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### CMS NEWS

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#### **Trump Administration Announces Historically Low Medicare Advantage Premiums and New Payment Model to Make Insulin Affordable Again for Seniors**

*Medicare Advantage program continues to grow, offering seniors a greater number of plan choices and increased benefits*

Ahead of the annual Medicare Open Enrollment, the Centers for Medicare & Medicaid Services (CMS), under the leadership of President Trump, announced today that average 2021 premiums for Medicare Advantage plans are expected to decline 34.2 percent from 2017 while plan choice, benefits, and enrollment continue to increase. The Medicare Advantage average monthly premium will be the lowest in 14 years (since 2007) for the over 26 million Medicare beneficiaries projected to enroll in a Medicare Advantage plan for 2021. Additionally, for the first time, seniors who use insulin will have over 1,600 Medicare Advantage and Part D prescription drug plans to choose from that will offer insulin at no more than a \$35 monthly copay beginning in January.

This news comes as the agency releases the benefit and cost-sharing information for Medicare Advantage and Part D prescription drug plans for the 2021 calendar year. Medicare Advantage plans are private health plans that cover all Medicare benefits plus provide additional benefits, while Part D plans are private health plans that provide prescription drug coverage for seniors. Specific highlights include:

- The Medicare Advantage average monthly plan premium is expected to decrease 11 percent to \$21.00 (estimated) in 2021 from an average of \$23.63 in 2020. Since 2017, the average monthly Medicare Advantage premium has decreased by an estimated 34.2 percent. This is the lowest that the average monthly premium for a Medicare Advantage plan has been since 2007. In some states including Alabama, Nevada, Michigan, and Kentucky, beneficiaries will see average premium decreases of over 50 percent since 2017. The trend of lower Medicare Advantage premiums means that beneficiaries have saved nearly \$1.5 billion in premium costs since 2017.

- Beneficiaries will have more plan choices, with about 2,100 more Medicare Advantage plans operating in 2021 than in 2017, a 76.6 percent increase. Overall, beneficiaries can choose from more than 4,800 Medicare Advantage plans during 2021 open enrollment.
- The average number of Medicare Advantage plan choices per county will increase from about 39 plans in 2020 to 47 plans in 2021. This represents an increase of 78.5 percent since 2017. The number of plan options in rural counties has increased to 2,900 in 2021 from about 2,450 in 2020 (about an 18 percent increase), as a result of flexibilities we gave to plans on benefit coverage and building their provider networks.
- Medicare Advantage continues to be popular, with enrollment projected to increase to an all-time high of 26.9 million beneficiaries from current enrollment of 24.4 million. The projected enrollment for 2021 represents a 44 percent increase in Medicare Advantage enrollment since 2017. About 42 percent of beneficiaries are expected to be enrolled in Medicare Advantage for 2021. Starting in 2021, beneficiaries with End Stage Renal Disease will now have the option to enroll in a Medicare Advantage plan, giving them more affordable Medicare coverage choices.
- As [previously announced](#), the average basic Part D premium will be approximately \$30.50 in 2021. The trend of lower Part D premiums, which have decreased by 12 percent since 2017, means that beneficiaries have saved nearly \$1.9 billion in premium costs over that time. Further, Part D continues to be an extremely popular program, with enrollment increasing by 16.7 percent since 2017.
- Since 2017, beneficiaries have saved approximately \$3.4 billion in combined Medicare Advantage and Part D premium costs.

“Once again, President Trump has delivered tangible results for America’s seniors,” said CMS Administrator Seema Verma. “Today’s announcement confirms that market competition works. Historically low premiums, massive savings on insulin, and more supplemental benefits represent the welcome fruit of the creative, patient-oriented policies that this administration has made its calling card. Medicare beneficiaries will feel the difference – in their health as well as their pocketbook.

With over 1,600 prescription drug plans across the nation, for the first time, seniors who use insulin will be able to choose a plan in their area that offers insulin savings through the Part D Senior Savings Model and provides coverage of a broad set of insulins, each for no more than \$35 per month. Beneficiaries will be able to find prescription drug plans that are participating in the Part D Senior Savings Model in the 2021 plan year through the Medicare Plan Finder on Medicare.gov during the annual open enrollment period this Fall. CMS will add a new “Insulin Savings” filter to easily display plans that will offer capped out-of-pocket costs for insulin.

