Analysis of the 2025 Medicare Advantage Plan Landscape

Executive Summary

The cumulative impact of recent legislative and regulatory changes[i] to the Medicare Advantage program is resulting in beneficiary disruptions for 2025, including fewer Medicare Advantage plan and benefit choices and higher out-of-pocket costs. In 2025, the number of Medicare Advantage plans ("plans") nationally will decrease by 2.8%, including a 6.5% decrease in individual Medicare Advantage plans and an 8.5% increase in Special Needs Plans (SNPs). The change in plan offerings will impact 1.98 million current beneficiaries who will have to choose a new plan in 2025.[ii] As the number of plan offerings decrease, the average Medicare Advantage plan premium will remain consistent as compared to 2024. Meanwhile, the median maximum out-of-pocket (MOOP) limit for beneficiaries will increase from $5,000 to $5,400. Although most plans will continue to offer dental, vision, and hearing benefits, many individual plans are reducing the level of other supplemental benefits that help address clinical and social risk factors, such as transportation and nutrition assistance. Some supplemental benefit offerings will increase. For example, more plans will offer telehealth services as a supplemental benefit. There is also significant variation across states in how plans are reacting to the current situation. However, the national trend indicates a clear retrenchment among plans and benefits in response to the challenging environment with increased healthcare utilization and policy changes putting pressure on plan operations and payment. As policymakers consider policy and payment changes for 2026, stability for the Medicare Advantage program is critical to minimizing further disruption and preventing unintended consequences for beneficiaries.

The Medicare Advantage Population is More Diverse than Ever

The Medicare Advantage population is increasingly diverse and more complex. Today's Medicare Advantage beneficiaries have higher rates of clinical and social risk factors than those in Fee-for-Service (FFS) Medicare. More beneficiaries in Medicare Advantage are low-income, identify as a racial and ethnic minority, and have more chronic conditions.

30.6%

of Medicare Advantage enrollees identify as Black, Latino, or Asian, compared to about **18.4%** of beneficiaries in FFS Medicare.[i]

52%

of Medicare Advantage beneficiaries live below 200% of the federal poverty level, compared to **33%** of beneficiaries in FFS Medicare.[ii]

[i] Better Medicare Alliance, Analysis of the Centers for Medicare & Medicaid Services Monthly Enrollment Files, March 2024.
[ii] Better Medicare Alliance, Medicare Beneficiary Spending 2024, June 2024.

Background on Medicare Advantage

In 2024, 33.8 million beneficiaries chose Medicare Advantage, representing 55% of Medicare enrollment.[iii] Medicare Advantage is the managed care option in Medicare and is a public-private partnership, meaning benefits are offered by private health plans and approved by the federal government. Unlike Fee-for-Service Medicare, Medicare Advantage typically covers hospital visits, doctors and outpatient visits, and prescription and outpatient prescription drugs in a single plan option. Most beneficiaries enrolled in Medicare Advantage also receive additional supplemental benefits not covered under Fee-for-Service Medicare, such as dental, vision, and hearing coverage.

Context for 2025 Medicare Advantage Plan Offerings

Recent regulatory and legislative changes are increasingly putting financial pressure on plans in a relatively short period of time. These include operational modifications such as expanded network requirements, increased communication requirements to beneficiaries, and additional data reporting to the Centers for Medicare & Medicaid Services (CMS).[iv]

Beneficiaries Can Enroll in Different Types of Medicare Advantage Plans Based on Eligibility

Individual Plans

Most beneficiaries in Medicare Advantage are enrolled in "individual" Medicare Advantage Prescription Drug (MA-PD) plans which integrate coverage for Medicare Part A, B, and D benefits, as well as provide supplemental benefits. A small portion of beneficiaries are enrolled in Medicare Advantage plans that provide only Part A and B coverage. Individual plans include Preferred Provider Organizations (PPO) and Health Maintenance Organizations (HMO).

Special Needs Plans

A subset of beneficiaries can choose to enroll in Special Needs Plans (SNPs), which are Medicare Advantage plans for beneficiaries who are dually eligible for both Medicare and Medicaid (D-SNP), beneficiaries with certain chronic conditions (C-SNP), or beneficiaries who require institutional level care (I-SNP). Nearly all Medicare Advantage beneficiaries enrolled in a SNP are enrolled in a D-SNP, which provide tailored benefits for beneficiaries who are dually eligible. In 2024, 6.6 million beneficiaries are enrolled in SNPs.[i]

[i] Analysis of the Centers for Medicare & Medicaid Services Monthly Contract Summary Reports, January 2017-2024. Available here.

