National Rural Health Association

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Rural Medicare Advantage

Medicare Advantage (MA) plans may address these unique needs by providing a wider range of benefits, but it remains unclear whether enrollment in MA plans translates into improvements in access to care and financial burden of care for rural beneficiaries.

NRHA Urges Congress to:

- **Require Medicare Advantage plans to pay rural providers their special traditional Medicare rates.**
- **Enforce prompt payments by Medicare Advantage plans to rural providers.**
- **Ensure plans provide Medicare beneficiary education regarding traditional Medicare and Medicare Advantage benefits.**
- **Equip CMS with greater enforcement and oversight of Medicare Advantage plans, including their prior authorization practices.**

NRHA Supported Legislation:

S. 1816/H.R. 3514: Improving Seniors' Timely Access to Care
Sen. Marshall (R-KS) and Rep. Kelly (R-PA)
Establishes requirements for Medicare Advantage plans' use of prior authorization.

H.R. 4559: Prompt and Fair Pay Act
Reps. Doggett (D-TX) and Murphy (R-NC)
Establishes payment parity between Medicare Advantage and fee-for-service Medicare, including for rural cost-based providers, and creates requirements for prompt payments from Medicare Advantage plans to providers.

S. 2879/H.R. 5454: Medicare Advantage Prompt Pay Act
Sens. Cortez Masto (D-NV) and Blackburn (R-TN) & Reps. Arrington (R-TX) and Sanchez (D-CA)
Establishes requirements for Medicare Advantage plans to make timely payments providers.

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Medicare Advantage enrollment has grown in rural America:

- Medicare Advantage enrollment has **quadrupled in rural areas** since 2010 and reached **48%** in 2024.
- For rural hospitals, the share of MA inpatient days as a proportion of all Medicare inpatient days **more than doubled** over a five-year period ending in 2023.
- In **seven** states, Medicare Advantage penetration **exceeds 50%** in rural communitites.

Medicare Advantage plans can financially hurt rural providers and beneficiaries:

- MA plans often **pay rural providers less** than their traditional Medicare rates, including Critical Access Hospitals and Rural Health Clinics, eroding the importance of their rural designations.
  - In 2023, Medicare dependent and low-volume hospitals received average MA rates amounting to just **85% of what they would have** received under Traditional Medicare.
- MA plans create **administrative burdens for rural providers** who struggle to keep up with prior authorization requests, denials, and appeals for necessary services.
  - In 2023, MA insurers **denied 3.2 million** prior authorization requests.
  - Nearly **4 in 5 rural clinicians** report higher administrative tasks in five years, with **86% seeing negative impacts** to patient outcomes.
- Rural providers generally do not have ample cash on hand to sustain significant **delays in timely payments** by MA plans.
- In 2024, rural hospital patients covered by MA plans experienced an **average length of stay 9.6% longer prior to discharge to a post-acute care** setting compared to those covered by Traditional Medicare.
- MA **may not cover** services traditional Medicare does, including swing beds, which provide local skilled nursing care for patients and are often a source of financial stability for rural hospitals.
- Rural Medicare beneficiaries reported a **greater financial burden** than urban, with the most significant burden among rural MA beneficiaries. This may be due to the less generous financial structures offered by rural MA plans.