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CMS releases 2022 Medicare Advantage and Part D Rate Announcement

Releasing Medicare Advantage and Part D payment information will help plans in light of COVID-19

Today, the Centers for Medicare & Medicaid Services (CMS) announced 2022 Medicare Advantage (MA) and Part D rates three months earlier than usual providing Medicare health and prescription drug plans more time to consider this information as they prepare and finalize their bids for 2022, which are due June 7, 2021. Today's announcement follows the release of the Contract Year 2022 MA and Part D Final rule on January 15, 2021 that includes additional policies applicable to coverage for the 2022 plan year and will potentially lower beneficiary cost sharing on some of the most expensive prescription drugs. This earlier release of the Rate Announcement, along with the policies announced in the 2022 MA and Part D Final Rule, will help Medicare Advantage and Part D plans better plan for 2022 plan costs, in light of the uncertainty associated with the COVID-19 pandemic.

For the past four years, CMS has prioritized flexibility and competition in Medicare Advantage and Part D to spectacular effect. Since 2017, Medicare Advantage premiums have plunged 34 percent, and Part D premiums are down 12 percent. Crucially, these premium reductions have come with new and better benefits, as beneficiaries also enjoy more plan options.

“The vindication of our fresh approach to healthcare policy, one that discards the consensus of the last several decades – prescriptiveness, overregulation, and micromanagement from Washington D.C. at every turn – is complete and undeniable,” said CMS Administrator Seema Verma “CMS’s efforts to lower prices and improve benefits has delivered historic results.”

Every year, CMS adopts certain payment policies for Medicare Advantage and Part D after considering comments submitted on the [Advance Notice](#). The final policies described in today’s Rate Announcement are expected to increase per-capita plan payments by 4.08 percent on average.

Additionally, this year’s public health emergency led to policy changes, including for the 2022 Star Ratings calculations described in COVID-19 interim final rules that appeared in the Federal Register on April 6, 2020 (<https://www.govinfo.gov/content/pkg/FR-2020-04-06/pdf/2020-06990.pdf>) and September 2, 2020 (<https://www.federalregister.gov/documents/2020/09/02/2020-19150/medicare-and-medicaid-programs-clinical-laboratory-improvement-amendments-clia-and-patient>).

The Rate Announcement also: includes the date by which plans must submit requests for changes to the appeals and complaints measures data for Star Ratings; lists the measures included in the Part C and D Improvement measures and the Categorical Adjustment Index for the 2022 Star Ratings; and lists the states and territories with Individual Assistance designations from the FEMA major disaster declarations used in the definition of an affected contract for the 2022 Star Ratings extreme and uncontrollable circumstances policy.

CMS continues to review different measurement concepts provided in response to the Advance Notice, including those for Provider Directory Accuracy (Part C) and COVID-19 Vaccination (Part C). CMS will take the feedback received into

consideration as we continue to explore the feasibility of developing measures in these areas.

Today's Rate Announcement also includes final policies on risk adjustment for 2022. Due to requirements in the 21st Century Cures Act, CMS is finalizing the full phase-in of the Part C CMS-Hierarchical Condition Categories (HCC) risk adjustment model that was first implemented in 2020. This risk adjustment model includes variables that count the number of conditions a beneficiary has among those in the risk adjustment model and additional conditions for mental health, substance use disorder, and chronic kidney disease. With the full phase-in of this 21st Century Cures CMS-HCC risk adjustment model, which is designed to calculate risk scores using diagnoses from encounter data submissions, the Part C risk score used for payment in 2022 will rely entirely on diagnoses from MA encounter data and FFS claims as the sources of diagnoses.

For a fact sheet on the 2022 Medicare Advantage and Part D Rate Announcement, please visit: <https://www.cms.gov/newsroom/fact-sheets/2022-medicare-advantage-and-part-d-rate-announcement-fact-sheet>

The 2022 Rate Announcement can be viewed at: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Announcements-and-Documents.html> and selecting "2022 Announcement."

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