



POLICY PRIORITY 1: MEDICARE ADVANTAGE

POLICY ISSUES

- 1** RHC providers are incentivized to practice in rural areas through cost-based Medicaid and traditional Medicare reimbursement. As MA rapidly expands, **RHCs face growing financial strain because many plans refuse to pay the cost-based style that traditional Medicare provides.**
- 2** RHCs must negotiate reimbursement rates through unique contracts with each MA plan (rural beneficiaries have an average of 22-30 different MA plans to choose from). Many RHCs have little negotiating leverage in areas where MA plans have significantly increased enrollment. **These challenges may increase pressures on RHCs to consolidate as oftentimes larger systems have more negotiating power.**
- 3** Conversely, **Federally Qualified Health Centers (FQHCs) receive supplemental payments from Medicare to cover the difference** between the reimbursement rates of traditional Medicare and the contracted rates from MA plans.

SUPPORTING DATA

A recent NARHC survey revealed that **more than half of RHCs nationwide receive less reimbursement from MA plans** than from Traditional Medicare (see chart below).

RHC Medicare Advantage Reimbursement Compared to Traditional Medicare	
significantly more (20%+) than traditional Medicare reimbursement	3.40%
slightly more (5-20%) than traditional Medicare reimbursement	16.40%
roughly the same (+/-5%) as traditional Medicare reimbursement	28.80%
slightly less (5-20%) than traditional Medicare reimbursement	26.70%
significantly less (20%+) than traditional Medicare reimbursement	24.70%

SOLUTIONS

Without adequate reimbursement, RHCs are at risk of no longer being able to provide essential outpatient services in rural, medically underserved communities across the country.



Establish a reimbursement floor policy

NARHC advocates for the creation of a reimbursement floor policy, financed through establishing a minimum payment that MA plans must reimburse to RHCs as safety-net providers.



Support the Prompt & Fair Pay Act

NARHC supports the Prompt and Fair Pay Act ([H.R.4559](#)), which requires MA plans to provide reimbursement that is comparable to fee-for-service Medicare.



Support the Improving Seniors' Timely Access to Care Act

NARHC also supports other legislative efforts to address these administrative burdens, including the Improving Seniors' Timely Access to Care Act ([H.R.3514](#) & [S.1816](#)).



CONSIDERATIONS/HILL DAY PREP CHECKLIST

If this policy priority speaks to you, we encourage you to have the following information prepared for your Hill Day meetings:

Bring Your Data

Your payer mix:

- % of patients on Traditional Medicare
- % of patients on Medicare Advantage plans
- % of Medicaid/CHIP patients
- % of commercially insured patients
- % of uninsured patients
- % of other

- Contract reimbursement rates with MA plans in comparison to your Traditional Medicare reimbursement
- Additional detail demonstrating the annual loss to your facilities because of this disparity
- Example stories regarding Medicare Advantage patients who faced delays in care due to prior authorizations, no longer being in-network with their providers, etc.



THANK YOU FOR ADVOCATING—

your voice helps protect access to care in rural America.