In addition to operational modifications, plans are responding to other legislative and regulatory updates that are increasing plan costs and negatively impacting the payment methodology. These revisions include increased plan financial liability for Part D drug costs as part of the Inflation Reduction Act (IRA), the phase-in of the new risk adjustment model (V28 of the CMS Hierarchical Condition Category Model), and the graduate medical education adjustment to plan payment benchmarks. Together, these and other changes are reshaping plan participation and benefit offerings, and requiring plans to shift operations and strategies.

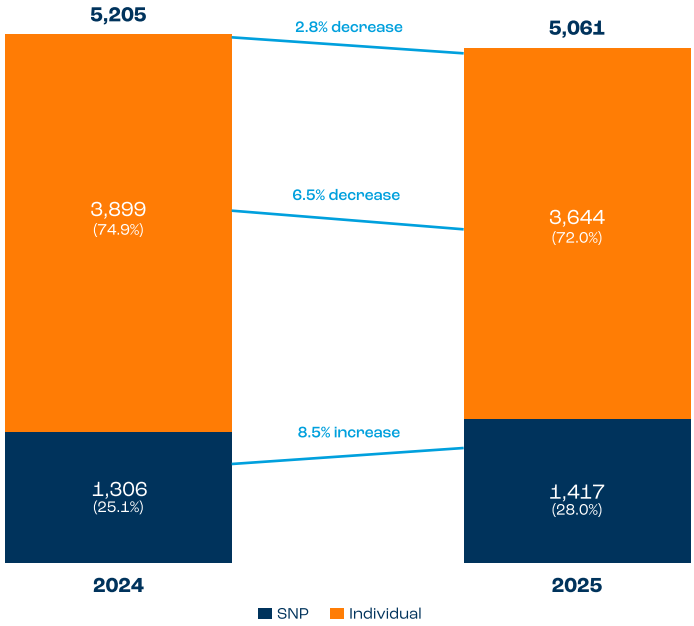
Better Medicare Alliance analyzed the 2025 landscape and benefits data to better understand how Medicare Advantage plans are responding to these pressures and the impact on beneficiaries. Each year, CMS releases the Medicare Advantage and Part D Landscape and Plan Benefit Package files, which detail plan offerings and premiums in advance of the Medicare annual enrollment period. CMS released the Medicare Advantage and Part D Landscape files for calendar year 2025 on September 27, followed shortly thereafter by the Plan Benefit Package files. This issue brief highlights the recent changes in plan availability and offerings for beneficiaries in preparation for the 2025 enrollment period. The analysis excludes Medical Savings Account (MSA), Private Fee-for-Service (PFFS), Employer Group Waiver (EGWPs), Program of All-inclusive Care for the Elderly (PACE), Cost, and Demonstration plans.

Key Findings from Analysis of the 2025 Medicare Advantage Plan Landscape

Availability of Plans

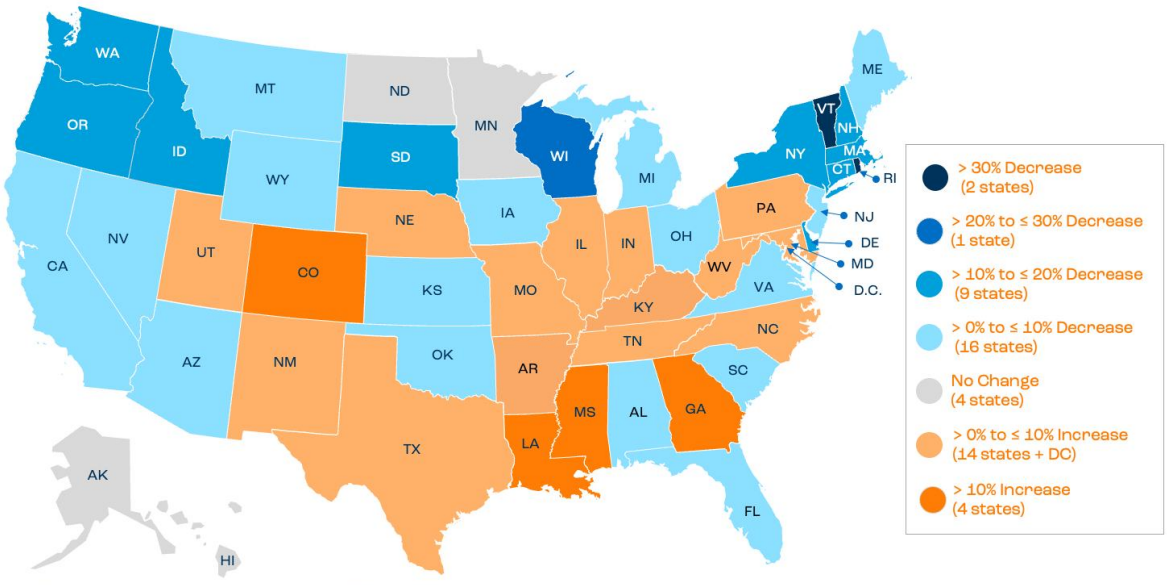
In 2025, more than half of states will experience a decrease in plan options. The number of plans will decrease by 2.8% nationwide. From 2024 to 2025, the number of individual plans decreases by 6.5%; while the number of SNP plans increases by 8.5% (Figure 1).

