

BROOKINGS HEALTH SYSTEM
JASON MERKLEY
PRESIDENT & CEO

CITY COUNCIL MEETING
NOVEMBER 14, 2023

MEDICARE ADVANTAGE PLANS
(MA PLANS)



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MEDICARE ADVANTAGE PLANS

- Medicare Advantage plans are approved by Medicare but ran by private insurance companies. These companies provide you with Medicare Part A and Part B covered benefits and may include Medicare drug coverage.
- Medicare Advantage plans are sometimes called “Part C” or “MA” plans. MA plans are not supplemental (Medigap) insurance.
- MA plans vary in cost, benefits and network requirements.
 - Important to review and evaluate all facets of the plan and its requirements. Health insurance is complex, be sure to do your research.



MA PLAN TACTICS = RURAL HOSPITAL CHALLENGES

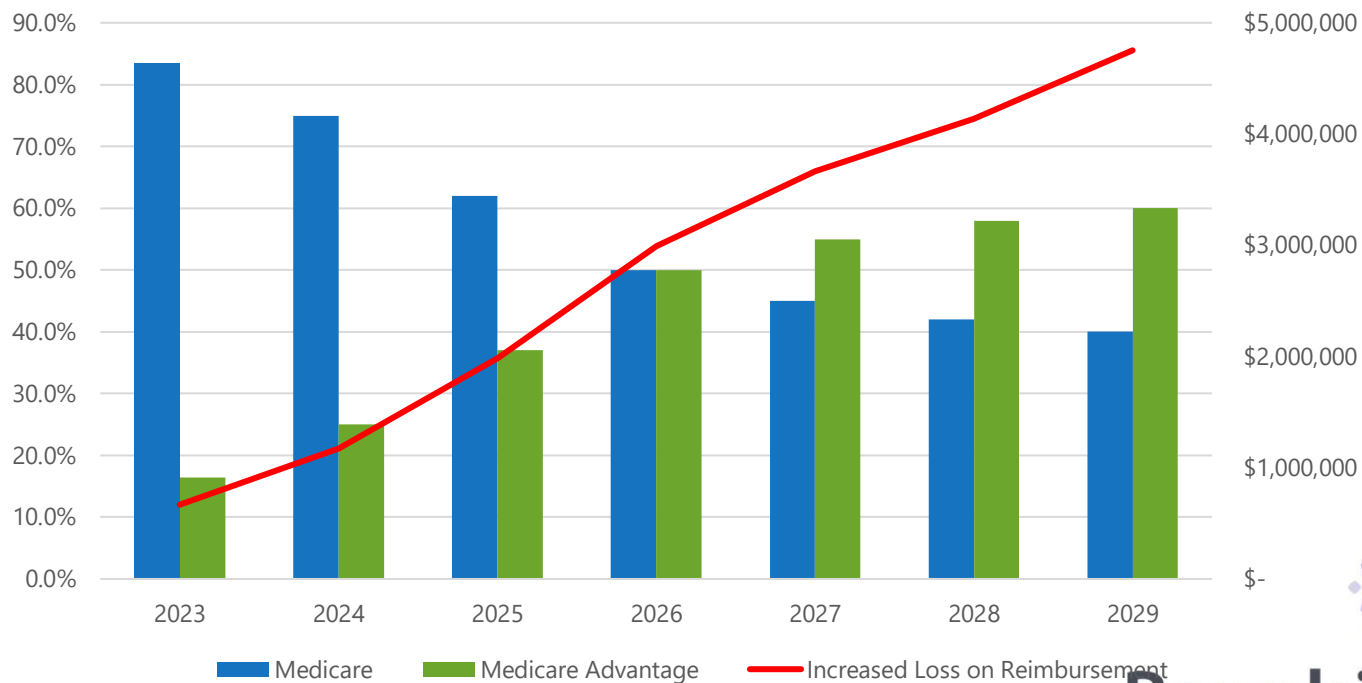
- Preauthorization and Denial of Services – Slow to approve, partially approve or deny coverage for services to patients resulting in inadequate or no reimbursement.
- Denial of Payments – BHS data reflects that MA plans are paying approximately 83% of Medicare rates (RCHD payments excluded). Retrospective “claw-back” of payments and previously approved claims/services.
- Appeal of Denials – Coverage and payment appeals are unsuccessful in almost all cases leaving hospitals/providers with no recourse. Patients are held-harmless and have not been billed for these denials.
- Resources/Staff – Estimated that MA plans are requiring up to three (3) times the amount of labor and expense to collect on services performed to patients.
- Recognition of Rural Payment Methodologies – MA plans do not recognize rural hospital payment methodologies at Brookings Hospital.



Medicare vs Medicare Advantage

<i>For every \$100 in cost:</i>	Average Reimbursement	Net Loss to Brookings Health	2023 BHS % of total Medicare population
Medicare	\$90.92	(\$9.08)	83.6%
Medicare Advantage	\$75.59	(\$24.41)	16.4%

Nationally, Medicare Advantage enrollment is currently 50% and projected to increase to 62% by 2033.



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RESOURCE ARTICLES

NBC News

- Deny, deny, deny': By rejecting claims, Medicare Advantage plans threaten rural hospitals and patients, say CEOs

<https://www.npr.org/sections/health-shots/2023/10/17/1205941901/medicare-advantage-rural-hospitals>

Becker's Hospital Review

- Hospitals are dropping Medicare Advantage left and right

<https://www.npr.org/sections/health-shots/2023/10/17/1205941901/medicare-advantage-rural-hospitals>

National Public Radio (NPR)

- Medicare Advantage keeps growing. Tiny, rural hospitals say that's a huge problem

<https://www.npr.org/sections/health-shots/2023/10/17/1205941901/medicare-advantage-rural-hospitals>



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THE CRYSTAL BALL

- Brookings Health System issued termination notices in August/September to the three (3) MA plans in which we had historically signed participating agreements (Humana, Aetna & Medica).
- MA plan reform on behalf of the Center for Medicare and Medicaid Services (CMS) needs to occur or rural and urban hospitals will be at risk.
- Brookings Health System will work towards renegotiation and participation with MA plans who are willing to follow Medicare coverage, billing and payment rules.



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