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Contact: Lisa Reibsome
Director of Communications
lisareibsome@hcam.org
517.622.6188

HCAM Calls for Action to Address Challenges Posed by Managed Care

LANSING, MI – The Health Care Association of Michigan (HCAM), representing nursing facility providers statewide, is urging Michigan lawmakers to swiftly pass new legislation designed to protect seniors, families, and providers from the ongoing challenges posed by managed care plans in long-term care settings.

“As managed care expands across Michigan, its complex authorization requirements and cost-control measures are creating significant obstacles between nursing facility residents and the essential care they deserve,” said HCAM President and CEO Melissa Samuel. “Providers are also facing mounting difficulties in receiving timely and appropriate payment for the critical services they deliver.”

Michigan has the highest penetration of Medicare Advantage in the country. These managed care plans coupled with the state’s newly expanding MI Coordinated Health managed care program has exposed serious issues: delayed or denied authorization for care, delayed payment for care, retroactive denials for services already provided, payments clawed back for care previously approved and already provided, and fragmented care for residents. A recent U.S. Senate Subcommittee investigation revealed that major managed care organizations deny post-acute care requests at disproportionately high rates, limiting care for seniors.

House Bill 6133: Delivers Real Solutions

Sponsored by Rep. Joe Aragona, HB 6133 introduces essential reforms to address these challenges:

1. **Timely and Fair Payment:** Mandates that managed care organizations pay 99% of clean claims within 14 days, imposes interest penalties for delays, and ensures payments meet or exceed Medicaid fee-for-service rates.
2. **Streamlined Prior Authorization:** Requires prompt prior authorization decisions, with automatic approval if deadlines are missed.
3. **Post-Payment Review Protections:** Limits retroactive payment audits, mandates independent review, and enforces penalties for improper recoveries.
4. **Limiting Managed Care for Long-Term Residents:** Transitions residents to Medicaid fee-for-service after 45 days in a skilled nursing facility, reducing unnecessary administrative burdens.
5. **Greater Transparency:** Demands increased openness in managed care operations and decision-making.

“Our seniors deserve care based on their medical needs, not red tape,” said Rep. Aragona. “By bringing greater accountability and transparency to the senior health care system, we can help protect Michigan’s elderly residents and the providers who care for them every day.”

HCAM and Michigan’s nursing facility providers call on lawmakers to support this critical legislation and put the needs of seniors and caregivers first.

“By enacting these safeguards, we can remove unnecessary delays and administrative barriers so providers can focus on what matters most: delivering quality care,” Samuel concluded.