



**July 22, 2025**

**WRITTEN TESTIMONY OF  
David Basel, Vice President of Clinical Quality and  
Population Health Officer, at Avera Health**

**BEFORE THE  
United States House of Representatives  
Committee on Ways and Means Subcommittee on Health  
and Subcommittee on Oversight**

**IN A HEARING ENTITLED  
Medicare Advantage: Past Lessons, Present Insights,  
Future Opportunities**

Chairman Buchanan, Chairman Schweikert, and honored members,

Good afternoon, I am Dr. David Basel, VP of Clinical Quality and Population Health Officer for Avera Health headquartered in Sioux Falls, South Dakota. I am a practicing physician boarded in Internal Medicine and Pediatrics. Administratively, I am responsible for our Clinical Quality programs and overseeing our Value Based Programs such as Medicare Shared Savings Programs, and Medicare Advantage and commercial Accountable Care Organizations. Additionally, I oversee our physician advisors, which are a group of front-line practicing physicians who work closely with our Utilization Review and Clinical Documentation Integrity teams to mitigate payment denials and nonpayment issues with insurers. This combination of responsibilities allows me to see both the importance of improving quality, managing costs and ensuring fair reimbursement to our facilities.

#### About Avera

Avera is a nationally leading rural health care delivery network consisting of 37 acute care hospitals, 200 clinics, 40 long-term care and assisted living facilities, home care and hospice. Our acute hospitals range from large tertiary centers to small rural centers across South Dakota, Iowa, Minnesota, and Nebraska and include 31 Critical Access Hospitals as well as Rural Health Clinics and partnerships with Federally Qualified Community Health Centers. We utilize telemedicine to extend our reach of specialty care to rural areas. Avera's insurance division, Avera Health Plans, provides individual, group and Medicare Supplement plans, as well as partnering with a larger insurer to offer a provider-sponsored Medicare Advantage plan.

#### Avera experience and perspective

Avera's dual role as both a payor and care provider allows for more effective management of patient care and quality outcomes. We offer a comprehensive, integrated care system that spans over 100 primary care clinics to hospice services, covering a wide geographic area. This integration enables us to deliver more coordinated care under one system. For example, our model has significantly improved access to preventive services, doubling wellness visit rates among our Medicare Advantage population. These visits play a critical role in identifying chronic conditions earlier and improving long-term health outcomes.

Medicare Advantage is an important option to many people and it provides important benefits. Avera Medical Group partners with a larger insurance provider sponsored MA plan. This includes potentially lower premiums, built-in prescription drug coverage, and extra benefits including dental, vision and hearing. Also, some MA products have low/no co-pay and maximum out-of-pocket limits. From a population health perspective, MA plans sometimes support a broader definition of health as opposed to just paying for sick care.

On the health care delivery side, we are seeing issues such as payment denials, authorization delays, and nonpayment by MA plans that are hitting our rural facilities and their patients particularly hard.

Some specific areas that are particularly problematic include:

- **Volume of Denials.** Our volume of care denials has more than doubled since 2022. Even though we are able to overturn 70% or more of these denials, the administrative burden to do so continues to climb. For example, MA plans may attempt to downgrade inpatient stays to observation status but do not follow the standard traditional Medicare definitions of qualifying admissions. This generally decreases the payment amount while increasing out-of-pocket cost for beneficiaries. MA plans are not held to the same standards as traditional Medicare for medically necessary care. For example, MA plans will often deny claims for sepsis due to not meeting Sepsis 3 criteria, even though CMS uses Sepsis 2 criteria for coverage and quality bundles, etc.
- **Post-acute authorization delays.** Another area where we have seen increasing activity by MA plans is a reduction in approved post-acute facilities and increasing time to approve a discharge to a skilled nursing facility. This often results in additional days in the hospital waiting for discharge approval from the plan, which increases hospital costs and delays the patient getting appropriate convalescent care.
- **Critical Access Hospital length of stay partial denials.** We have seen MA plans starting to refuse payment for longer patient stays stating they exceed expected length, even when the longer length of stay is directly related to post-acute authorization delays as described above.
- **Readmission nonpayment.** Readmissions are a critical quality of care concern. In traditional Medicare, CMS incentivizes hospitals to avoid inappropriate readmissions. However, we have seen MA plans take a different approach and penalize both patients and hospitals by refusing to pay for any readmissions within 30 days, even if totally unrelated to the initial episode. For example, a patient could be initially admitted for a

heart attack, go home and fall two weeks later and get readmitted and the MA plan would refuse payment on the second admission.

Overall, these and related issues drive the costs of caring for MA patients up while reducing the actual payments for MA patients. Rural hospitals especially struggle, as many times staff fill multiple roles and don't have the capacity to specialize in utilization review or clinical documentation roles.

In conclusion, the administrative burden and volume of appeals associated with MA plan denials continue to grow. These discrepancies compromise timely access to care, increase physician burnout, increase member costs, and penalize hospitals unfairly.

Just a couple of denials for care that have already been approved is enough to jeopardize care in our most rural areas.

As you look to possible solutions, we emphasize that consistency, stability and transparency are all important, with well-being of the patient as top priority.

Thank you.