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Frustrated with Bureaucracy and Red Tape, More Hospitals Ditching Medicare Advantage Networks

Frustrated with Bureaucracy and Red Tape, More Hospitals Ditching Medicare Advantage NetworksSeniors need to be more cautious this year about coverage choices during open enrollment season

Christian Moran

On Oct. 17, Mayo Clinic was among the most recent hospital or health system to announce that they would no longer be renewing their Medicare Advantage plan with UnitedHealthcare and Humana. For some, this may have been news that was swept under the rug heading into a beautiful fall weekend. For those in health care, this was a newsworthy event that adds to significantly shifting sands occurring in the Medicare Advantage market.

Even hospitals are surprised by notices from health plans. Some Wisconsin hospitals are receiving out-of-the-blue notices from Medicare Advantage plans, saying that their respective hospitals will no longer be in-network and cutting off access to care for Medicare Advantage members in that plan.

Unfortunately, many patients learn about these network changes after open enrollment has ended. Patients often realize these changes when attempting to receive services, only to learn that their provider of choice is now out of network.

Due to the significant turbulence and change in provider networks within Medicare Advantage, more hospitals are encouraging patients to be educated about how their coverage decisions impact access to care in their community.

Ironically, traditional Medicare, instead of Medicare Advantage, may provide patients with more choice and options for care with less risk of care denials or delays from prior authorization.

Ancillary Medicare Advantage Benefits May Not Outweigh Out-of-Network or Prior Authorization Risk

The health care coverage decisions facing seniors are not easy and will ultimately determine how much they pay for care, the providers they are allowed to see and whether extra hurdles like prior authorization will be required for some services.

While the perks offered by some Medicare Advantage plans may seem attractive, seniors who choose private health plans for their Medicare coverage over traditional Medicare need to make some compromises too. These trade-offs may make it harder for seniors to get the care they need from the provider they want.

That's because, unlike traditional Medicare, which is accepted by most doctors across the country, many Medicare Advantage plans only allow enrollees to see certain "in network" providers. In addition, almost all of these plans impose other rules like requiring prior authorization on a much broader set of services than traditional Medicare.

According to an analysis by the Kaiser Family Foundation, a nonpartisan health care policy research firm, in 2023 the number of prior authorization determinations made by Medicare Advantage plans (50 million) was 1,250 times higher than traditional Medicare (400,000), even though the national number of people enrolled in both programs is similar. The prior authorization rules that Medicare Advantage plans employ can delay patient care, result in denials of medically necessary services and add extra paperwork for providers that takes them away from caring for patients.

While prior authorization may not have impacted you yet, it can have significant consequences if it disrupts patient care. Care delays not only impact patient health, but they can disrupt other parts of a patient's life like work, school or vacation plans. For seniors who depend on family members to assist with appointments, prior authorization-caused delays can impact the patient's family too.

With significant wait-times for care, patients may then need to wait weeks or months to get their care if procedures need to be cancelled or rescheduled due to delays caused by prior authorization.

Additionally, Medicare Advantage plans operate under annual contracts, meaning the private insurers who run these plans, or the providers they contract with, can decide not to negotiate or renew their contracts.

Seniors, Patients Need to Be Proactive in Understanding their Coverage Choices

With so many options to consider before the Dec. 7 Medicare open enrollment deadline, it is important for Wisconsin seniors to begin comparison shopping now and consult with trusted resources to find the Medicare plan (traditional or Advantage) that best meets their individual health care needs and budget.

Two places where seniors can go for free, unbiased help navigating their Medicare choices are the State Health Insurance Assistance Program (SHIP) or their local Aging and Disability Resource Center (ADRC).

Information about SHIP is available by calling 1-800-242-1060 or visiting https://www.dhs.wisconsin.gov/benefit-specialists/medicare-counseling.htm.

Seniors can find their local ADRC by calling 1-844-947-2372 or visiting Aging and Disability Resource Centers (ADRCs) | Wisconsin Department of Health Services.

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