



Insurer Actions Negatively Impacting Provider Payments

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TO: Selected Clients

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Major insurance companies are implementing new policies that significantly impact hospital reimbursement, particularly under Medicare Advantage and commercial plans. We are raising these issues on Capitol Hill as examples of how insurers are reducing provider payments to maintain their high margins – several of these changes actually run counter to federal regulations.

Aetna: Level of Severity Inpatient Payment Policy

Effective **November 15, 2025**, Aetna will revise its reimbursement approach for urgent and emergent inpatient stays under Medicare Advantage plans (click [here](#)):

- **Policy Change:** Instead of denying claims deemed not medically necessary, Aetna will approve the stay but reimburse at a lower rate—similar to observation services—unless the patient meets **Milliman Care Guidelines (MCG)** for inpatient admission.
- **Purpose of MCG:** MCG will not determine medical necessity; rather, it will assess admission severity to justify full inpatient payment.
- **Exceptions:** Stays of less than one midnight remain subject to CMS medical necessity reviews.
- **Impact:** This shift eliminates traditional denials and appeals, replacing them with reduced payments considered “payment in full.”

The **American Hospital Association** and multiple state hospital associations have urged Aetna to rescind this policy, citing concerns about transparency, regulatory compliance, and access to quality care. Click [here](#) for the letter.

Additionally, the **2024 Medicare Advantage and Part D Final Rule (CMS-4201-F)** prohibits MA plans from applying coverage standards that differ from traditional Medicare, except where criteria are not fully established. Click [here](#) for the CMS fact sheet.

Anthem: Administrative Penalty for Out-of-Network Provider Use

Effective **January 1, 2026**, Anthem will impose a **10% administrative penalty** on hospitals and in-network facilities that utilize out-of-network providers for commercial plans (click [here](#)):

- **Scope:** Applies initially in states including Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, Ohio, and Wisconsin.
- **Calculation:** Penalty equals 10% of the allowed claim amount; repeated violations may result in removal from Anthem’s network.
- **Exemptions:** Emergency care, prior-approved out-of-network use, and cases where no in-network provider is available locally.
- **Rationale:** Anthem states the policy aims to reduce member out-of-pocket costs and promote coordinated, cost-effective care.

This policy intersects with the **No Surprises Act**, which protects patients from balance billing for emergency and certain scheduled services. Physicians providing ancillary services (e.g., anesthesiology, radiology, pathology) at in-network facilities cannot request patients to waive these protections.

Specialty groups—including the American College of Anesthesiologists, Radiology, and Emergency Physicians—have expressed strong opposition to Anthem’s policy. Click [here](#) for the letter.

UnitedHealthcare: Remote Physiologic Monitoring Policy

Effective **January 1, 2026**, UnitedHealthcare will only cover patients with heart failure or hypertensive disorders during pregnancy for remote physiologic monitoring. All other patients, including those managing chronic hypertension, diabetes, or COPD, will lose RPM coverage (click [here](#)):

- **Updated Policy:** Most of the remote physiologic monitoring (RPM) of patient conditions using devices like blood pressure cuffs and scales “is not reasonable and necessary due to insufficient evidence of efficacy” for a wide swath of conditions including high blood pressure, chronic obstructive pulmonary disease, depression, diabetes, and more.
- **Plans Impacted:** Affects Medicare Advantage, commercial and individual exchange, and Medicaid members.
- **Exemptions:** UnitedHealthcare said it will pay physicians to monitor heart failure as well as hypertensive disorders during pregnancy as noninvasive remote monitoring of pregnant patients boosted outcomes.
- **Justification:** UnitedHealthcare points to internal reviews and studies that it claims show a lack of sufficient evidence supporting RPM for the excluded conditions.

This is contrary to this policy, **CMS’ 2026 Medicare Physician Fee Schedule Final Rule (CMS-1832-F)** expanded remote monitoring and incentivized upstream advanced primary care, which often includes remote monitoring of chronic conditions. Click [here](#) for the CMS fact sheet.