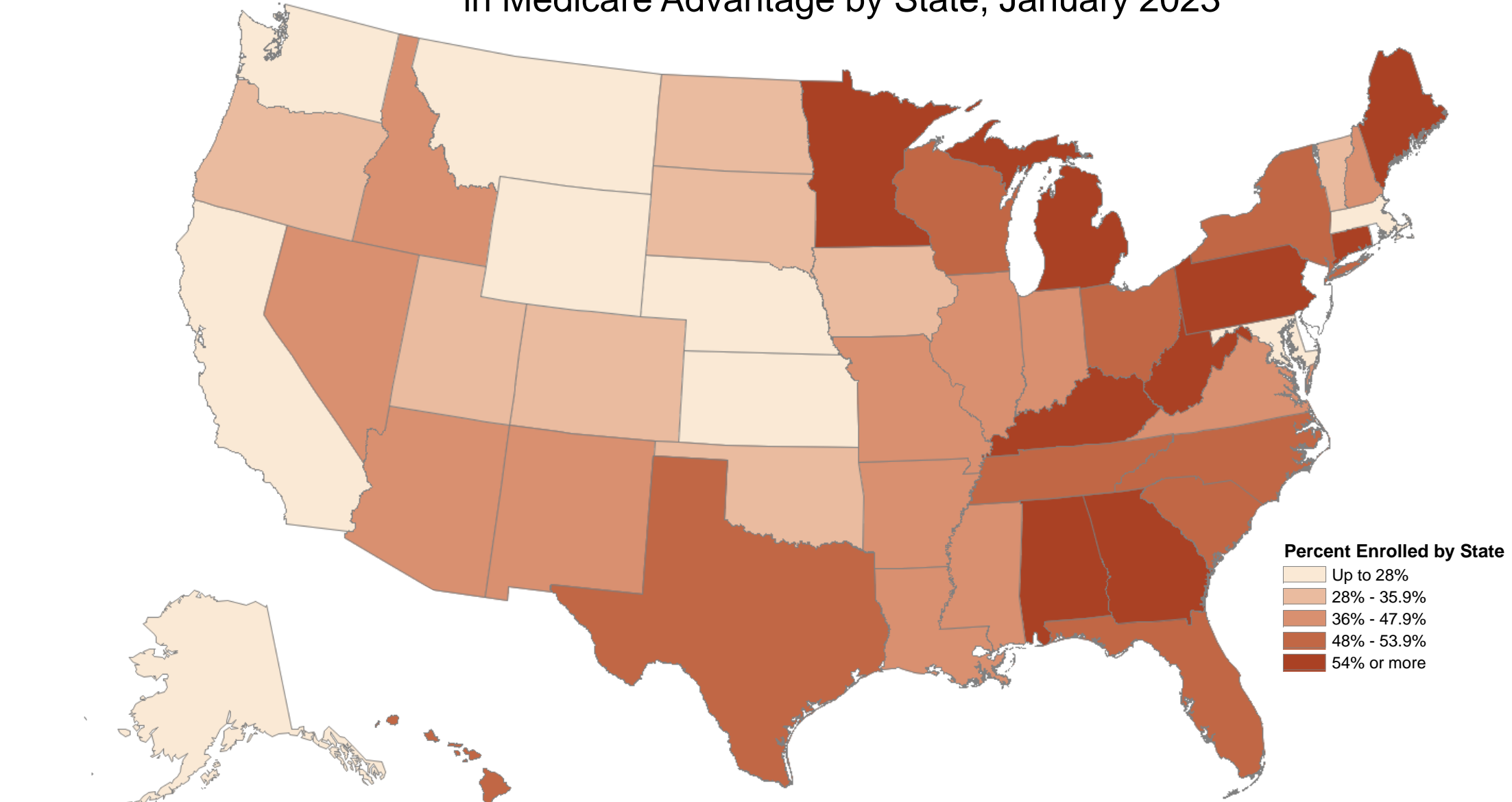


Percent of Eligible Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage by State, March 2020



Source of data: Centers for Medicare and Medicaid Services (CMS) data, as of March 2020
Produced by: RUPRI Center for Rural Health Policy Analysis, 2020

