

**Centers for Medicare & Medicaid Services  
2022 Medicare Advantage and Part D Rate Announcement**

The Centers for Medicare & Medicaid Services (CMS) on Jan. 15 [released](#) the Rate Announcement for Medicare Advantage (MA) and Part D plans. According to CMS, the rate announcement was released three months earlier to give MA plans and Part D sponsors more time to take this information into consideration as they prepare 2022 bids. The following is a summary of some of the provisions in the rate announcement.

**Net Payment Impact:**

<b>Impact</b>	<b>2022 Advance Notice</b>	<b>2022 Rate Announcement</b>
Effective Growth Rate	4.55%	5.59%
Rebasing/Re-pricing	N/A <sup>1</sup>	0.16%
Change in Star Ratings	-0.34%	-0.28%
MA Coding Pattern Adjustment	0%	0%
Risk Model Revision	0.25%	0.25%
Encounter Data Transition	0%	0%
Normalization	-1.64%	-1.64%
<b>Expected Average Change in Revenue<sup>2</sup></b>	<b>2.82%</b>	<b>4.08%</b>

**CMS-Hierarchical Condition Categories (CMS-HCC) Risk Adjustment Model:**

CMS will complete phasing in the model implemented in 2020, which meets the statutory requirements of the 21st Century Cures Act. According to CMS, 100% of the risk score will be calculated with the 2020 CMS-HCC model.

**Use of Encounter Data for 2022:**

CMS will end the blending of encounter data-based and RAPS-based risk scores and move to calculating 100% of the risk score using diagnoses from MA encounter data and FFS claims for CY 2022.

**Final 2022 Part C and ESRD Normalization Factors:**

2020 CMS-HCC Model: 1.118

2017 CMS-HCC Model: 1.128

CMS-HCC 2019 ESRD dialysis model & 2020 ESRD dialysis model: 1.077

CMS-HCC 2019 ESRD functioning graft model & 2020 ESRD functioning graft model: 1.126

**Adjustment for MA Coding Pattern Differences:**

CMS will implement an MA coding pattern difference adjustment of 5.90% for CY 2022.

**End Stage Renal Disease (ESRD) State Rates:**

CMS will continue to determine the ESRD dialysis rates by state as described in Part II of the CY 2022 Advance Notice.

**Centers for Medicare & Medicaid Services**  
**Contract Year 2022 Medicare Advantage and Part D Final Rule**

The Centers for Medicare & Medicaid Services (CMS) on Jan. 15 [issued](#) a second final rule related to the Feb. 2020 proposed rule for Medicare Advantage (MA) and Part D plans. Notably, CMS does not address the Maximum Out-of-Pocket (MOOP) Limits for Medicare Parts A and B Services and Service Category Cost Sharing Limits for Medicare Parts A and B Services and per Member per Month Actuarial Equivalence Cost Sharing. The following is a summary of some provisions from the final rule.

**Mandatory Drug Management Programs**

Part D sponsors will be required to implement drug monitoring programs, effective plan year 2022.

**Beneficiaries' Education on Opioid Risks and Alternative Treatments:**

CMS is finalizing requirements that Part D sponsors and MA-PDs must provide information on the risks of opioids and alternative therapies to all Part D beneficiaries with modification starting in plan year 2022.

**Medicare Advantage (MA) and Part D Prescription Drug Program Quality Rating System**

CMS is codifying additional existing rules for calculating the ratings used for MA Quality Bonus Payments, implementing updates to the Health Outcomes Survey measures, adding new Part C measures, clarifying the rules around contract consolidations and application of the adjustment for extreme and uncontrollable circumstances when data are missing due to data integrity concerns, and making additional technical clarifications. Data will be collected and performance measured using these rules and regulations for the 2022 measurement period and the 2024 Star Ratings

**Permitting a Second, "Preferred," Specialty Tier in Part D**

The final rule would allow Part D sponsors to establish up to two specialty tiers and design an exceptions process that exempts drugs on these tiers from tiering exceptions to non-specialty tiers.

**Beneficiary Real Time Benefit Tool (RTBT)**

CMS finalized a requirement that Part D plan sponsors implement a beneficiary real-time benefit tool (RTBT) by January 1, 2023. The RTBT must allow enrollees to view the information included in the prescriber RTBT system, which will include accurate, timely, and clinically appropriate patient-specific real-time formulary and benefit information (including cost, formulary alternatives and utilization management requirements).

**Supplemental Benefit Requirements**

CMS codified existing policy related to supplemental benefits. This includes: the Medicare Managed Care Manual (Chapter 4) criteria for a supplemental benefit, expanded definition of "primarily health related," and the reinterpreted uniformity requirements.