Figure 1: Number of Plans by SNP and Individual Plan, 2024-2025



The change in the number of plans available from 2024 to 2025 varies greatly at the state level: four states (Colorado, Georgia, Louisiana, and Mississippi) are experiencing a greater than 10% increase in the number of Medicare Advantage plans, while two states (Rhode Island and Vermont) are experiencing a greater than 30% decrease in the number of plans (Figure 2). These plan changes are impacting beneficiaries. An estimated 7%, or 1.98 million, Medicare Advantage beneficiaries will no longer be able to choose their current plan option, and this is a significant increase relative to recent years. Most of these beneficiaries are likely to choose a new plan from the same parent organization as their current one, but approximately 607,000 beneficiaries must choose between a new type of plan (for instance, a PPO instead of an HMO) or a plan offered by a different parent organization.[v]

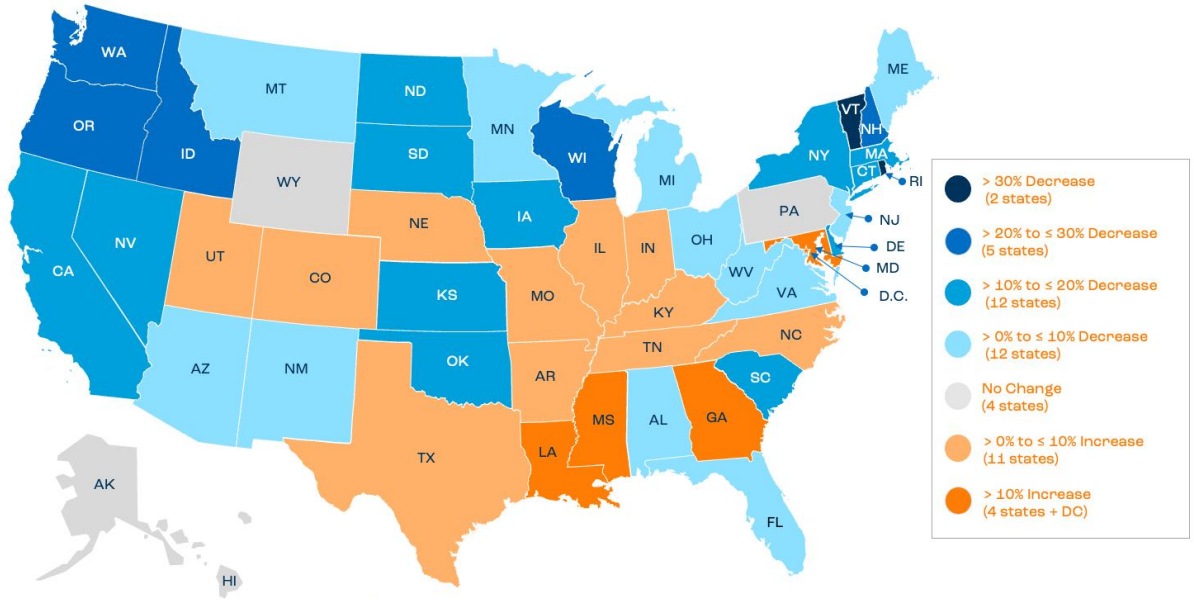
Figure 2: Percent Change in Number of All Medicare Advantage Plans, 2024-2025



Note: Alaska had no Medicare Advantage plans in 2024 or 2025.

The number of individual Medicare Advantage plans will increase in 15 states and Washington, D.C. and decrease in 31 states. (Figure 3).

