

# CAPITOL STREET

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October 9, 2024

## MA Stars Coming

### Outlook

Relevant Companies



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## »» Our Take & Next Up

**Later this week we expect CMS to release the Star Ratings for all plans, with little-to-no visibility on Humana appeal/United lawsuit, in advance of the start of open enrollment that begins on October 15 and runs until December 7.** Given this timeline, we don't expect either Humana or United's issue to be resolved before the Star Ratings are posted. Humana is in the process of appealing with CMS, but if that appeal fails, the co is likely to sue. The 2025 Star Ratings impact 2026 payment, because these Star Ratings are used to determine qualifying for the bonus payment in 2026. See our MA landscapes analysis ([here](#)) **Next Up** : (1) Open enrollment starts Oct. 15 (ends Dec. 7) for 2025 (2) MA benefit files 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 notice i.e., no matter who wins the Presidential election (4) Final rates for 2026 will be released by the first Monday in April of 2025.

## »» Key Points

**MA 2025 Landscapes & Stars have led to CMS challenges (HUM, UNH), which we believe may not be resolved any time soon.** In advance of the release of the 2025 Star Ratings data to the public on or before October 10 (open enrollment starts on October 15) two health plans – Humana and United – have signaled that their star ratings have been negatively impacted and are pursuing different engagement strategies with CMS to resolve their issues. In Humana's case, they are appealing the Star Ratings with CMS, and in United's case, they are suing CMS. The 2025 Star Ratings are used to determine if a plan qualifies for the quality bonus payment in 2026. Plans must have a Star Rating of at least 4 stars to be eligible for these bonus payments. The Star Ratings for 2025 are likely to be released on or before October 10th.

**Both plans have encountered challenges with the Star Rating measures that captures performance on answering TTY/Foreign Language phone calls.** Because of the small number of calls used to evaluate performance, one failed call can lead to a low star rating (1 star), which can result in a plan no longer achieving an overall four stars. We believe that is likely what happened with both Humana and United.

**Bids for 2026 are due to CMS on the first Monday in June of 2025.** We'd expect that Humana and United would want resolution on their Star Ratings by the Spring so that they have sufficient time for their bid

preparation. If the case is not resolved by the Spring, we would expect both plans to prepare two 2026 bids -- (a) with and (b) without the quality bonus payment.

**We do not know the details of the situation with Humana, as they have not filed a lawsuit.** However, in United's case, we know that there were three phone calls in question, and CMS agreed to eliminate two of them from consideration. They did not eliminate the other call. While United has noted that Elevance experienced a similar issue, we do not know if, in fact, that was one call, or multiple calls. In United's case, CMS may think it has done sufficient review and would prevail in the court case.

**United lawsuit (suit [here](#)) is over how CMS determined whether or not the plan met the requirement to meet language and/or disability accessibility standards.** The specific star rating measure in question is "D01 – Call Center – Foreign Language Interpreter and TTY Availability". In their lawsuit, United notes that their Star Rating on this measure was downgraded "based on an arbitrary and capricious assessment of how the Plaintiffs' call center handled a single phone call that lasted less than ten minutes." United notes that it exhausted the review process following the first and second plan preview of the Star Ratings, and that CMS did not acknowledge its arguments about the invalidity of this call.

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