

Hospitals are dropping Medicare Advantage plans left and right

Medicare Advantage [provides](#) health coverage to more than half of the nation's seniors, but a growing number of hospitals and health systems nationwide are pushing back and dropping some or all contracts with the private plans altogether.

Editor's note: This article was originally published Sept. 27. It was updated Nov. 14 to reflect new contract developments between hospitals and Medicare Advantage plans, which are listed below.

Among the most commonly cited reasons are excessive prior authorization denial rates and slow payments from insurers. Some systems have noted that most MA carriers have faced [allegations](#) of billing fraud from the federal government and are being [probed](#) by lawmakers over their high denial rates.

"It's become a game of delay, deny and not pay," Chris Van Gorder, president and CEO of San Diego-based Scripps Health, told *Becker's*. "Providers are going to have to get out of full-risk capitation because it just doesn't work — we're the bottom of the food chain, and the food chain is not being fed."

In late September, Scripps began notifying patients that it is terminating Medicare Advantage contracts for its integrated medical groups, a move that will affect more than 30,000 seniors in the region. The medical groups, Scripps Clinic and Scripps Coastal, employ more than 1,000 physicians, including advanced practitioners.

Mr. Van Gorder said the health system is facing a loss of \$75 million this year on the MA contracts, which will end Dec. 31 for patients covered by UnitedHealthcare, Anthem Blue Cross, Blue Shield of California, Centene's Health Net and a few more smaller carriers. The system will remain in network for about 13,000 MA enrollees who receive care through Scripps' individual physician associations.

"If other organizations are experiencing what we are, it's going to be a short period of time before they start floundering or they get out of Medicare Advantage," he said. "I think we will see this trend continue and accelerate unless something changes."

Bend, Ore.-based St. Charles Health System [took it](#) a step further and was not only considering dropping all Medicare Advantage plans, but also encouraged its older patients not to enroll in the private plans during the upcoming enrollment period in October. The health system's president and CEO, CFO and chief clinical officer cited high rates of denials, longer hospital stays and overall administrative burden for clinicians. Ultimately, the health system has [decided](#) to remain in network with four MA carriers and will not renew contracts with three.

"We recognize changing insurance options may create a temporary burden for Central Oregonians who are currently on a Medicare Advantage plan, but we ultimately believe it is the right move for patients and for our health system to be sustainable into the future to encourage patients to move away from Medicare Advantage plans as they currently exist," St. Charles Health CFO Matt Swafford said.

"I feel terrible for the patients in this situation; it's the last thing we wanted to do, but it's just not sustainable with these kinds of losses," Mr. Van Gorder added. "Patients need to be aware of how this system works. Traditional Medicare is not an issue. With these other models, seniors need to be wary and savvy buyers."

Here are 13 more recent instances of hospitals dropping Medicare Advantage contracts:

1. In October, the Nebraska Hospital Association [issued](#) a report detailing how Medicare Advantage is "failing patients and jeopardizing Nebraska hospitals," 33% of which do not accept MA patients. The report cited negative patient experiences, post-acute placement delays, and administrative and financial

burdens on hospitals that accept MA patients.

2. York, Pa.-based WellSpan Health [will no longer](#) accept Humana Medicare Advantage and UnitedHealthcare-AARP Medicare Advantage plans starting Jan. 1. UnitedHealthcare group MA PPO and Humana employer PPO MA plans will still be accepted.
3. Greenville, N.C.-based ECU Health said it [anticipates](#) it will no longer be in network with Humana's Medicare Advantage plans starting Jan. 1.
4. Raleigh, N.C.-based WakeMed [went out of network](#) with Humana Medicare Advantage plans in October. According to CBS affiliate [WNCN](#), the plan provides coverage to about 175,000 retired state employees. WakeMed cited a claims denial rate that is "3 to 4 times higher" with Humana compared to its other contracted MA plans.
5. Zanesville, Ohio-based Genesis Healthcare System is [dropping](#) Anthem BCBS and Humana Medicare Advantage plans in 2024.
6. Brunswick-based Southeast Georgia Health System will [terminate](#) its contract with Centene's WellCare Medicare Advantage plan on Dec. 8. The system said it started negotiations with the carrier after years of "inappropriate payment claims and unreasonable denials."
7. Nashville, Tenn.-based Vanderbilt Health [went out of network](#) with Humana's HMO Medicare Advantage plan in April.
8. Fayetteville, N.C.-based Cape Fear Valley Health [dropped](#) UnitedHealthcare Medicare Advantage plans in July.
9. Corvallis, Ore.-based Samaritan Health Services [ended](#) its commercial and Medicare Advantage contracts with UnitedHealthcare. The five-hospital, nonprofit health system cited slow "processing of requests and claims" that have made it difficult to provide appropriate care to UnitedHealth's members, which will be out of network with Samaritan's hospitals on Jan. 9. Samaritan's physicians and provider services will be out of network on Nov. 1, 2024.
10. Cameron (Mo.) Regional Medical Center stopped accepting Cigna's MA plans in 2023 and plans to drop Aetna and Humana in 2024. It plans to continue Medicare Advantage contracts with UnitedHealthcare and BCBS, the [St. Joseph News-Press](#) reported. Cameron Regional CEO Joe Abrutz previously [told](#) the newspaper the decision stemmed from delayed reimbursements.
11. Stillwater (Okla.) Medical Center has [ended](#) all in-network contracts with Medicare Advantage plans amid financial challenges at the 117-bed hospital. The hospital said it made the decision after facing rising operating costs and a 22% prior authorization denial rate for Medicare Advantage plans, compared to a 1% denial rate for traditional Medicare.
12. Brookings (S.D.) Health System will [no longer](#) be in network with nearly all Medicare Advantage plans in 2024, with the exception of Medica. The 49-bed, municipally owned hospital said the decision was made to protect the financial sustainability of the organization.
13. Louisville, Ky.-based Baptist Health Medical Group went out of network with Humana's Medicare Advantage plans in September, Fox affiliate [WDRB](#) reported. The system will also go out of network with UnitedHealthcare and Centene's WellCare on Jan. 1 without a new agreement in place.

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