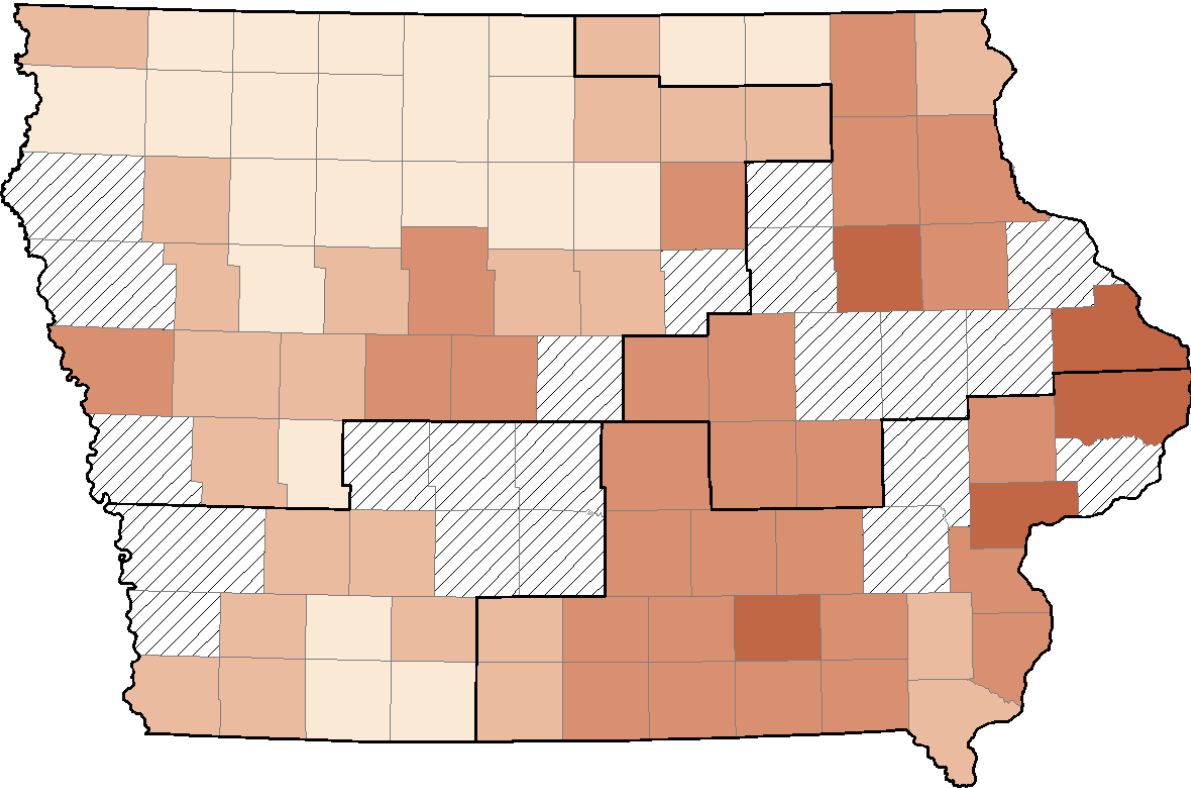
Percent of Eligible Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage by State, January 2023



