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

Alaska and Hawaii not to scale

Source of data: Centers for Medicare and Medicaid Services (CMS) data, as of January 2023
Produced by: RUPRI Center for Rural Health Policy Analysis, 2023
Note: Delaware, New Jersey, and Rhode Island contain no non-metropolitan counties
Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Iowa

2020

2023

Percent Enrolled by County
- Less than 7.5%
- 7.5% - 14.9%
- 15% - 24.9%
- 25% - 34.9%
- 35% - 64%

116th Congressional Districts

Metropolitan counties

Sources:
- 2020: Source of data: Centers for Medicare and Medicaid Services (CMS)
- 2023: Source of data: Centers for Medicare and Medicaid Services (CMS)

Produced by: RUPRI Center for Rural Health Policy Analysis
Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Nebraska

2020

Percent Enrolled by County
- Less than 7.5%
- 7.5% - 14.9%
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- 35% - 64%

116th Congressional Districts
Metropolitan counties

2023

Percent Enrolled by County
- Less than 13%
- 13% - 30.9%
- 31% - 49.9%
- 50% - 59.9%
- 60% or more

118th Congressional Districts
Metropolitan counties

Produced by: RUPRI Center for Rural Health Policy Analysis
Source of data: Centers for Medicare and Medicaid Services (CMS)
Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Oklahoma

2020

Percent Enrolled by County
- Less than 7.5%
- 7.5% - 14.9%
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- 25% - 34.9%
- 35% - 64%

116th Congressional Districts
Metropolitan counties

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118th Congressional Districts
Metropolitan counties

Produced by: RUPRI Center for Rural Health Policy Analysis
Source of data: Centers for Medicare and Medicaid Services (CMS)
Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Vermont

2020

2023

Produced by: RUPRI Center for Rural Health Policy Analysis

Source of data: Centers for Medicare and Medicaid Services (CMS)
Percent of Eligible Medicare Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage and other Prepaid Plans: Wyoming

2020

Percent Enrolled by County
- Less than 7.5%
- 7.5% - 14.9%
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116th Congressional Districts
- Metropolitan counties

2023

Percent Enrolled by County
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118th Congressional Districts
- Metropolitan counties

Source of data: Centers for Medicare and Medicaid Services (CMS)
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

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

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

*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

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

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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