

September 22, 2025

The Honorable Jodey Arrington
U.S. House of Representatives
1111 Longworth House Office Building
Washington, DC 20515

The Honorable Linda Sanchez
U.S. House of Representatives
2309 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Arrington and Sanchez:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes to express our support for your legislation, the Medicare Advantage Prompt Pay Act (H.R. 5454). Your bipartisan bill would apply a federal prompt payment standard to the Medicare Advantage (MA) program to help ensure that health care providers receive timely payments from MA plans for services provided to patients for medically necessary care.

Currently, there are no existing prompt payment standards that require MA plans to provide timely payment to contracted providers. As a result, an AHA survey found that 50% of hospitals and health systems reported having more than \$100 million in unpaid claims that were more than six months old. Among the over 700 hospitals surveyed, these delays amounted to more than \$6.4 billion in delayed or denied claims that are more than six months old.¹ While most states have prompt payment laws regulating fully insured and other state-regulated insurance types, these laws do not apply to MA plans.

Your bill would address this issue by requiring MA plans to follow strict prompt payment rules when paying health care providers. The plans would have to pay at least 95% of clean claims — which are clearly defined in the bill — within 14 days for in-network claims and 30 days for out-of-network claims. It also creates accountability for the MA plans by assessing civil monetary penalties if plans miss the deadline for prompt

¹ <https://www.aha.org/system/files/media/file/2022/10/Survey-Commercial-Health-Insurance-Practices-that-Delay-Care-Increase-Costs.pdf>



The Honorable Jodey Arrington
The Honorable Linda Sanchez
September 22, 2025
Page 2 of 2

payment and requires the plans to publicly report compliance data, including the number of claims paid on time.

We are grateful for your leadership on this issue and look forward to working with you to pass this important legislation.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President
Advocacy and Political Affairs