



Health Plan Accountability and Advocacy

Iowa Hospital Association
Annual Meeting
October 6, 2026

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Overview

- AHA Health Plan Accountability
- Medicare Advantage (MA) Trends and Issues
- Problematic Plan Policies
- Prior Authorization
- Other Issues
- Q&A



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Health Plan Accountability



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Insurer oversight is a core AHA priority

A coordinated strategy, not a series of one-off responses



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Coordinated advocacy is producing results

Recent wins demonstrate that sustained engagement can change payer behavior

✓ United HMO referrals	Policy not enforced this year	AHA raised concerns with United and CMS.
✓ United RPM policy	Placed on indefinite pause	A second example of pressure affecting implementation.
✓ Prior authorization	Stronger federal and state reforms	Years of advocacy helped secure new obligations and implementation requirements.
✓ State action	Iowa acted: Patient's First Law	State policy can move faster to address inappropriate practices.



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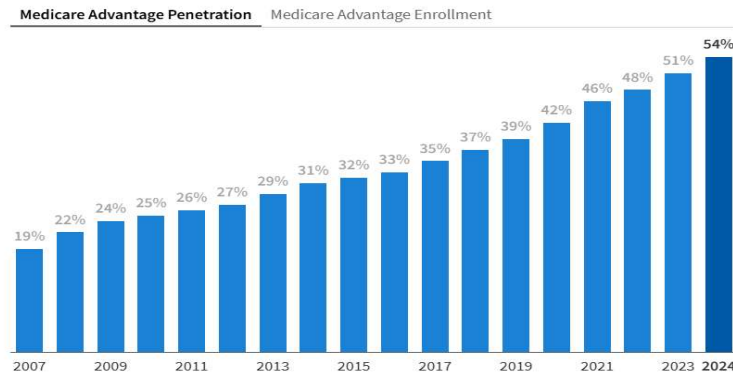
Medicare Advantage: Trends and Issues



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Increase in Medicare Advantage Enrollment

Total Medicare Advantage Enrollment, 2007-2024



Note: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 61.2 million people are enrolled in Medicare Parts A and B in 2024.
Source: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2024; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; CCW data from 100 percent of beneficiaries, 2021-2022, and Medicare Enrollment Dashboard 2023-2024. • [Get the data](#) • [Download PNG](#)

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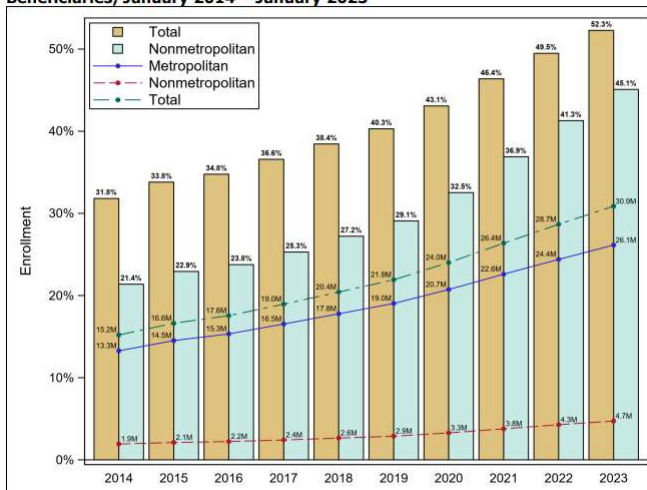


- 15M enrollees in 2014 to 33M in 2024
- Currently **54% of all Medicare beneficiaries** are enrolled in MA
- Accounts for **54% of total Medicare spending**
- CBO projects MA enrollment will reach **64% of MA enrollees in 2034**

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MA Growth in Urban vs Rural Areas, 2014-2023

Figure 1. Medicare Advantage Enrollment: Percent and Count of Medicare Beneficiaries, January 2014 – January 2023



Source: RUPRI Center for Rural Health Policy Analysis, analysis of Centers for Medicare & Medicaid Services' Medicare Advantage enrollment data.

