

# CAPITOL STREET

---

October 13, 2024

## MA Stars Report Card: Tough Environment in 2025

MedPAC Explores Supplemental Benefits & Home Health Utilization

Relevant Companies



---

### »» Our Take & Next Up

**CMS Stars indicate a challenging environment: Humana drop confirmed, CVS maintains, Centene improves. We provide other plan highlights below, while MedPAC analyzes \$83 B supplemental benefits rebates & MA home health usage.** See below for plan specific highlights. We had said that we will have little-to-no visibility on Humana appeal/United lawsuit, in advance of the start of open enrollment that begins this week on October 15 and runs until December 7. Next Up : (1) Open enrollment starts Oct. 15 (ends Dec. 7) for 2025 (2) 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 (3) Final rates for 2026 will be released by the first Monday in April of 2025.

### »» Key Points

**CMS notes a tougher Stars environment across the board for all plans.** The average MA-PD star rating in 2022 is 4.37, in 2023 it fell to 4.14, in 2024 it fell to 4.07 and for 2025 it falls to 3.92 (all contracts). Generally, higher overall Star Ratings are associated with contracts that have more experience in the MA program. MA-PDs with 10 or more years in the program are more likely to have four or more stars compared to contracts with fewer than five years in the program.

**A majority of CMS star rating measures indicate a lower score over time – See below for examples that CMS highlights in its release. ([here](#))**

- Breast cancer screening – The 2022 avg star was 3.9; for 2025 it is 3.4.
- Osteoporosis management in women who have had a fracture – The 2022 avg star was 3.1 in 2025 it is 2.7.
- Diabetes care – blood sugar control – The 2022 avg star was 4.3; for 2025 it is 3.7.
- Customer service – The 2022 avg star was 3.8; for 2025 it is 3.5.
- Statin therapy for patients with cardiovascular disease – the 2022 avg star was 3.5; in 2025 it is 3.0.

**Plan report card for 2026.** As a reminder, the 2025 Star Ratings impact 2026 payment, because these Star Ratings are used to determine qualifying for the bonus payment in 2026. Plans with at least 4 Stars in 2025 are eligible for bonus payments in 2026. See our MA landscape analysis ([here](#))

- **Humana drops** – ~70% of Humana’s members in a plan 4 stars or better is now in a plan rated 3 or 3.5 stars, which aligns with 8-K filing. Humana is appealing stars for 2026 and there is time for it to play out (bonus pay is for 2026).
- **United slight drop** – 70% in 4 star plans versus 80% the year before. United is suing CMS; see comments below.
- **Elevance maintains** – No real improvement as large contracts maintained star status.
- **CVS maintains** – Maintains positive positioning with about 90% plans in 4+ star plans.
- **Centene improves** – ~45% of its members will be in plans rated 3.5 stars or better, a 23% improvement from last year (the company also reported in 8-K).
- **Blue Cross Blue Shield** – Anecdotally, we note that many Blues plans fared slightly worse (Florida, Minnesota) YoY.

**MA 2025 Stars have led to CMS challenges (HUM, UNH), which we believe may not be resolved any time soon.** Our take is [here](#). 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-star rating. We believe that this is likely what happened with both Humana and United.

## MEDPAC TAKES ON SUPPLEMENTAL BENEFITS

**Data on MA enrollees' use of supplemental benefits is lacking, thereby questioning value, as CMS is paying out \$83 B in rebates.** MedPAC discussed the issue at its Oct. 10-11 meeting ([link](#)) and found that while an increasing share of MA enrollees are in plans offering dental, vision, hearing, and transportation coverage, current data does provide enough information about enrollees’ use of those benefits. Additionally, while spending for supplemental benefits has increased in the past decade (Medicare currently spends \$83 B in rebates to provide supplemental benefits), it’s difficult to calculate the value of those benefits due to the aforementioned lack of data. Once data is collected, MedPAC is focused on performing holistic analyses on the value of supplemental benefits. MedPAC also would like to consider how much benefit should be financed through the MA program. The data from this report will be included in MedPAC’s June 2025 report to the Congress.

**MedPAC also presented initial estimates of home health use among MA enrollees in 2021 – which is about the same for MA and FFS.** Or, 9.1% for MA beneficiaries and 10.1% for FFS beneficiaries. However, MedPAC noted underlying issues with the data that need to be addressed. Looking ahead, MedPAC wants to further explore data for MA enrollees using home health by analyzing beneficiary characteristics (such as clinical and functional status) and provider characteristics.

**Ipsita Smolinski**  
**Managing Director | Capitol Street**  
 ipsita@capitol-street.com

202.250.3741 | [www.capitol-street.com](http://www.capitol-street.com)

900 19th St NW 6th Fl  
 Washington, D.C. 20006

**CAPITOL STREET**

**Copyright 2024 Capitol Street.**

*This communication, including this broadcast and any attachments hereto, is intended solely for the original recipient(s) and may not be redistributed without the written consent of Capitol Street. This communication is for informational purposes only and is not*

*intended as an offer or solicitation for the purchase or sale of any financial instruments, nor is it intended as advice to purchase or sell such instruments*