

Support the Medicare Advantage Prompt Pay Act

The **Medicare Advantage Prompt Pay Act** (S.2879/H.R.5454) will establish federal prompt payment rules for Medicare Advantage (MA) plans by amending Title XVIII of the Social Security Act, ensuring timely and predictable payments essential to patient access to care. Currently, MA plans are not subject to standardized federal rules regarding timely payment of provider claims. This bill seeks to require MA plans to pay at least 95 percent of claims submitted with all required information (known as “clean claims”) within strict timeframes: 14 days for electronically submitted in-network claims and 30 days for paper or out-of-network claims. The bill also grants the Department of Health and Human Services the authority to impose civil monetary penalties (up to \$25,000 per violation) on plans for noncompliance and require MA plans to publicly report data on their prompt payment performance.

Requiring MA plans to pay clean claims within standardized timeframes and pay interest on late payments will protect continuity of care for long term care (LTC) residents by helping LTC providers manage cash flow, reduce administrative burden, and minimize arbitrary denials. Public reporting claims data ensures that plans are accountable for meeting payment standards, improving transparency and fostering trust in the MA program.

This bipartisan and bicameral bill was introduced in the U.S. Senate by Senators Catherine Cortez Masto (D-NV) and Marsha Blackburn (R-TN) and in the U.S. House of Representatives by Representatives Jodey Arrington (R-TX-19) and Linda Sánchez (D-CA-38).

AHCA Recommendations: *Medicare Advantage Prompt Pay Act*

AHCA supports this bill and has authored multiple legislative briefs and resources on topics addressed, including prompt payment and protections against retroactive audits. Specific recommendations to further strengthen this bill’s impact include:

- Strengthen the clean claim definition to prevent plans from using contractual language that overrides or supersedes this definition.
- Pair prompt pay legislation with safeguards on post-payment audits, including reasonable limits on audit scope and timing for clean claims, to protect providers from arbitrary recoupments and ensure fairness and transparency.

AHCA Advocacy Efforts

AHCA continues to call on policymakers to reaffirm the promise of Medicare Advantage through The Better Way, the Association’s forward-looking policy agenda that offers Congress and the administration meaningful policies to improve America’s nursing homes and prepare for the nation’s aging population.



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