CAPITOL STREET

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Medicare Advantage: Our Take on Sept-Jan Catalysts

RADV Hardship Waivers, '27 Stars, Landscape Files & Technical Rule Previews, 2027 Rate Outlook

Relevant Companies

Our Take & Next Up

We anticipate a busy fall for Medicare Advantage plans with aggressive RADV audit kickoff (delays in store & litigation likely), landscape files showing a reduced footprint, and a Part C/D technical rule. (1) RADV audits are scheduled to start this month, with ambitious submission deadlines and a dramatically expanded 'coding' workforce, signaling a heightened focus on payment integrity & oversight. We expect plans are and will pursue hardship waivers to delay initial medical record submissions (see timelines below). (2) The mid-September release of CMS landscape files will provide insight into CY 2026 plan offerings. (3) The fall technical rule could have some surprises but we do not expect GLP-1 coverage here. (4) We do not anticipate passage of the *No Upcodes Act* as is (Sen. Cassidy) this fall; sponsors tweak policies for it to pass Congressional muster. (5) 2027 rates will be here before we know it, our take inside.

Key Points

RADV AUDITS

CMS issued guidance (June here), with an aggressive audit scheduled to start this month, with MR (medical record) submission deadlines and workforce expansion first to kick off. CMS will conduct PY 2019 contract-specific RADV audits with the first batch of medical record submissions due September 15, 2025, and a second batch due September 29, 2025. Given the upcoming dates, we could see deadlines be extended, potentially up to a month, depending on the efficiency of the medical record review process and the availability of records.

We would not be surprised if plans request hardship waivers to delay the first phase. Hardship waivers are exceptions CMS can grant to MAOs (Medicare Advantage Organizations) if unusual circumstances (i.e natural disasters, seizure of medical records by law enforcement) make it impossible to submit medical records (MRs) for auditing. Although, CMS makes it clear in their methodology document that staffing/HR issues or lack of provider response are not legitimate scenarios to request an exception.

As a reminder, CMS is expanding its coding workforce from 40 to 2,000 (by September 1, 2025). These audits and workforce expansions underscore CMS's continued focus on payment integrity, overpayment mitigation, and compliance with risk adjustment policies. We could see most/all RADV dates slip, as the agency's fast-approaching schedule is ambitious.

LANDSCAPE FILES

CMS Landscape files are scheduled to be released this month (Sept 15 or 22 week), which will include data on plan offerings for CY 2026. CMS releases "landscape files" via spreadsheets, with information regarding MA, Part D plans, including data on premiums, deductibles, provider networks, benefits, cost sharing, plan attributes, and other changes.

Given the challenging environment for MA and for PDPs (prescription drug plans), we could see substantial reductions in the number of plans that are available. Large-scale PDP withdrawals and reductions, following last year's declines since the IRA, could signal further market unraveling.

Zero premium plans are likely the last ones to fall. Last year, our analysis of the landscape files (our take here), described CY 2025 Part D premium increases due in part to higher insurance liabilities in the catastrophic phase. This year we could see more of a redistribution of benefits (versus premium spikes).

NEW FOR 2026: On October 1, Medicare beneficiaries will be able to view available plans on Medicare planfinder. This year, CMS is adding new features, including provider directory information and improved labels on supplemental benefits. Planfinder will show the types of benefits available for the plans offered for 2026.

STAR RATINGS & AEP

2026 Star Ratings will be released around the same time that Medicare beneficiaries can view available plans on Planfinder, or October 1. With increases in the cut points for various Star Rating measures, fewer plans may achieve a four-star rating. These ratings could impact 2027 Quality Bonus Payments, as their eligibility is dependent on 2026 ratings. Plans – such as CNC and UNH – have released preliminary Star data.

From October 15 and through December 7, Medicare beneficiaries will have the option to choose a new MA or standalone PDP for 2026.

- Given that some large carriers have decided to no longer pay commissions on new enrollments, the AEP could show less growth in MA enrollment as compared to previous years.
- Some carriers may choose to release information publicly on their enrollment, but for the most part, information on which plans gained vs. lost enrollment, as well as overall changes to MA enrollment, would not be available until about the middle of January, when CMS releases enrollment data for January 2026.

CY27 MA TECHNICAL RULE

Last week, CMS announced that plans will not be required to disclose unused supplemental benefits to beneficiaries mid-year. This reverses a provision previously finalized in April, that had been viewed as onerous to plans (and increased cost due to subsequent overutilization).

The CY27 Technical Rule is pending review at OMB, and could include policies that were not finalized by the Trump Administration. This could include coverage of anti-obesity medications (but we doubt it), annual equity analyses of utilization, annual equity analyses of utilization management, and AI guardrails to ensure equitable access to MA services. The CY26 technical tule was finalized in April 2025 (our take here), and made changes to MA, Part D and Cost Plans, while GLP-1s remain uncovered.

Broker regulations may be coming. Following a recent court decision striking down CMS' agent/broker commission limits, the agency may issue new regulations to address the ruling, potentially including changes to prior authorization (PA) requirements.

GLP-1s are not covered by Medicare for obesity, but CMMI may launch a pilot (see our analysis). Proposed provisions like anti-obesity/GLP-1 drug coverage and AI guardrails in MA. We are continuing to monitor GLP-1 coverage in Medicare & Medicaid, as recall there may be a proposed five-year experiment (our take here) this fall.

CY27 ADVANCED NOTICE

Given the significant increase in rates from the 2026 payment notice, a large increase in 2027 seems unlikely. CMS will probably continue to utilize the phased-in V28 model, and also potentially use an encounter data based model.

CMS may note the possibility of using 'inferred' risk adjustment. This is the idea that other sources of data could be used to generate diagnosis codes, an idea put forward by Abe Sutton, the current head of CMMI (here).

As a reminder, in 2026 plans were provided +5.06% update (our take here), while deferring other provisions which we could see in 2027.The CY 2026 MA & Part D Rate Announcement finalized updates across risk adjustment duals coordination, supplemental benefits, Part D, and Star Ratings. However the announcement deferred items such as MA provider directory requirements, enhanced marketing guidance, and certain Star Ratings changes, including Health Equity Index updates and potential universal measures to 2027. Part D updates also allow enrollees to pay out-of-pocket costs in monthly installments and implement automatic election renewal.

NO UPCODES ACT

The *No Upcodes Act* ($124B/ten) (here) is unlikely to pass in 2025, as it has significant industry pushback, and remains stalled in the Senate Finance Committee. The act proposes structural changes for risk adjustment methods such as:

- A two-year diagnostic lookback for risk adjustment (rather than the current one-year standard)
- Ban the use of Health Risk Assessments (HRAs) in risk scoring
- Require public reporting of MA versus FFS coding patterns

We believe that a more modest version of the *No Upcodes Act*, scoring closer to $50-$75 B/ten, is more likely to pass in 2026+. Given no major pay-fors, MA will likely have to wait as we enter the crowded fall calendar in 2025 such as CY26 funding, EPTCs, telehealth and other health extenders/ expiring provisions. The bill still has bipartisan support and could result in further legislation at the end of the year, but industry lobbying

efforts could result in a more watered down version. Notably, CMS could still act on HRAs through regulations, and modifications are a real possibility in the 2027 Advanced Notice in January 2026.

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