

## Proposed MA Plan Payment Changes May Impact Premiums and/or Benefits<sup>1</sup>

### ESTIMATED STATE SPECIFIC IMPACT PER MEMBER PER MONTH (PMPM)

On February 1, Centers for Medicare & Medicaid Services (CMS) released the 2024 Advance Notice, an annual regulatory document that describes the agency’s proposed payment and coverage policies for the next plan year. CMS estimates the net growth in Medicare Advantage (MA) plan revenue for 2024 to be -2.27%, a lower rate of growth compared to last year’s net change of 5%. The change is due to a lower effective growth rate for MA county benchmarks, the expiration of a COVID-19 related adjustment to the 2023 Star Ratings, and changes to the MA risk adjustment model. This decrease in payment to plans could result in less funding that plans use to offer supplemental benefits and lower premiums for their enrollees.

An analysis by Avalere Health finds that due to changes proposed by CMS, enrollees in Medicare Advantage could have higher premiums or reduced benefits in 2024. Avalere estimates that the decrease in payment could result in a \$540 decrease in benefits per member per year.

The magnitude of impact could vary across the country due to plan enrollment trends and other plan characteristics (e.g., Star Ratings, risk scores). However, even beneficiaries in metropolitan areas that have lower average premiums (which is likely the result of a higher enrollment in \$0 premium plans), could see changes in their premiums and/or benefits. Detailed below is a state-by-state analysis of the potential beneficiary impact due to changes proposed in the CY 2024 Advance Notice. Beneficiary impact could result in increases to premiums and/or reductions of benefits.

State	Jan 2023 Enrollment <sup>2</sup>	Average 2023 Premium PMPM <sup>3</sup>	Average Estimated 2024 Beneficiary Impact <sup>4</sup> PMPM	Average Estimated 2024 Annual Beneficiary Impact
<b>Alabama</b>	453,454	\$11.62	\$37.96	\$455.51
<b>Arizona</b>	560,542	\$12.03	\$52.39	\$628.64
<b>Arkansas</b>	200,180	\$13.56	\$56.72	\$680.59
<b>California</b>	2,193,994	\$16.19	\$37.09	\$445.03

<sup>1</sup> Based on analysis conducted by Avalere Health. Proposed MA Plan Payment Changes May Impact Premiums and Benefits. Avalere (2023)

[https://bettermedicarealliance.org/wp-content/uploads/2023/02/20230214\\_Advance-Notice-Impact\\_Final.pdf](https://bettermedicarealliance.org/wp-content/uploads/2023/02/20230214_Advance-Notice-Impact_Final.pdf)

<sup>2</sup> January 2023 Medicare Advantage enrollment numbers, excluding Employer Group Waiver Plans, Cost, Program of All-Inclusive Care for the Elderly, and Demo plans.

<sup>3</sup> Per Member Per Month

<sup>4</sup> Defined as either an increase in the premium or a decrease in benefits.

State	Jan 2023 Enrollment <sup>2</sup>	Average 2023 Premium PMPM <sup>3</sup>	Average Estimated 2024 Beneficiary Impact <sup>4</sup> PMPM	Average Estimated 2024 Annual Beneficiary Impact
Colorado	375,966	\$14.16	\$32.71	\$392.53
Connecticut	238,836	\$16.46	\$35.62	\$427.38
Delaware	48,619	\$14.36	\$41.08	\$492.93
Florida	2,302,211	\$9.21	\$69.06	\$828.69
Georgia	632,073	\$15.89	\$38.88	\$466.56
Hawaii	121,316	\$45.06	\$4.87	\$58.41
Idaho	142,372	\$16.99	\$32.76	\$393.07
Illinois	527,126	\$12.45	\$37.16	\$445.94
Indiana	429,224	\$14.43	\$43.48	\$521.80
Iowa	145,872	\$9.71	\$42.96	\$515.53
Kansas	119,037	\$6.85	\$39.37	\$472.41
Kentucky	265,350	\$10.32	\$52.56	\$630.73
Louisiana	382,080	\$15.01	\$62.35	\$748.26
Maine	164,374	\$11.84	\$34.81	\$417.78
Maryland	134,299	\$36.88	\$41.09	\$493.06
Massachusetts	353,159	\$47.36	\$29.52	\$354.22
Michigan	699,630	\$25.32	\$36.63	\$439.59
Minnesota	462,602	\$75.28	\$23.48	\$281.76
Mississippi	184,346	\$18.87	\$40.37	\$484.47
Missouri	498,522	\$8.23	\$45.48	\$545.72
Montana	48,447	\$26.63	\$23.43	\$281.22
Nebraska	77,791	\$11.95	\$47.98	\$575.79
Nevada	248,357	\$3.78	\$76.05	\$912.58
New Hampshire	72,804	\$18.45	\$23.20	\$278.43
New Jersey	363,079	\$16.05	\$42.35	\$508.24
New Mexico	164,755	\$12.69	\$30.52	\$366.18
New York	1,478,253	\$27.34	\$54.75	\$656.97

State	Jan 2023 Enrollment <sup>2</sup>	Average 2023 Premium PMPM <sup>3</sup>	Average Estimated 2024 Beneficiary Impact <sup>4</sup> PMPM	Average Estimated 2024 Annual Beneficiary Impact
North Carolina	722,169	\$13.40	\$46.07	\$552.83
North Dakota	11,544	\$35.95	\$40.44	\$485.30
Ohio	937,074	\$16.39	\$59.99	\$719.91
Oklahoma	212,762	\$14.15	\$32.53	\$390.36
Oregon	358,214	\$32.74	\$25.90	\$310.82
Pennsylvania	1,148,207	\$32.07	\$30.96	\$371.56
Rhode Island	105,514	\$28.76	\$60.58	\$726.91
South Carolina	332,335	\$15.50	\$48.72	\$584.63
South Dakota	15,332	\$19.40	\$43.33	\$519.94
Tennessee	628,353	\$18.04	\$49.24	\$590.88
Texas	1,674,717	\$9.25	\$44.30	\$531.65
Utah	195,135	\$15.18	\$53.13	\$637.60
Vermont	31,403	\$18.23	\$28.99	\$347.89
Virginia	398,269	\$13.46	\$47.67	\$572.03
Washington	539,334	\$31.72	\$29.89	\$358.65
Washington D.C.	18,645	\$30.94	\$35.95	\$431.44
West Virginia	112,695	\$22.81	\$19.66	\$235.89
Wisconsin	538,130	\$28.58	\$34.05	\$408.54
Wyoming	2,062	\$48.34	\$26.85	\$322.23