

Medicare & Medicare Advantage

Preserve Medicare and Reform Medicare Advantage to Sustain Access to Care

Medicare beneficiaries continue to opt for Medicare Advantage (MA) or Special Needs Plans (SNPs) to receive their benefits. Now that these plans are the dominant payers for Medicare services, beneficiaries and post-acute care (PAC) providers face significant challenges.

Access to essential PAC is compromised by frequent delays and denials, while providers contend with inadequate payments and substantial administrative burdens imposed by plan processes. This growing strain not only threatens the providers' financial sustainability but also jeopardizes beneficiary access to care.

Given the interconnectedness of Medicare, MA, and the broader health care system, insufficient provider payments and escalating administrative hurdles in these programs have far-reaching consequences for health care access nationwide.

Without meaningful MA reforms, PAC providers may be unable to sustain services, undermining the promise of Medicare for current and future beneficiaries.

Support MA Improvements Before Further Expanding Its Enrollment

With MA enrollment exceeding 50% of Medicare beneficiaries, areas for improvement have been brought into sharper focus. While MA enrollees may enjoy access to attractive extra benefits, they also encounter shrinking provider networks and barriers to core services due to prior authorization delays, erroneous coverage denials, and service availability. MA must be reformed to remedy these and other concerns before further expansion is considered.

We support enacting legislation to reform MA to achieve the following goals:

- **Preserve Access and Reduce Administrative Burden.** LeadingAge supports the bipartisan *Improving Seniors' Timely Access to Care Act* (S 1816 / HR 3514). This legislation seeks to modernize and standardize MA prior authorization (PA) processes for providers, expedite plan decision-making and ensure plan accountability through required reporting on PA volume and outcomes.
- **Ensure Fair and Prompt Payment of Providers.** Provider payment adequacy is a combination of contracted rates offered by plans, how quickly claims are paid and the administrative burden of claims submissions, audits, and payment recoupments by plans. For these reasons, LeadingAge supports enactment of

the *Prompt and Fair Pay Act* (HR 4559), which sets Medicare fee-for-service (FFS) rates as the MA rate floor and standardizes the timeframes in which plans must pay providers, and the *Medicare Advantage Prompt Pay Act* (HR 5454 / S 2879), which would standardize prompt pay requirements across plans, penalize non-compliance and ensure that providers: 1) receive adequate reimbursement for services provided, 2) are notified timely by the plan of claims requiring correction, and 3) receive payment promptly once a clean claim is submitted.

We would also support legislation to prohibit plans from retroactively denying claims and recouping payments for services provided in good faith and with appropriate authorizations.

- **Collect Data to Assess MA Payment Adequacy to Providers.** We urge lawmakers to introduce legislation similar to the *Encounter Data Enhancement Act* from the 118th Congress (S 3307) to: 1) collect the necessary MA encounter claims data to analyze provider payment types and adequacy, 2) ensure plans report the data accurately and completely, and 3) authorize MedPAC to analyze the collected data and report on provider payment adequacy, comparing the quality of care provided, and the value delivered through the MA and Medicare FFS programs.
- **Ensure Sustainability.** MedPAC projects MA plans will be paid 14% more to care for the Medicare population than what it costs in Medicare FFS. MA plan payment reform is needed to protect the sustainability of the Medicare Trust Fund and beneficiary access to Medicare benefits under MA. Payments to MA plans can no longer be based on the shrinking Medicare FFS population and must address current coding intensity and selection bias.

Oppose legislation to make MA the exclusive option

LeadingAge believes that Medicare beneficiaries should have options for how they receive their Medicare A and B benefits including MA, Accountable Care Organizations and traditional Medicare fee-for-service.

We oppose the *Medicare Advantage Reform Act* (HR 3467) and similar legislation, which would make MA the default enrollment option for Medicare beneficiaries. We have concerns about the bill's provisions to enroll by default all Medicare beneficiaries into an MA plan with a three-year lock into the plan and to include the hospice benefit under MA, which was previously tested and ended early because it was unsuccessful.