Based on flexibilities that the Trump Administration provided Medicare Advantage and Part D plans over the last three years, beneficiaries will continue to have an even greater number of plan choices with new types of extra benefits that aren’t usually covered in traditional Medicare. Highlights of benefits for 2021 include:

- Over 94 percent of Medicare Advantage plans will offer additional telehealth benefits reaching 20.7 million beneficiaries, up from about 58 percent of plans offering telehealth benefits in 2020. In 2019, CMS implemented legislation signed by President Trump to give seniors enrolled in Medicare Advantage plans access to additional telehealth benefits from the convenience of their homes.
- For the first time in Medicare, 53 Medicare Advantage plans will offer increased access to palliative care and integrated hospice care to their enrollees through the Medicare Advantage Value-Based Insurance Design Model.

- More opportunities for seniors to choose from Medicare Advantage plans that provide extra healthcare benefits to keep people healthy. In 2021, about 730 plans will provide about 3 million Medicare Advantage enrollees with these additional types of supplemental benefits, such as adult day health services, caregiver support services, in-home support services, therapeutic massage or home-based palliative care, that are primarily health related under a new interpretation adopted beginning with 2019.
- Expanding access to reduced cost sharing to benefits for enrollees with certain conditions, such as diabetes and congestive heart failure, due to the agency's reinterpretation of the uniformity requirement in 2018. About 500 plans in 2021 will offer up to 2.5 million Medicare Advantage enrollees with particular conditions with access to lower copayments or additional benefits such as meals and transportation.
- About 920 plans reaching 4.3 million beneficiaries will offer non-primarily health related benefits tailored to people with chronic conditions that may help them better manage their disease(s). Examples of these benefits include pest control, home cleaning services, meal home delivery, and transportation for non-medical reasons such as trips to the grocery store.
- More than 440 Medicare Advantage plans will be participating in the 2021 Medicare Advantage Value-Based Insurance Design Model, with over 1.6 million beneficiaries projected to receive additional benefits such as healthy foods and meals, transportation support, reduced cost-sharing and rewards and incentives aligned with Part D drugs. This represents a nearly a 20 times increase in Medicare Advantage enrollees benefiting from the model compared to 2019.
- CMS will release a request for applications, including for the hospice benefit component, for the Medicare Advantage Value-Based Insurance Design Model 2022 plan year later this fall.

CMS anticipates updating Medicare.gov with the 2021 Medicare Advantage and Part D premiums and cost-sharing information and releasing the Star Ratings for Medicare Advantage and Part D plans in early October. Plan quality has improved in recent years, where in 2020, the average star rating for all Medicare Advantage plans with prescription drug coverage has improved to 4.16 out of 5 stars, increasing from 4.02 in 2017, and the average star rating for a stand-alone prescription drug plan has improved from 3.34 in 2019 to 3.50 in 2020.

Medicare Open Enrollment begins on October 15, 2020, and ends on December 7, 2020. During this time, Medicare beneficiaries can compare coverage options like Original Medicare and Medicare Advantage and choose health and drug plans for 2021. Medicare health and drug plan costs and covered benefits can change from year to year, so people with Medicare should look at their coverage choices and decide on the options that best meet their health needs. They can visit Medicare.gov (<https://www.medicare.gov>), call 1-800-MEDICARE, or contact their [State Health Insurance Assistance Program](#). People who want to keep their current Medicare coverage do not need to re-enroll.

View this chart on the Medicare Advantage premium change between 2017 and 2020 on a state-by-state basis at: <https://www.cms.gov/files/document/medicare-advantage-premium-change-between-2017-2020.pdf>.

To view the premiums and costs of 2021 Medicare Advantage and Part D plans, please visit: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index.html>. Select the various 2021 landscape source files in the downloads section of the webpage.

For state-by-state information on Medicare Advantage and Part D in 2021, please visit: <https://www.cms.gov/files/document/2021-ma-part-d-landscape-state-state-fact-sheets.pdf>.

For more information on the Part D Senior Savings Model, including plan participation, please visit: <https://innovation.cms.gov/innovation-models/part-d-savings-model>.

For more information on the Medicare Advantage Value Based Insurance Design Model, including plan participation, please visit: <https://innovation.cms.gov/innovation-models/vbid>.

For a Spanish version of this press release, please visit: <https://www.cms.gov/newsroom/press-releases/el-gobierno-del-presidente-trump-anuncia-primas-de-medicare-advantage-historicamente-bajas-y-un>.

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