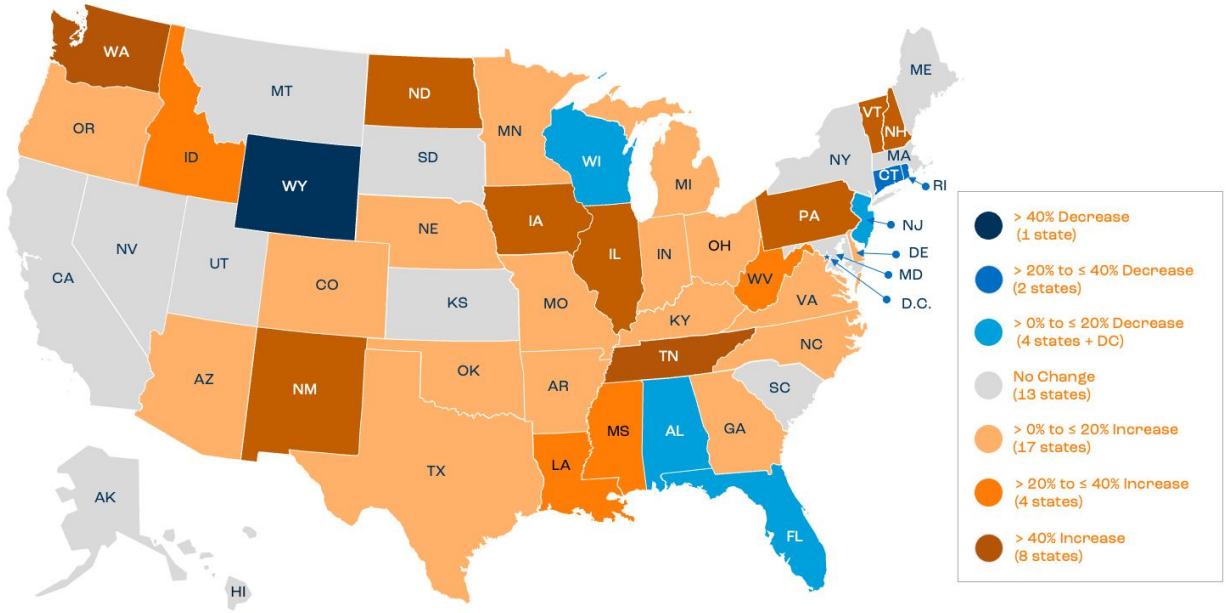
Figure 3: Percent Change in Number of Individual Plans, 2024-2025



Note: Alaska had no Medicare Advantage plans in 2024 or 2025.

The availability of SNPs varies by state as well, with an increase in the number of SNPs in 29 states and a decrease in 7 states and Washington, D.C. (Figure 4).

Figure 4: Percent Change in Number of SNPs, 2024-2025



Notes: Alaska had no Medicare Advantage plans in 2024 or 2025. Vermont had no SNPs in 2024 and has one SNP in 2025.

Of the top 25 parent organizations by number of plan offerings, about 76% will decrease their individual plan offerings. Among the largest eight parent organizations by 2024 enrollment, five will increase their SNP offerings, while six will decrease their individual plan offerings. Four parent organizations are new to the market in 2025, while eight parent organizations that participated in 2024 will exit the market.

Maximum Out-of-Pocket Limits

All Medicare Advantage plans must have a maximum out-of-pocket limit (MOOP) at or below a maximum set annually by CMS—$8,850 in 2024 and $9,350 in 2025. In addition, plans with a MOOP at or below a lower, voluntary threshold—$3,850 in 2024 and $4,150 in 2025—gain additional cost-sharing flexibility for certain services.

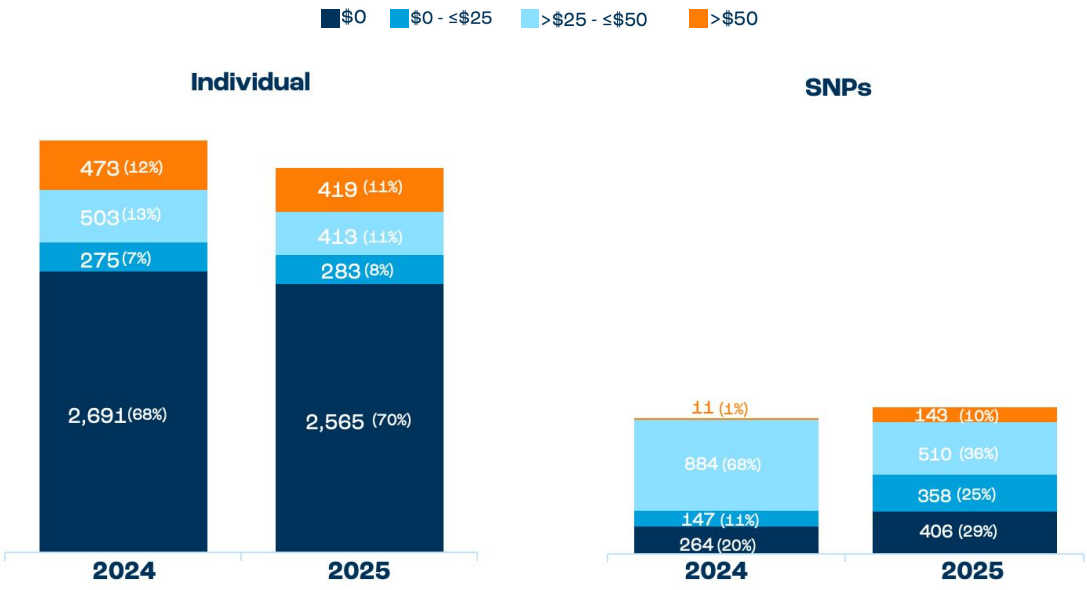
In 2025, the median MOOP will increase by $400 to $5,400, an 8% increase from $5,000 in 2024. Meanwhile, 93.7% of plans have MOOPs below the maximum, a decrease from 97.4% in 2024 (Figure 5).