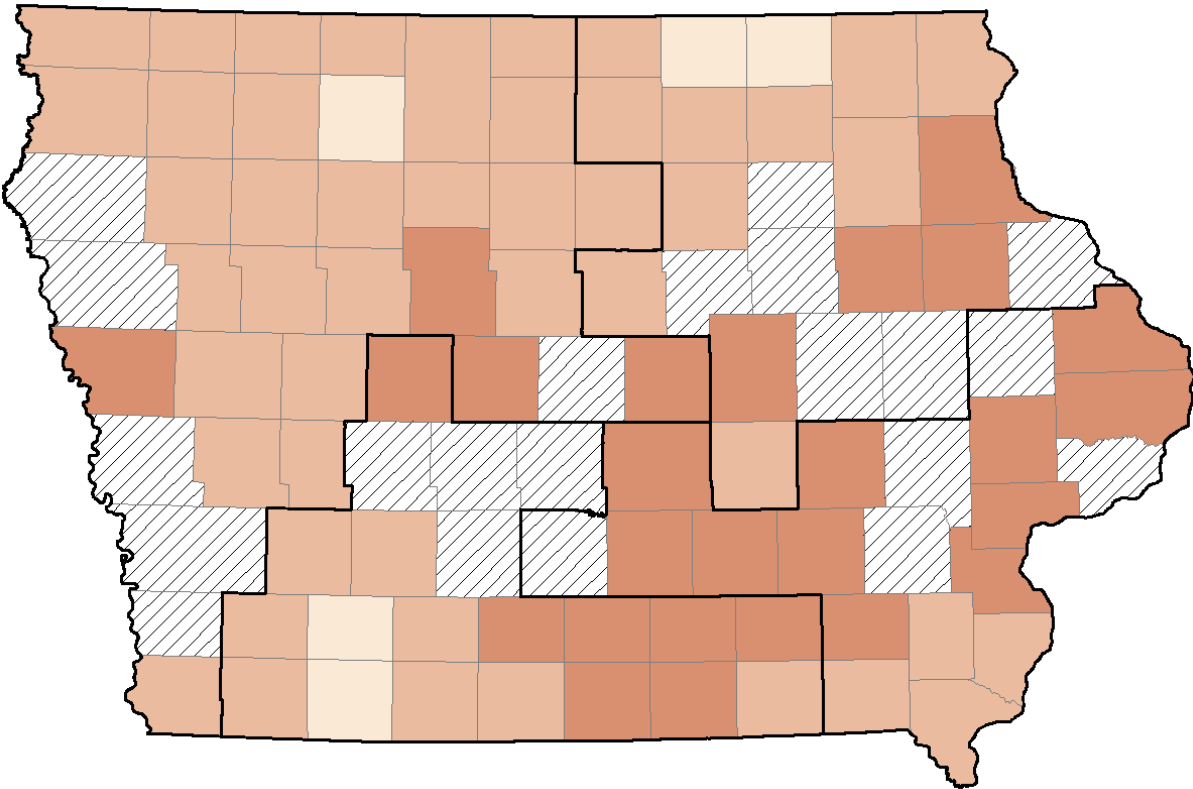
Alaska and Hawaii not to scale

Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Iowa

2020

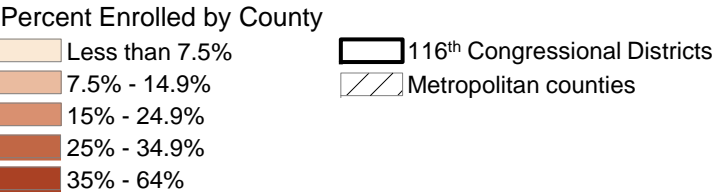
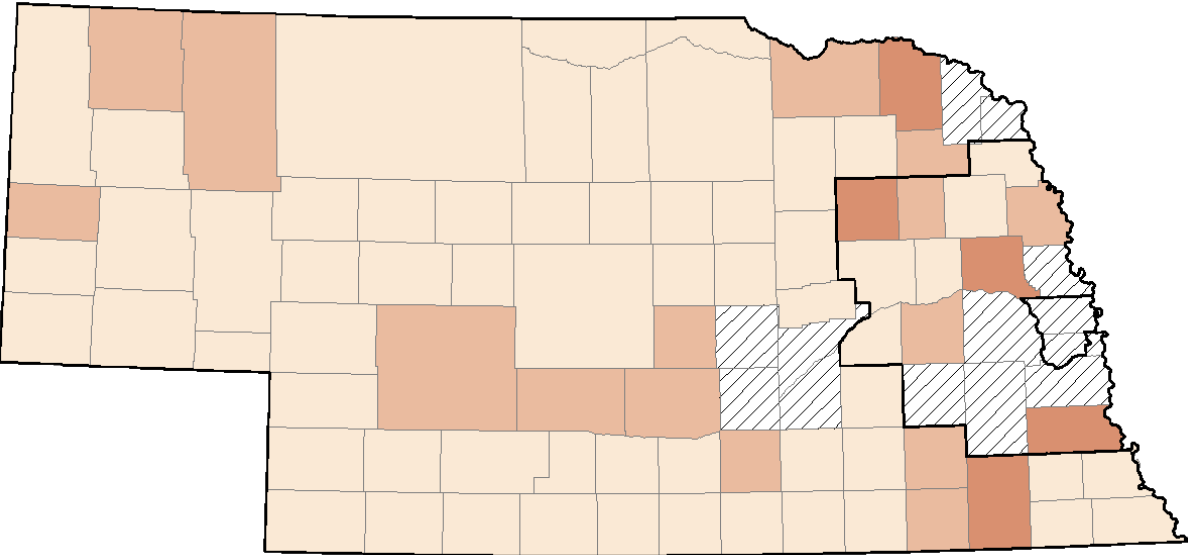