Source: RUPRI Rural Policy Brief, <https://rupri.org/public-health-iowa.edu/publications/policybriefs/2023/Medicare%20Advantage%20Enrollment%20Update%202023.pdf>; utm_medium=email&utm_content=Medicare+Advantage+Enrollment+Update+2023&utm_source=d.pubhealth.rupri&utm_campaign=RUPRI+Center+Announcements&utm_id=1186247592.1270825348

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- MA penetration is growing in both urban and rural areas
- Faster growth in “non-metro” areas compared to “metro” areas.
 - Non-Metro: 10.5 %
 - Metro: 7.2%
- MA plans are projected to enroll a majority of Medicare beneficiaries in non-metro areas in next 2 years

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Market Shift Going Into 2027

- Continued focus on margin recovery
- Changes in marketing strategy, including reducing marketing and reductions in broker commissioners for certain MA plans
- Strategic withdrawals of plan offerings and market exits



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Top Medicare Advantage Issues and Concerns

- Inpatient Admission vs Observation
- Medical Necessity
 - Internal Coverage Criteria
 - Artificial Intelligence
- Prior Authorization
 - Administrative Burden
 - Care Delays
- Post-Acute Care
 - Timely Access
 - Appropriateness of levels of care



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Problematic Health Plan Policies



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Aetna Level Of Severity Policy

- Establishes two tier payment structure based on whether an inpatient stay meets MCG criteria
 - Lower observation-like payment rates for lower severity inpatient stays
 - Full contracted rate for high severity inpatient stays
- Redefines coverage issues as payment issue
- AHA engagement with Aetna



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Downcoding Policies

- **Aetna**

- Expanded claim and code review program
- Targets level 4 and 5 E/M claims
- May expand to MA

- **Cigna**

- Effective October 15
- Targets level 4 and 5 E/M claims
- Applies to small percentage of providers and claims



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Nonparticipating Provider Policies

- Policies targeting hospitals where plan members might see a nonparticipating provider
 - Anthem
 - Blue Cross Blue Shield of Arizona
- State Legislation
 - Iowa "Patients First" law



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Prior Authorization



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Current Problems with Prior Authorization

(1) Patient Impact:

- Disruption and delays in patient care
- Denials of appropriate and necessary care
- Care Abandonment

(2) Administrative burdens:

- Inefficient submission methods
- Lack of transparency on required documentation and medical necessity criteria

(3) Clinician Burnout

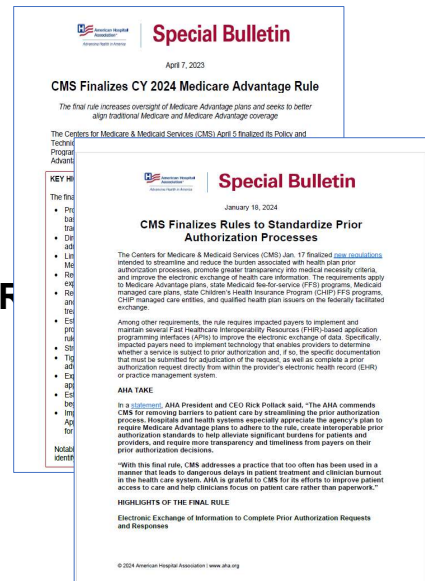


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Prior Auth: Previous Rulemaking

CMS Implements Substantive Reforms

- **CY 2024 Medicare Advantage Final Rule**
 - Medical necessity criteria
 - Reviewer credentials
- **Interoperability and Prior Authorization Final Rule**
 - Standard transaction
 - Shorter timeframes
 - Reporting metrics



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Health Insurance Industry Commits to Prior Authorization Reforms

- HHS announced an industry pledge to reduce and simplify prior authorizations.
- Participating health insurers and organizations include: Aetna, AHIP, Blue Cross Blue Shield Association, Centene, Cigna, Elevance, Humana, Kaiser Permanente, and UnitedHealthcare
- Insurers have pledged to:
 1. FHIR-Based ePA
 2. Fewer PA Requirements
 3. Continuity of Care
 4. Greater Transparency
 5. Real-Time Decisions
 6. Clinician Review of Denials



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Monitoring Impacts - What we are looking to see:

- Meaningful shift to electronic prior authorization across all lines of business
- Ensuring that non-approved requests are reviewed by medical professionals
- Monitoring insurer pledge to provide real-time responses, especially in post-acute care
- Stronger reporting at sufficient level of granularity
- Working with CMS to ensure accountability through appropriate enforcement mechanisms



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Other issues



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Other Policies/Issues

- Sepsis
- Artificial Intelligence
- Credentialing
- Top “Washington” Issues:
 - Site Neutral
 - 340(b)
 - Rural Health Transformation Fund
 - Independent Dispute Resolution process



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Contact / Questions

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