Figure 5: Median Maximum Out-of-Pocket Limit, Non-SNPs, 2024-2025

Premium Trends

Overall, 2025 premiums generally remain consistent as compared to 2024. The number of zero-dollar premium plans increased from 2,955 in 2024 to 2,971 in 2025.[1] This change is driven by an increase in zero-dollar premium SNPs (from 264 in 2024 to 406 in 2025). By contrast, the number of zero-dollar premium individual plans declined from 2,691 in 2024 to 2,565 in 2025 (Figure 6). Among all plans with a premium, the average premium will be $49.31 in 2025 compared to $51.03 in 2024.

Figure 6: Number of Plans by Premium Amount, 2024-2025

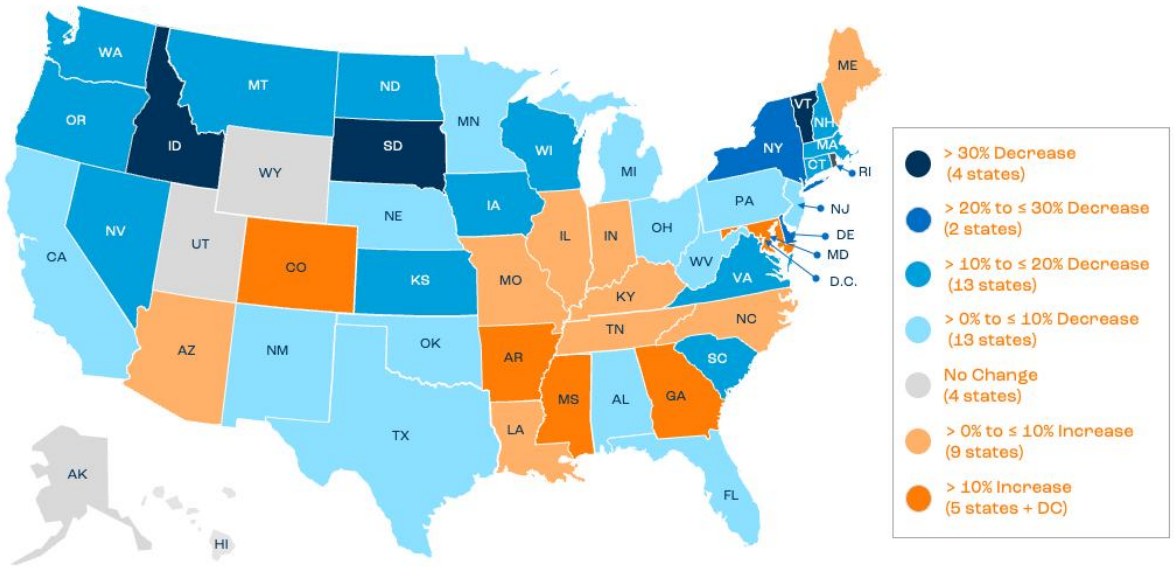


Plans reduced the number of offerings with premiums between $25 and $49 in favor of more offerings with premiums under $25 or above $50.

[1] Like all Medicare beneficiaries, those in Medicare Advantage still pay the Part B premium each month, as determined annually by CMS. Medicare Advantage plans may reduce Part B premiums as well as the Medicare Advantage plan premium through supplemental benefits.

There is substantial variation by state in the availability of zero-dollar premium individual plans, with increases in 13 states and Washington, D.C. and decreases in 32 states (Figure 7).

