

CAPITOL STREET

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Medicare Advantage Landscape Files 2025

MOH & CNC Exit The Most Counties While HUM/UNH/CVS Exit ~300 Each

Relevant Companies



»» Our Take & Next Up

CMS released landscapes on Sept 27 after the close ([here](#)) noting that average premiums are projected to decline in both the MA and Part D programs from 2024 to 2025 ([fact sheet here](#)). The Medicare Advantage (MA) program continues to face headwinds resulting in plans exiting counties and reducing benefits, according to CY2025 Landscape File data released Friday by the Centers for Medicare & Medicaid Services (CMS). While plans are unlikely to eliminate key benefits such as dental, vision, and hearing, we have projected that plans will cut things like OTC cards (Amazon gift cards etc) and other optional items like transportation and exercise programs. See below for CMS policy in 2025 on v28, Supplemental benefits & payment rate reductions overall. Next Up (1) Open enrollment starts Oct. 15 (ends Dec. 7) for 2025 (2) Benefit files (MA) should be released mid-October (3) MA rate notice for 2026 will be released Jan/Feb 2025, with the current CMS leadership authoring a majority of the rate notice no matter who wins the Presidential election (4) Final rates for 2026 will be by the first Monday in April of 2025. *See plan specific takeaways below.*

»» Key Points

Plan-Specific Takeaways: MOH will basically exit the MA program, going from 645 counties this year to only 9 counties in '25, with others (HUM, CVS, UNH, ELV) planning to exit ~100-300 counties (10-13% decrease). Centene will withdraw from 447 counties, impactful in our view. With no overall benefit changes at hand for 2025, the impact is difficult to assess at this time.

- **Humana (-11%):** Withdrawing from 315 counties (2,902 in 2024 vs. 2,587 in 2025, 11% decrease). 82 thousand Humana MA enrollees and 2.9 M total Medicare beneficiaries in these counties.
- **CVS (-13%):** Withdrawing from 295 counties (2,197 in 2024 to 1,902 in 2025, 13% decrease). 74 thousand CVS MA enrollees, 3.0 M total Medicare beneficiaries in these counties.
- **United (-11%):** Withdrawing from 309 counties (2,769 in 2024 to 2,460 in 2025, 11% decrease). 210 thousand United MA enrollees, 4.3 M total Medicare beneficiaries in these counties.
- **Elevance (-10%):** Withdrawing from 118 counties (1,135 in 2024 to 1,017 in 2025, 10% decrease). 4 thousand Elevance MA enrollees, 817 thousand total Medicare beneficiaries in these counties.
- **Centene (-26%):** Withdrawing from 447 counties (1,740 in 2024 to 1,293 in 2025, 26% decrease). 35 thousand Centene MA enrollees, 6.2 M total Medicare in these counties.

- **Molina (-99%):** Withdrawing from 637 counties (645 in 2024 to 9 counties in 2025, 99% decrease). 38 thousand Molina MA enrollees, 19.8 M total Medicare beneficiaries in these counties.

The average monthly plan premium for all MA plans, which includes MA plans that provide prescription drug coverage and MA Special Needs Plans (SNPs), is projected to decline from \$18.23 in 2024 to \$17.00 in 2025. CMS notes that benefit options will remain stable, including MA supplemental benefit offerings such as hearing, dental, and vision. The amount of rebate dollars, which can be used for supplemental benefits, will also remain stable, with a slight increase, from 2024 to 2025.

Enrollment in MA is projected to be 35.7 M in 2025. This represents an increase from 2024, with MA enrollment representing approximately 51% of all people enrolled in Medicare.

The average total Part D premium is projected to decline as well, by \$7.45 in 2025, from \$53.95 in 2024 to \$46.50 in 2025. This premium does not reflect the premium that enrollees pay, as it is before the application of MA rebate dollars to the Part D premium. The average stand-alone Part D plan total premium is projected to decrease from \$41.63 in 2024 to \$40.00 in 2025 (a decrease of \$1.63). After the application of MA rebates, which reflects what people in MA plans with prescription drug coverage will actually pay, the average Part D total premium for MA plans with prescription drug coverage is projected to decrease from \$15.56 in 2024 to \$13.50 in 2025 (a decrease of \$2.06).

Not new news. Plans have noted their intention to reduce geographies and benefits for 2025, given the challenging environment, to maintain margin. In Sept at an investor conference, the CFO of HUM noted they will exit 560,000 members, 10% of the membership base. Humana expects to retain half of those in other plans, so the net number is a couple hundred thousand. Coverage and footprint will remain the same - only 13 counties where Humana will have no members at all. As far as exit specifics, as leadership noted in its most recent earning call, given the TBC limitations and the trend in IRA and v28, a lot of that would fully be offset by the benefit changes and not leave much incremental room for margin recovery in the aggregate. The plan exits, though, do provide an opportunity to actually get margin expansion given some HUM plans are running at a loss.

As a reminder, CMS announced a Part D pilot to help plans, irking MA Plans. Our take (Aug 1) [here](#).

- CMS believes Part D premiums will spike next year, as they have the last two years; hence, this new demonstration. The parameters of the demonstration, in which participating plans would have a premium increase of no more than \$35, suggests that there are PDPs with premium increases above that amount for 2025.
- We have said we expect to see Part D premium increases through 2025 due to higher insurance liabilities in the catastrophic phase ([here](#)).
- The significantly increased cost sharing for plans is expected to impact plan premiums and potentially Part D benefit design. Even a few dollars in increased premiums are meaningful for seniors.

BACKGROUND

Final CY 2025 MA rates released in April (see analysis [here](#)) were about the same as proposed, a negative for MA plans & VBC providers. Typically, rates improve incrementally between proposed and final. We said that rates would improve approx. +1.0% for 2025, and that CMS would likely provide relief in the form of growth rate given elevated utilization 4Q23. The final notice can be found [here](#) with Advanced Notice [here](#).

In a separate CY2025 MA & D-SNP final rule (see analysis [here](#)), CMS finalized most MA plan policies as proposed, with supplemental benefit “bibliography” and mid-year benefit notifications being the most onerous to MA plans. The rule also provides policies around dual eligible (D-SNPs), cracking down on aggressive broker/marketing behaviors, mental health, post-acute denials/RADV and biosimilars. There is no significant cost burden accompanying the rules. CMS rules for MA focus on enhanced reporting requirements with an emphasis on health equity and transparency. More importantly, MA plans are gearing up for a 2025 pay cut per the final MA rules released on April 1. CMS appears not to believe that plans will reduce benefits in ‘25, but we very much believe that will be the case, with smaller and mid-sized regional plans being particularly vulnerable in the new rate environment.

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