2023

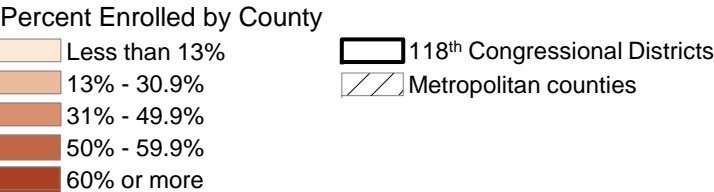
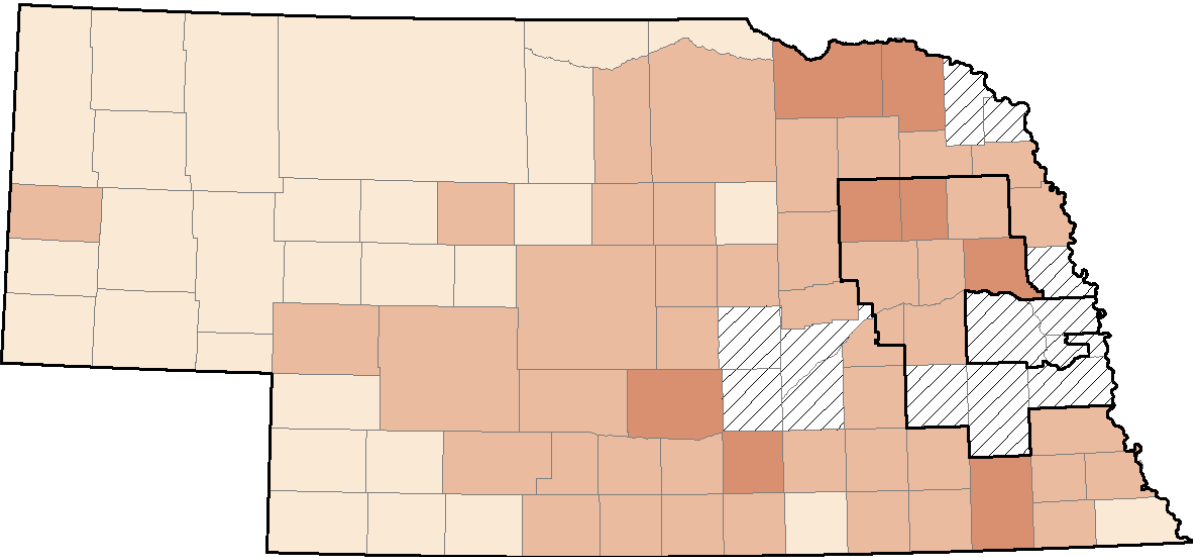


Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Nebraska

2020

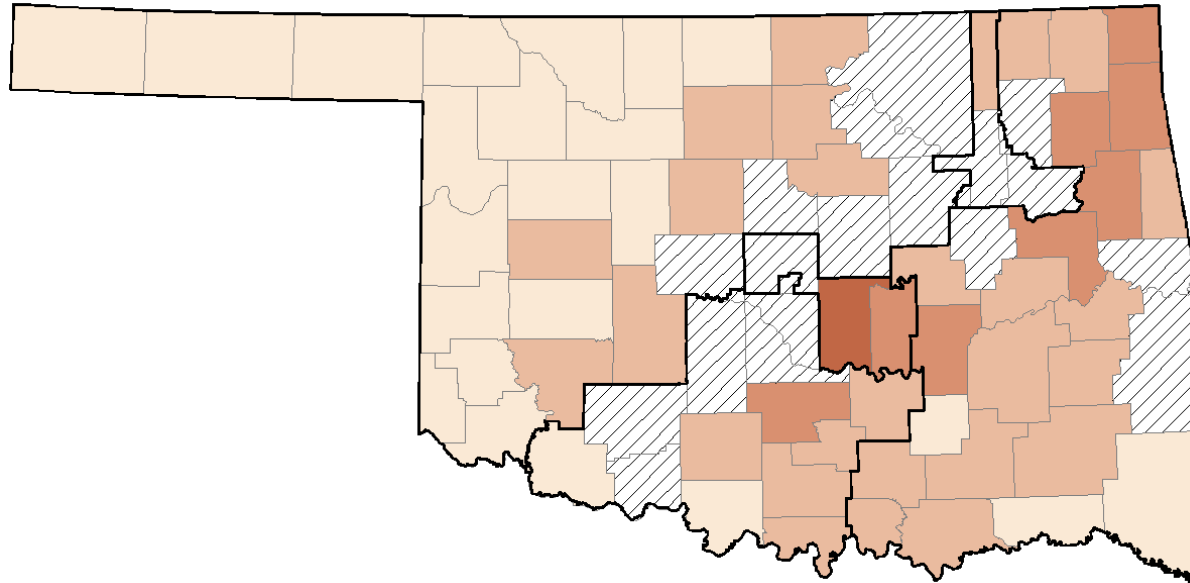


2023

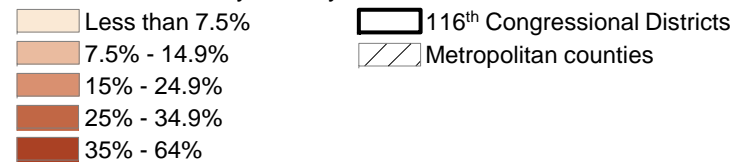


Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Oklahoma