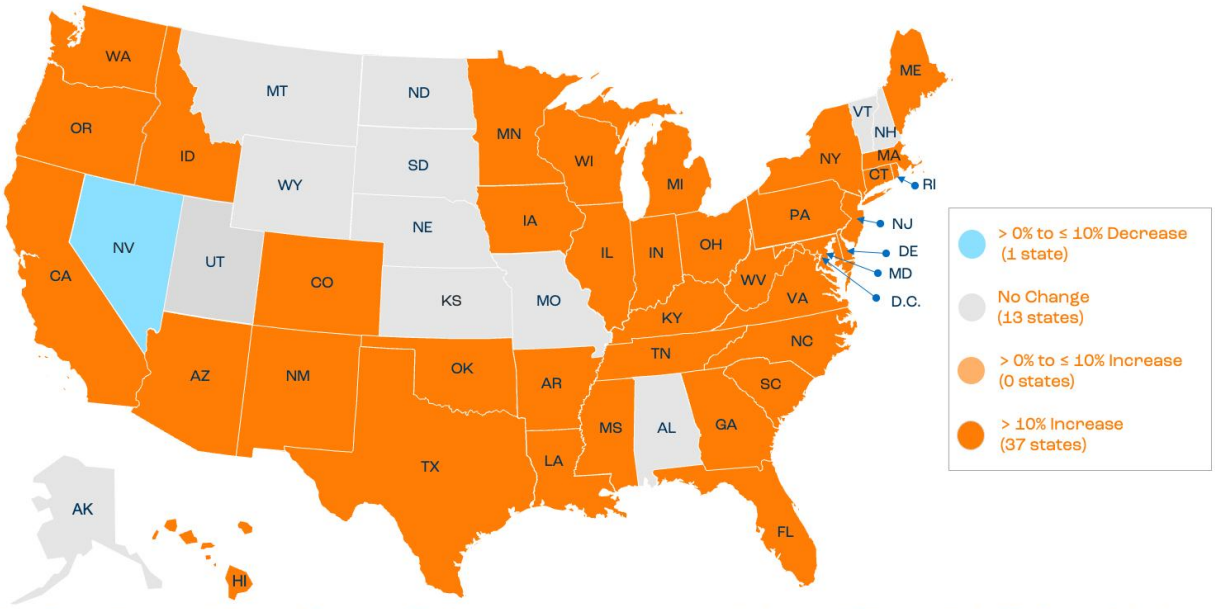
Figure 7: Percent Change in the Number of $0-Premium Individual Plans, 2024-2025



Note: Alaska had no $0-premium individual plans in 2024 or 2025.

The availability of zero-dollar premium SNPs plans increases in most states (37), with a decrease in the number of zero-dollar premium SNPs in only 1 state (Figure 8).

Figure 8: Percent Change in the Number of $0-Premium SNPs, 2024-2025



Notes: States with increased offerings of $0-premium SNPs from zero to 1 or greater were counted as having a >10% increase. Alaska, D.C., Montana, Nebraska, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming had no $0-premium SNPs in 2024 or 2025.

Supplemental Benefits

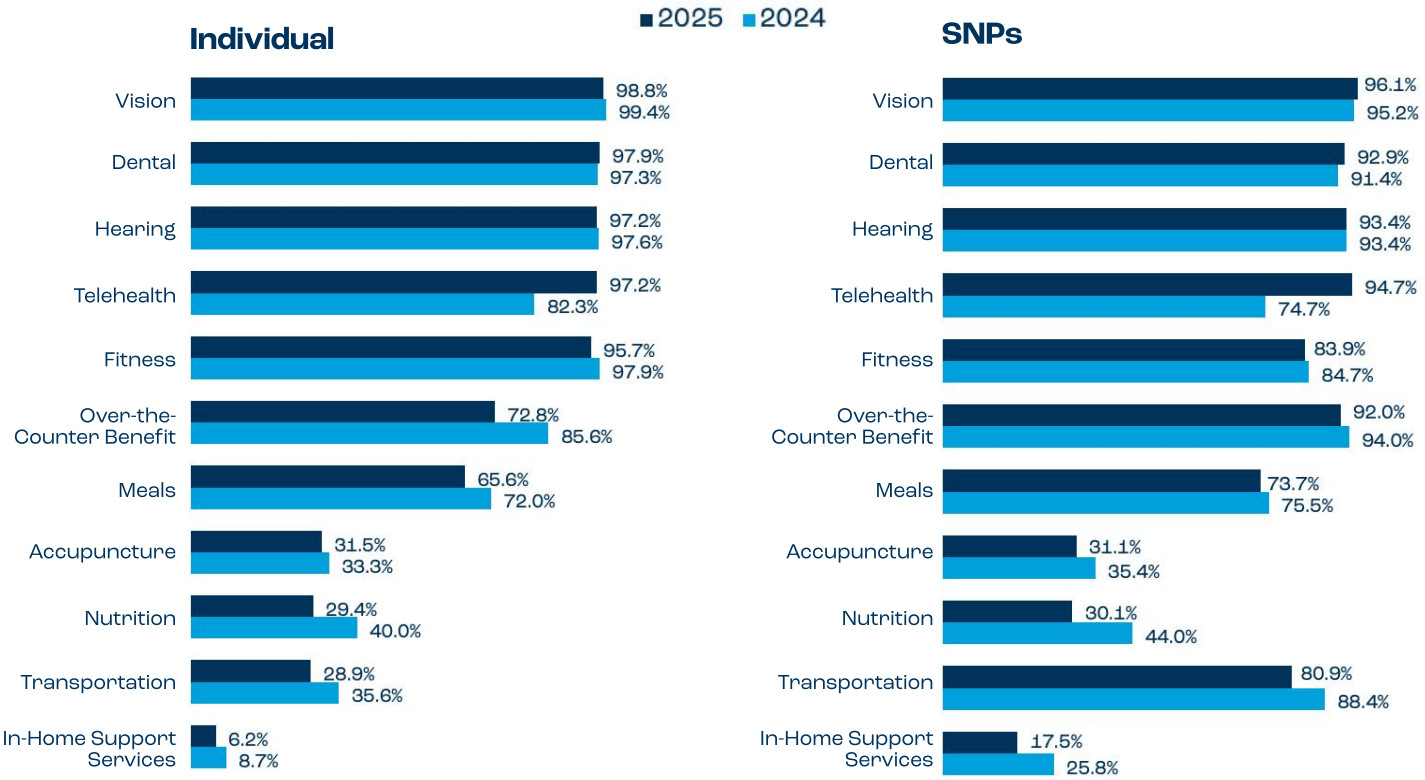
Through supplemental benefits, Medicare Advantage provides enhanced coverage of Medicare-covered benefits, such as reduced cost-sharing and lower premiums, while often providing benefits and services not covered by Medicare, such as vision, dental, and hearing coverage. Plans may also provide additional services such as transportation to and from medical appointments, coverage for over-the-counter (OTC) medications and supplies, and support to maintain a nutritious diet. Supplemental benefits generally fall into two categories:

