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CMS Finalizes Rule to Limit Restrictive Medicare Advantage Plan Processes

In a final rule released on April 5, the Centers for Medicare and Medicaid Services (CMS) issued new policies intended to address Medicare Advantage plan processes such as inappropriate prior authorizations and medical necessity determinations that restrict or delay patient access to care, and that add cost and burden to the health care system.

"We are hopeful this rule will help to protect patients from unreasonable care delays and help to reduce the administrative burden on providers from unnecessary payer practices," said Joanne Alig, WHA senior vice president of public policy.

WHA had submitted a comment letter to CMS in support of many provisions of the rule as it was proposed. The letter notes that providers have experienced growing concerns with Medicare Advantage plans including inappropriate denials of medically necessary services that would be covered by traditional Medicare, requirements for unreasonable levels of documentation to demonstrate clinical appropriateness, inadequate provider networks to ensure patient access, and unilateral restrictions in health plan coverage in the middle of a contract year. All these not only add to administrative burden on an already overtaxed workforce, but importantly can have a negative impact on Medicare patients.

In the final rule, CMS requires that Medicare Advantage plans follow traditional Medicare rules when making medical necessity determinations and specifies they may not use other criteria to deny coverage unless a service does not have established criteria under traditional Medicare rules. The final rule provides examples in the area of post-acute care and site of service restrictions. The rule also establishes standards for ensuring Medicare Advantage plans provide access to an adequate network of appropriate providers for behavioral health services.

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