

### Data Disputes CMS' Own MA Plan Projections

The Centers for Medicare & Medicaid Services (CMS) released its annual Medicare Advantage (MA) and Part D “landscape files” with data on plans and bids for 2017 last week. But a close reading of the data shows that the outgoing Administration puts a pessimistic spin on the numbers and sees zero growth in 2017.

Only one metric shows a decline – the overall number contracts fell slightly. But that’s irrelevant: all of the drivers of growth are still rising, with zero premium plans stronger and zero deductible PDP plans still rising.

“It’s a picture of programs that are rock-solid and driving insurers’ revenues and earnings, offering better supplemental benefits for no increase in price for two-thirds of beneficiaries,” experts at **Gorman Group** discovered after doing their usual detailed review. “CMS appears to be sandbagging its enrollment projections and assumed no growth for MA in 2017,” John Gorman explains. “We think we’re heading to 4.2-4.5% enrollment growth, continuing a steady, winning drumbeat for the industry.”

By the numbers, the landscape files showed the following:

- While the number of contracts with CMS dropped by 8%, the number of Plan Benefit Packages (PBPs) is virtually the same.
- The number of PBPs with \$0 premium is virtually the same. Although the number of \$0 premium Preferred Provider Organizations (PPOs) with prescription drugs has increased by 21 PBPs, the number of Health Maintenance Organizations (HMOs) with drugs has decreased.
- The number of PBPs with a \$0 drug deductible has decreased 11% from last year.
- Approximately two-thirds of all beneficiaries on an enrollment-weighted basis will see no premium increase, and most will see additional supplemental benefits in 2017, such as vision, hearing, and dental care. The average enrollment-weighted premium is actually \$1.19 less than 2016.
- Humana will offer the cheapest Prescription Drug Plan (PDP) in 22 of 34 regions. EnvisionRx, which was acquired by RiteAid last year, is the lowest bidder in 11 regions.
- WellCare and United showed improvement in Part D bidding and are now eligible for low-income auto-assigns in 8 and 27 regions, respectively.
- MA enrollment is up almost 60% since the passage of the Affordable Care Act (ACA) in 2010, smashing expectations of an exodus.
- Strangely, CMS implied in its announcement that MA growth would be flat in 2017. We’re projecting year-over-year growth of 4.2-4.5% in 2017.
- Centene (which acquired Health Net), United, and Aetna expanded their service areas in several states.

“By every measure, 2017 should be another good year for Medicare plans. Let’s hope whoever wins this Presidential election doesn’t screw it up.”