- Primarily health-related supplemental benefits; and
- Non-medical supplemental benefits, known as Special Supplemental Benefits for the Chronically Ill (SSBCI). Benefits within the SSBCI category typically address social needs, such as providing food, non-medical transportation, and housing, and are limited to beneficiaries with certain qualifying chronic conditions (e.g., diabetes).

Supplemental benefits are frequently an important component of plans' strategies to advance health equity through addressing the social determinants of health (SDOH). SDOH are the "conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks."[vi] By offering access to supplemental benefits, plans can offer support to beneficiaries experiencing social risk factors, such as food insecurity, housing insecurity, and transportation barriers, which could improve overall health outcomes.

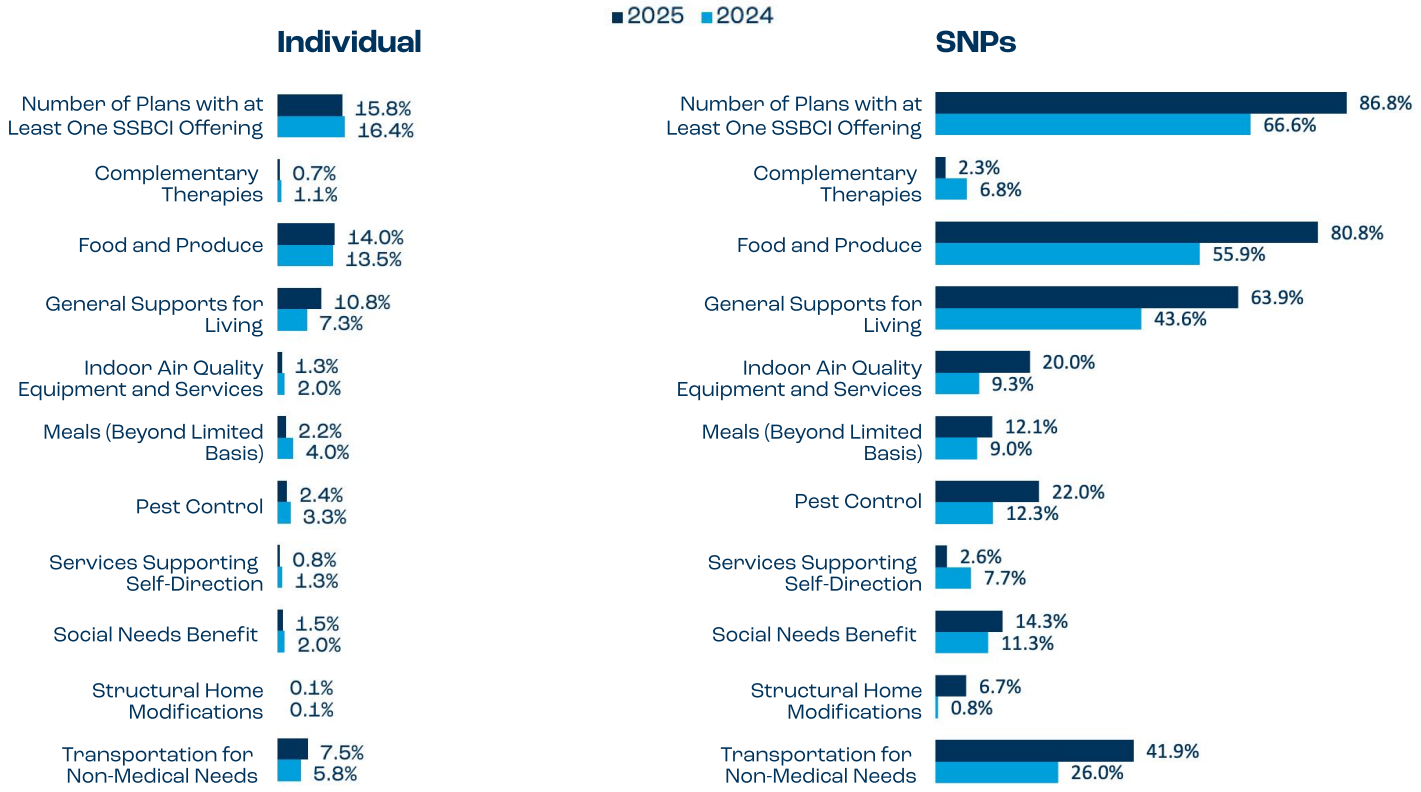
In 2025, most plans will continue to offer vision, dental, and hearing benefits. However, the percentage of individual plans offering fitness, transportation, meals, nutrition, acupuncture, OTC benefits, and in-home support services decreases. Similarly, the percentage of SNPs offering these benefits decreases. One exception is the number of individual plans and SNPs offering telehealth services, which increases substantially in 2025.

