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Things to Know About

CMS' Final CY2027 MA Rate Announcement

[CMS Press Release](#) / [CMS Fact Sheet](#) / [PDF of Rate Announcement](#)

1

MA plans will see a 2.48 percent rate increase, significantly higher than the 0.09 percent originally proposed but still far lower than many plans expected prior to the Advance Notice. MA organizations and other stakeholders raised concerns about beneficiary access to competitive plan choices and supplemental benefits if CMS finalized the flat rate increase originally proposed.

2

Updates to the Part C risk adjustment model were not finalized. CMS originally proposed calibrating the current risk adjustment model with newer data from 2023 and 2024, but opted not to finalize this policy for 2027. CMS noted this final policy helped boost the average rate increase from the 0.09 percent originally proposed to the 2.48 percent final rate.

3

CMS will exclude diagnoses from audio-only encounters and unlinked chart review records (CRRs) from risk scoring for 2027, with an exception for diagnoses from unlinked CRRs for beneficiaries who switch from one MA organization to another.

4

CMS finalized proposed updates for Part D, including changes to the risk adjustment model, a policy to separately apply risk adjustment for MA prescription drug plans and standalone prescription drug plans, and the exclusion of diagnoses from audio-only encounters and unlinked CRRs from risk scoring.

5

CMS is working to strike a balance between immediate program stability and long-term sustainability for MA, according to comments made to the media by Medicare Director and HHS Chief Counselor Chris Klomp. Klomp's comments indicate that CMS remains focused on plans' behavior in the MA program, including concerns about coding and "gaming" risk adjustment.