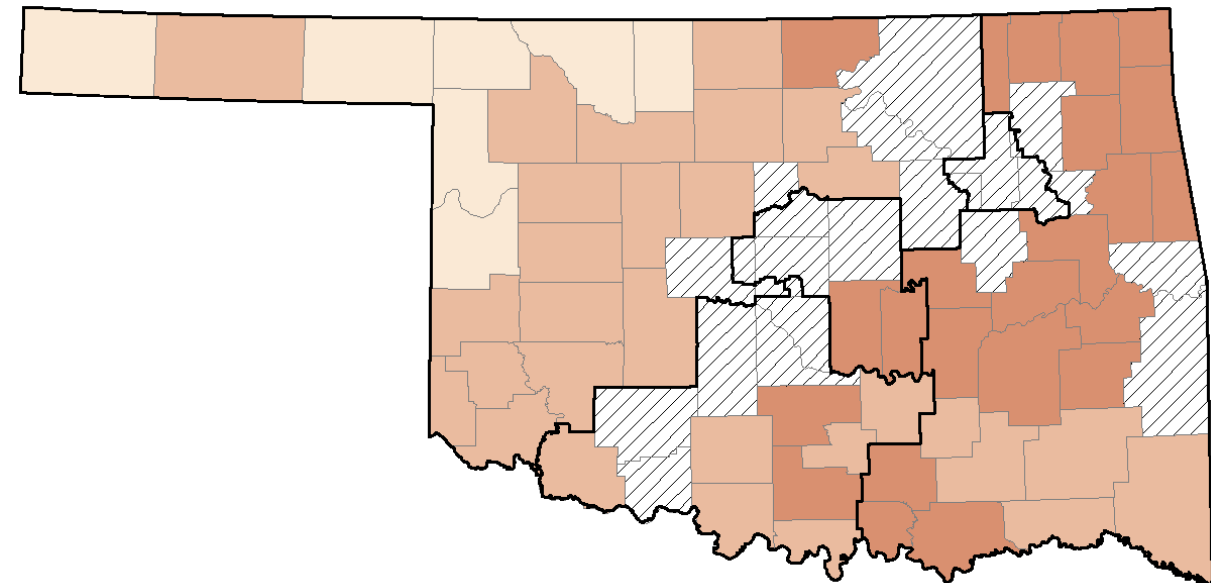
2020



Percent Enrolled by County



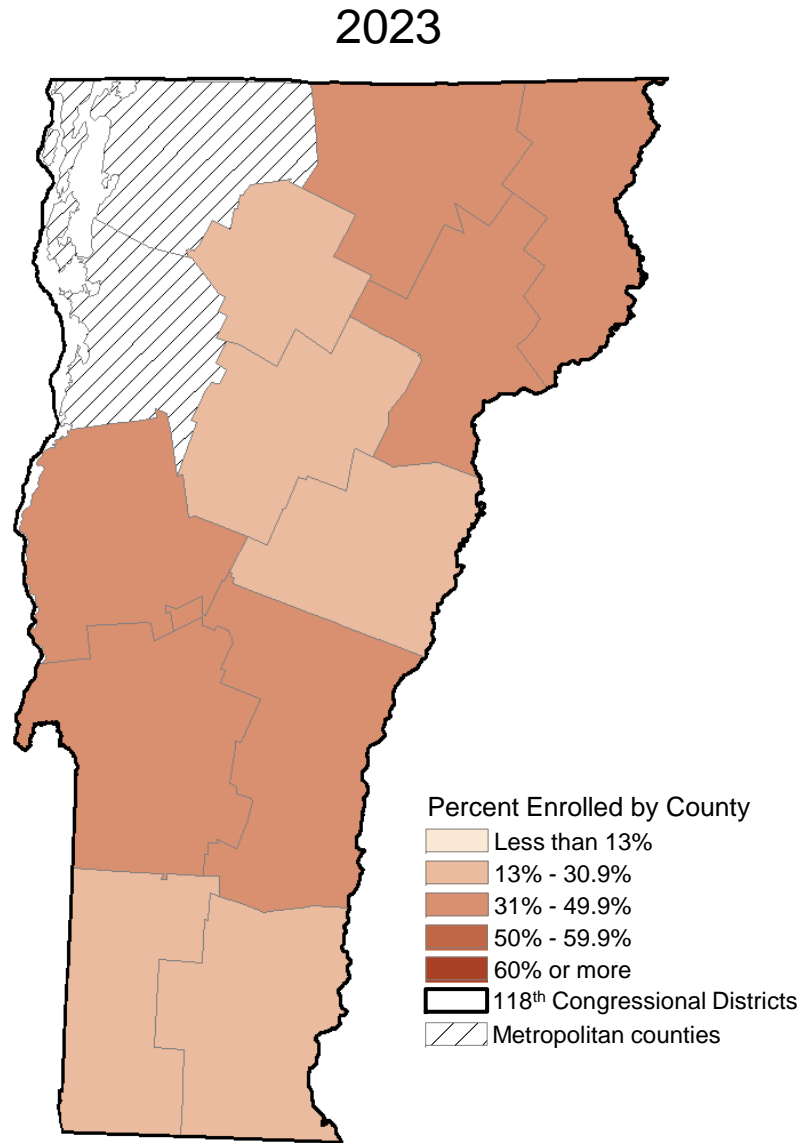
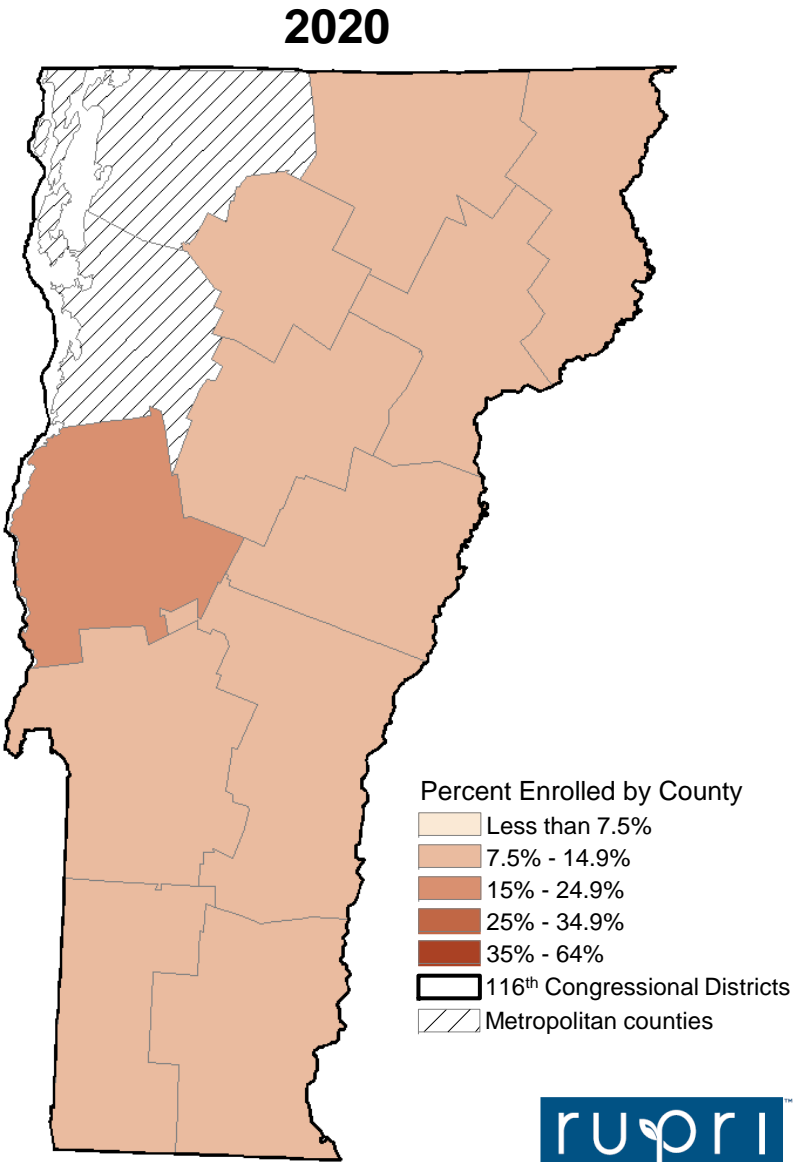
2023



