



Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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Medicare Advantage Organizations' Changes For 2025 May Force Some Patients Served By APG Member Groups To Switch Plans During Open Enrollment

Medicare Advantage (MA) plan withdrawals from certain markets and changes in supplemental benefits may prompt some MA enrollees served by APG member groups to change plans for 2025, based on an [analysis](#) conducted for the Better Medicare Alliance. The changes come as plans are adjusting to numerous recent policy measures, such as revisions in the MA risk adjustment model and Star Ratings (see item below).

The MA analysis, conducted by Avalere, shows that nearly 2 million people, or 7 percent, of MA enrollees will lose their 2024 plan options and must make new choices among 2025 plan offerings. The shakeup is due primarily to exits from certain markets by the three largest MA organizations (MAOs) – United Health Group, Humana, and CVS Health – which account for about two-thirds of the plan withdrawals. Overall, the number of MA plans nationally will decrease by 2.8 percent, with 70 percent of the plans being discontinued constituting PPO plans, according to a separate Oliver

Wyman [analysis](#). PPO plans have been the fastest-growing type of MA plan in recent years.

Trimmed supplemental benefits: Meanwhile, although dental, vision, and hearing benefits remain largely stable across plans, fewer MAOs will offer certain other benefits. Nearly 13 percent fewer plans will offer so-called “over the counter” benefits that cover purchases of health and wellness products such as pain relief or first-aid products. (Some MAOs expand the purchases covered to include utilities and other items by offering them through debit or “flex” cards.) Nutrition benefits covering groceries and home-delivered meals will be offered by nearly 11 percent fewer plans, and transportation benefits, such as rides to medical appointments and pharmacies, by nearly 7 percent fewer plans.

It is not yet clear how many patients of APG members will be affected by plan changes, but APG encourages its members to be proactive in outreach to potentially affected patients between now and the annual open enrollment period, which will run from January 1-March 31, 2025. Meanwhile, APG and other groups will continue to monitor the effects on patients as these MA changes unfold.



Health Risk Assessments And Chart Reviews In Medicare Advantage Come Under Fire Again By The Office Of The Inspector General

Medicare Advantage Organizations (MAOs) in 2023 received \$7.5 billion in risk-adjusted payments from diagnoses that were reported only on health risk assessments (HRAs) and related chart reviews and not supported by records of follow-up visits, procedures, tests, or supplies for these diagnoses, the Office of the Inspector General (OIG) [reported](#) this week. The report, which OIG said should lead CMS to tighten up on HRAs and chart reviews, may only further complicate understanding of the role that these tools play in caring for MA enrollees, including by APG member groups.

HRAs and chart reviews are tools commonly used by both MAOs and provider groups that share risk with MA plans to capture patients’ diagnoses and generate risk-adjusted payments. As OIG’s report noted, these payments help to “ensure that plans receive sufficient payment to cover more costly care” of sick patients, and that these enrollees “have continued access to MA plans.”

On-the-ground realities: But as APG member organizations have pointed out to federal officials and congressional staff, HRAs and chart reviews – often conducted by their employed clinical personnel who travel to patients’ homes to make the assessments –

are essential to recording diagnoses that are not always apparent in relatively brief office visits, such as for behavioral health conditions. What's more, not every diagnosis recorded is, or should be, automatically matched by a visit, test, or procedure. An example is a diagnosis that a patient treated for cancer is immunocompromised due to chemotherapy, which may not itself lead to additional treatment, but is recorded so that the patient can be followed closely for infections or other consequences of immunocompromised status.

The OIG's report was based on 2022 MA data, which was collected before major revisions in the risk adjustment model began to take effect this year and that OIG itself noted could affect its study results. Among several recommendations to CMS, OIG suggested – and CMS concurred – that the agency should “determine whether select health conditions that drove payments from in-home HRAs and HRA-linked chart reviews may be more susceptible to misuse among MA companies.”

[Responding](#) to the OIG report, the Better Medicare Alliance, of which APG is an “ally,” said that the report “paints a misleading picture” and that BMA has “codified best practices for these assessments and will continue to do so.” APG itself has recommended that CMS conduct audits in which it draws clinical information directly from patients' electronic health records to help establish whether diagnoses are appropriate even if no further care is rendered – and to further document care that is based on diagnoses and rendered appropriately.



In Case You Missed It

- Centene and Humana have followed UHG as **the latest MAOs suing the Centers for Medicare & Medicaid Services** over the 2025 Star Ratings that the agency published earlier this month (see *Washington Update*, [October 4](#)). Centene [sued](#) this week in a Missouri federal district court, alleging that a single text-to-voice phone call used to assess the overall quality of its call center resulted in reduced Stars Ratings for seven of its plans. Humana's lawsuit, filed October 18 in a Texas federal court, challenged CMS's methodology, lack of adequate data disclosure, and other factors that it said resulted in lower Star ratings for its plans.
- Blue Shield of California is the latest health plan **taking steps to streamline prior authorization (PA)** through a partnership with Salesforce [announced](#) this week. Building on Salesforce Health Cloud, the new system will integrate into physicians' current workflow and search patients'

electronic health records for relevant clinical information to support PA requests. Testing is to begin next year, with a goal of near real-time PA decisions available to all physicians and their patients in 2026, the company says.

- Valinda Rutledge, APG's Executive Vice President for Advocacy and Education, was among experts quoted in a recent *Modern Healthcare* [story](#) on **Medicare's Merit-Based Incentive Payment System Value Pathways (MVPs)**. She noted that MVPs are based in traditional fee-for-service (FFS) Medicare, so that making them mandatory would perpetuate FFS rather than motivating physicians to move into alternative payment models.
- Rising patient acuity within the Medicaid population following post-pandemic Medicaid redeterminations have **not translated into higher Medicaid rates for managed Medicaid plans** in many states, two trade organizations [wrote](#) to senior administration officials this week. The Alliance of Community Health Plans and the Association for Community Affiliated Plans said the situation places the plans at "substantial financial risk."



APG Announcements And Offerings

- **[REGISTER NOW!](#) - APG Fall Conference 2024 - Health Care Strong: Embracing Change and Thriving in Uncertain Times - will be held November 11 – 13 in Washington, DC.** Don't miss our superb lineup of speakers and unparalleled networking opportunities. Our special rate at the Grand Hyatt Washington hotel expires today - **Friday, October 25**. Reserve your room and access other travel deals [here](#).
- APG will host an **Emerging Trends in Health Care Webinar** on **Thursday, November 14, 1:15 pm – 2:00 pm ET**, with guest **[Patrick Conway, MD, CEO of Optum Rx](#)**, former Chief Medical Officer and Deputy Administrator for Center for Medicare and Medicaid Innovation Center. You can register for the webinar [here](#).
- The next APG Hosted Webinar, "**Approaches to Systemic Obesity Care: Utilization of Pathways & Protocols to Create a Comprehensive Obesity-Care Program**," will take place on **Tuesday, December 3, 3:00 pm - 4:00 pm ET, featuring [Angela Fitch, MD](#)**. The webinar will be presented by Novo Nordisk. You can register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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