



Medicare Advantage Plan Challenges – Media Spotlight

Major media outlets have noted the increased criticism of Medicare Advantage (MA) plans as enrollment continues to increase. With more than half or more of Medicare beneficiaries being enrolled in MA plans instead of traditional Medicare, several issues arise for skilled nursing operators as plans deny coverage and limit stays in nursing homes after hospital stays.¹ MA plans have adopted more restrictive criteria used by commercial health insurance carriers and deny more inpatient hospital claims than all other payer categories.² Media outlets have highlighted the financial challenges faced by providers as Medicare Advantage enrollment continues to grow in popularity among beneficiaries due to the abundance of misleading advertisements.³ Media reports show that skilled nursing providers are facing difficulties due to the level-of-care reimbursement disputes dramatically rising in frequency among Medicare Advantage plans.² This, in part, is due to the reliance on algorithms and artificial intelligence-based assessments for evaluating medical claims.³ As obstacles with MA plans continue to rise, providers and lawmakers assess MA proposals and evaluate next steps to improve MA plan regulation and oversight.³

Recent media outlet coverage indicates:

- After isolating the payers within the MA plan population, providers wrote off 8.5% of inpatient revenue as uncollectible, compare to 4.7% in 2021.²
- Three changes in the 2024 Advance Notice include a 3.12% reduction due to the MA risk Model, 1.24% lower quality bonus payments under Medicare Star Ratings program, and a 2.09% increase in benchmarks used to set maximum payment rates.²
- CMS states that the proposals made to the risk adjustment model will result in payments to MA plans that are approximately \$11 billion lower in 2024.⁴

The popularity of Medicare Advantage health plan market has led providers to adjust their clinical operations.² The Biden Administration has proposed changes that include changes to the risk adjustment model, restrictions on supplemental benefits, and covering cost-sharing for mental health services.⁴ Skepticism regarding this proposal is prevalent in the industry due to wariness surrounding potential premium increases and cuts in benefits for beneficiaries.⁴ Lawmakers

What the Media is Saying

Healthcare Finance
on claims:

“Through November of 2022, the initial inpatient level-of-care claim denial rate for MA Plans was 5.8%, compared with 3.7% for all other payer categories,” increasing financial hardships for SNF owners and operators.²

Forbes

on limited access to MA plans with extra benefits:
“While more than 900 plans are providing food deliveries this year, those plans renroll only about 13 percent of beneficiaries” indicating that the number of members receiving extra support services is limited.⁵

InsideHealthPolicy

On MA Prior Authorization:
“The Congressional Budget Office issued an informal score of \$10 billion for a highly watched bipartisan bill to streamline MA prior authorization... an estimate that is at least \$2 billion higher than the stakeholders had hoped,” leading proponents to assess their next steps to lower the score and gain traction.⁶

continue to debate about how best to sustain Medicare for the future, involving decisions about reducing spending or increasing revenue and how this impacts health care providers, plans, and beneficiaries alike.⁴

¹ Carlson, B. [Some Surprises In Medicare Advantage Plans. Forbes.](#) Published February 2023.

² Lagasse, J. [Medicare Advantage plans denying more inpatient claims. Healthcare Finance.](#) Published February 2023.

³ Siddiqi Z. [AI Use by Medicare Advantage Blamed for Increased Denial of Nursing Home Services.](#) Published March 2023.

⁴ Fuglesten Biniek, J. [Is the Biden Administration Proposing Cuts to Medicare Advantage?. Kaiser Family Foundation.](#) Published February 2023.

⁵ Gleckman, , H. [More Medicare Advantage Plans Are Offering Extra Supports for Frail Seniors. Forbes.](#) Published February 2023.

⁶ Early, B. [MA Prior Auth Bill Gets \\$10B Informal Score: Proponents Reassess Next Steps.](#) Published February 2023.