Percent Enrolled by County

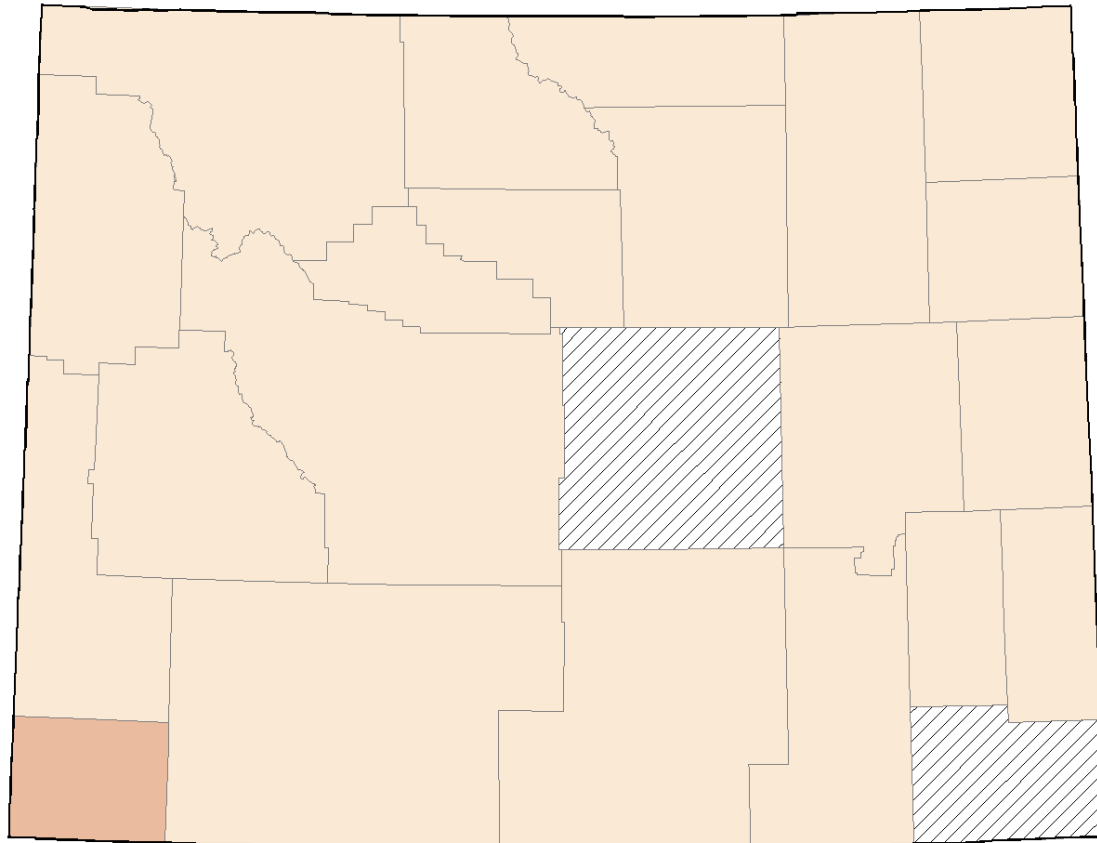


Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Vermont

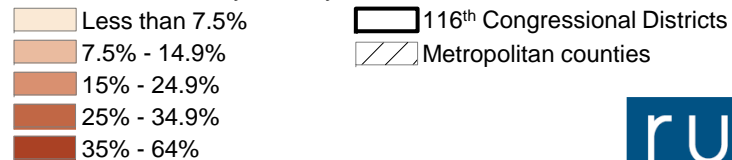


Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Wyoming

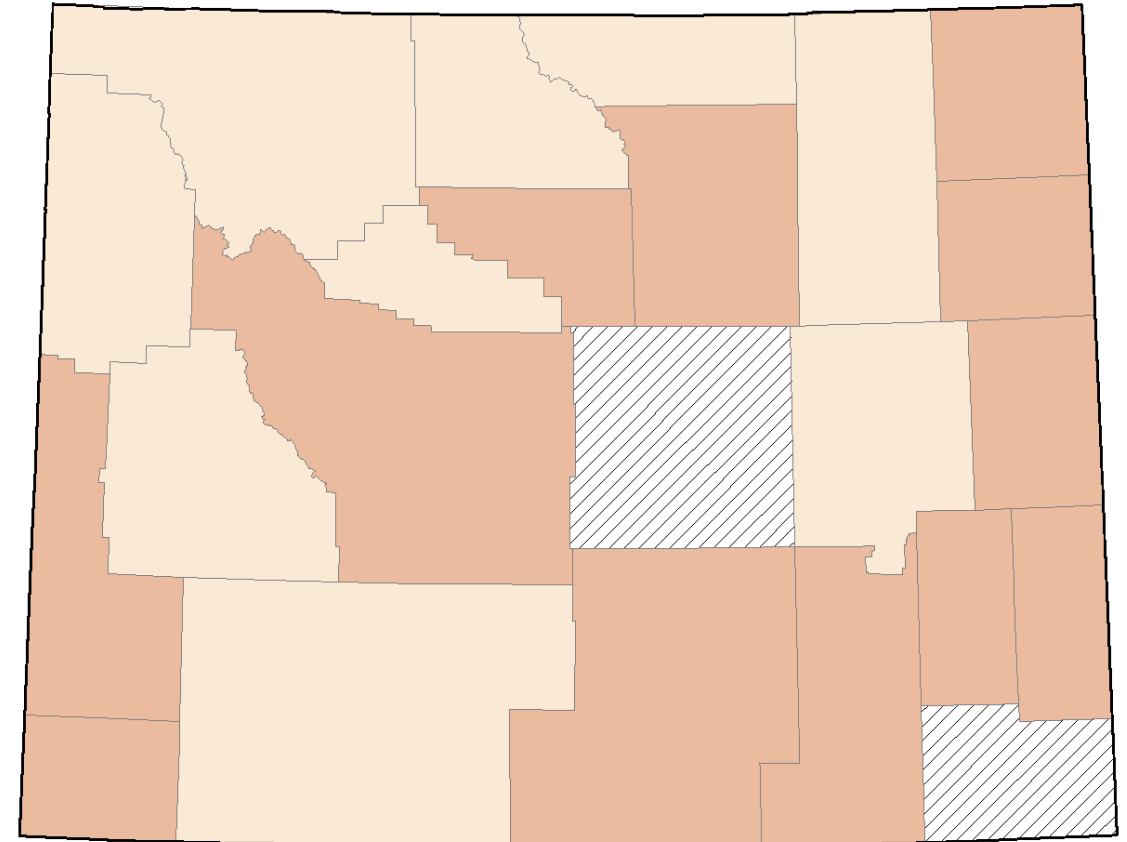
2020



Percent Enrolled by County



2023



Percent Enrolled by County



What is Available to Rural Beneficiaries

- Growth in participation exceeding what population only would suggest
- In almost all counties (95% of noncore, 96% of micropolitan and 88% of metropolitan) at least one plan is offered with \$0 premium
- There at least 2 Zero Premium plans in 82% of noncore counties and 88% of micropolitan counties (95% of metropolitan)
- A smaller proportion of MA plans offer supplemental benefits in rural counties -- next slide

Source: Semprini J, Ullrich F, and Mueller KJ (2021) Availability of Supplemental Benefits in Medicare Advantage Plans in Rural and Urban Areas. *Rural Policy Brief* RUPRI Center for Rural Health Policy Analysis. February. <http://www.public-health.uiowa.edu/rupri/>

Proportion of MA Plans offering supplemental benefits by county type in 2020

Supplemental Benefits	Noncore Counties	Micropolitan Counties	Metropolitan Counties
Eye exams	85.4%	90.2%	94.1%
Fitness programs	69.7%	80.0%	87.7%
Hearing exams	73.2%	80.6%	86.0%
Preventive dental care	73.4%	80.9%	86.9%
Remote access technologies*	42.6%	49.4%	56.3%
Over-the-counter items	54.5%	60.6%	66.9%
Health education	29.5%	35.5%	40.1%
Transportation services	10.3%	15.2%	23.0%
Smoking and tobacco cessation services	15.3%	20.3%	21.4%
Personal emergency response systems	8.3%	10.3%	11.3%
In-home safety assessment	2.8%	3.7%	3.0%
Post discharge, in-home med. Reconciliation	1.0%	1.9%	1.8%

Source: CMS Plan Benefit Files for 2020.

*Including web/phone-based technologies and nursing hotline.

Table ordered by benefits most often included in plans.

Questions about MA Plans

- Who are the plans in my area?
- What is their influence on my revenue?