Figure 9: Percentage of Plans Offering Primarily Health Related Supplemental Benefits, 2024-2025



There is a slight decrease in the percentage of individual plans offering SSBCI: in 2025, 15.8% of plans will offer at least one compared to 16.4% in 2024. By contrast, the percentage of SNPs offering at least one SSBCI will increase from 66.2% to 86.8%.

Figure 10: Percent of Plans Offering SSBCI, 2024-2025



Notably, this analysis only examines the supplemental benefits available for beneficiaries to choose. It does not examine the value or services covered by the supplemental benefit itself, which may have changed from 2024.

Looking Ahead

The 2025 open enrollment period is October 15 through December 7, 2024. During this window, beneficiaries will select plans for coverage beginning January 1, 2025.

Many beneficiaries will have fewer plan options for 2025. Although plans made significant efforts to prioritize affordability for seniors and people with disabilities, some may still experience higher out-of-pocket costs (e.g., an increased MOOP). In addition, numerous plans reduced the supplemental benefits they offer, which could make it more challenging for beneficiaries with social risk factors to access key services like meals and transportation.

Recent policy changes contributed to pressure on plans that is leading many to reduce the number and generosity of their offerings. As CMS considers policies for 2026 and beyond, a stable regulatory environment will be crucial for ensuring the trend toward reduced participation and less robust benefit offerings does not intensify.

Methodology

Avalere conducted this analysis on behalf of the Better Medicare Alliance. The Avalere team analyzed plan benefits data in the 2022-2025 Landscape files and Q4 2022-Q1 2025 Plan Benefit Package files released by the CMS.[vii] Avalere excluded Medical Savings Account, Private Fee-for-Service, Employer Group Waiver, Program of All-inclusive Care for the Elderly (PACE), and Demonstration plans from the analysis.

Of note, due to different naming conventions that plans use to describe their supplemental benefits—primarily those not associated with specific rubric/category in the Plan Benefit Package file structure—Avalere's counts may be an underestimate of the availability of specific supplemental offerings. The analysis reflects Medicare Advantage plans (defined on the contract-plan-segment level) in the 50 states and Washington, D.C.

i Better Medicare Alliance, Recent Reforms to the Medicare Advantage Program by Policy Area, 2024. Available here.

ii ATI Advisory, Analysis of CMS Plan Crosswalk files, PY2021-2025; CMS MA CPSC Enrollment Files for September, PY2020-2024; and CMS Landscape Files, MMCO Integration Status Files, and CMS Plan Benefit Package Data for PY2020-2025. Excludes PDPs, MMPs, EGWPs, PACE, and Cost plans, October 2024.

iii Better Medicare Alliance, "Better Medicare Alliance Responds to CMS 2025 Medicare Advantage Premiums and Enrollment Projections," September 24, 2024. Available here.

iv Centers for Medicare & Medicaid Services, 2024 Medicare Advantage and Part D Final Rule (CMS-4201-F), April 5, 2023. Available here.

v ATI Advisory, Analysis of CMS Plan Crosswalk files, PY2021-2025; CMS MA CPSC Enrollment Files for September, PY2020-2024; and CMS Landscape Files, MMCO Integration Status Files, and CMS Plan Benefit Package Data for PY2020-2025. Excludes PDPs, MMPs, EGWPs, PACE, and Cost plans, October 2024.

vi Department of Health and Human Services, "Social Determinants of Health," Available here.

vii Centers for Medicare & Medicaid Services, CY 2025 Landscape and Plan Benefit Package Files. Available here (Landscape) and here (Plan Benefit Package).