NAELA Public Policy Guidelines: Managed Care

The rapid growth of managed care directly impacts the dependence of seniors and people with disabilities on acute and long-term care services under the Medicare and/or Medicaid programs. The Medicare program now offers managed care coverage and other private options under “Medicare Advantage” plans, most of which are also a source for obtaining Medicare prescription drug coverage. Seniors and individuals with disabilities are confronted with a dizzying array of plans with varying options, particularly with respect to prescription drug coverage. Therefore, choosing a plan is an often overwhelming process for the seniors or people with disabilities. Due to increasing federal and state budget pressures, more states are looking at Medicaid managed care as well as an option to reduce the state and federal cost of long-term care coverage under Medicaid. However, choice and quality of care should not be compromised due to the inherent financial incentives under managed care plans for providers to limit services. NAELA and its membership should take a leadership role, through public policy advocacy, to ensure that managed care organizations provide strong consumer protections and that the elderly and disabled have representation to ensure their rights.

A. NAELA supports oversight of the marketing of private, Medicare managed care and other Medicare Advantage products which would ensure that the buyer is legally competent to enter into such an agreement, is fully aware of the terms and conditions of the agreements, has the option of notifying a third party (such as a family member) at the time of purchase, and that there is a reasonable period of time to ensure a right of rescission.

B. NAELA opposes the practice of paying Medicare Advantage plan sponsors a higher reimbursement rate than is paid for traditional Medicare as a method of encouraging enrollment in such plans, which have a lower satisfaction rating than traditional Medicare plans and may lead to a diminution of coverage for many seniors and persons with disabilities at a higher cost to taxpayers.

C. NAELA supports ready access to managed care without discrimination in coverage, enrollment, disenrollment or costs. Individuals should be able to disenroll promptly, with strict limits on involuntary disenrollment.

D. NAELA advocates that services be provided to ensure that each enrollee achieves and maintains the highest practicable health and functional status and that such services include a full range of preventative, curative, restorative, and palliative care.
E. NAELA advocates that enrollees be: offered a choice of direct care providers to the greatest extent possible; allowed to change providers; granted the right to participate in decisions regarding notice, timing and settings for delivery of care; afforded ready access to specialty care, where appropriate; and assured of continuity of care from their chosen providers, particularly with regard to long-term care.

F. NAELA advocates the elimination of “lock-in” provisions so that all enrollees in Medicare Advantage plans can change managed care plans if and when their health care needs change.

G. NAELA supports mandated federal and state standards, monitoring and oversight relating to marketing practices, access and quality of care, staffing and fiscal solvency for all managed care organizations. NAELA supports government enforcement of these requirements and provisions for private enforcement actions.

H. NAELA advocates that prospective and existing enrollees be provided with written notice of costs; covered and non-covered care and services; a listing of all participating health care providers; limitations on the scope, duration or frequency of services; procedures for requesting approval for services and for obtaining payment for non-managed care organizations which provide emergency care; grievance, appeal, and disenrollment rights and procedures; and sources of government oversight and organizations providing consumer assistance or legal representation. NAELA suggests that this information be updated at least annually, and be in language that is easily understood by the layperson.

I. NAELA advocates for enrollees, and their health care proxies, if applicable, and their doctors to receive prompt oral and written notice of any decision to deny, limit, reduce or terminate services or to change the provider of services, accompanied with notice of appeal rights and procedures. NAELA believes that services should not be reduced or terminated pending the final outcome of an appeal and those enrollees who obtain denied services should be reimbursed following a successful appeal.

J. NAELA supports the existence of a prompt, independent appeal system available to enrollees and to health care providers on behalf of enrollees, to challenge managed care organizations that deny, reduce, or terminate services or that fail to provide care in a timely fashion.

K. NAELA encourages the establishment of an independent and adequately funded advocacy program to assist beneficiaries/enrollees with coverage, appeal, and grievance matters.

L. NAELA supports the right of an individual to sue, in state or federal court, his or her health plan for damages, including attorney's fees, for the failure of the plan to provide necessary items, services, and procedures. To this end, NAELA supports amending the Employee Retirement Income Security Act (ERISA), as necessary.
M. NAELA supports a national standardized core set of managed care quality measures to be used by all managed care plans and supports public reporting of the managed care plan’s degree of adherence to such measures.

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