- What is my experience with prior approval, denied claims, timely payment?
- What is their philosophy in negotiating payment?
- Can I negotiate a new value-based payment contract?
- What are the consequences of not accepting them as a third-party payor?



What to Do: Advice from Early Experience

- For CAHs in particular – “Stand firm!” on securing cost-based reimbursement
- Read contracts carefully and use experts: “read everything. Look at every single detail” – watch language such as “sole discretion of payer”
- Be sure contract states term required to meet needs of your hospital, be clear about time frames for payment, try to get interim rate updates

Source: RUPRI Center for Rural Health Policy Analysis, North Carolina Rural Health Research and Policy Analysis Center, and Walsh Center for Rural Health Analysis (2005). Contracting with Medicare Advantage Plans: A Brief for Critical Access Hospital Administrators. www.ruprihealth.org.

Negotiations Circa 2023

- “Stay the course” despite payment uncertainties: Ozarks Community Hospital in Arkansas
- Negotiate provisions on prior authorization and claims processing times: Aspirus Health in Wausau, WI
- Exit MA networks: St. Charles Health System in central Oregon

Source: Tepper N (2023) How rural hospitals are fighting Medicare Advantage. *Modern Healthcare* September 18: 6-7.



Policy Levers

- CMS rule making
 - Leverage is whether or not the plan is approved
 - Used in 2022-3 to regulate marketing
 - Used in 2023-4 to regulate broker fees
 - Used in 2023 to regulate prior authorization (for MA and TM)
- State insurance regulations
- Legislation
 - Including authorizing and funding technical assistance
 - Revisit network adequacy standards

For further information

- **The RUPRI Center for Rural Health Policy Analysis**

<http://cph.uiowa.edu/rupri>

- **The RUPRI Health Panel**

<http://www.rupri.org>

- **Rural Health Value**

<http://www.ruralhealthvalue.org>

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