

**CMS Office of the Actuary
Rate Announcement 2024**

Key Components of non-end-stage renal disease (non-ESRD) United States Per Capita Cost (USPCC) Trends for 2020-2024

Fee-for-Service (FFS) non-ESRD USPCC Trends—Part A

Highlights of Trends for 2020–2024

- The projected increase in per capita Part A expenditures during 2020–2024 is 16.0 percent.
- Averaged across all Part A services, changes in demographics during the period are estimated to reduce the cost trend by 1.7 percent. This impact excludes the impact of the COVID-19 pandemic. Also, utilization and case mix trends implicitly include effects of the demographic shift.
- Inpatient
 - The trend in per capita expenditures for the period is 16.5 percent.
 - Per capita utilization decreased by 8.6 percent.
 - Case mix increased 7.6 percent during the period.
 - Per capita FFS medical education increased 29.6 percent during the period
- Skilled Nursing Facility
 - Per capita expenditures are projected to increase 14.3 percent during 2020–2024.
 - The projected utilization trend is –4.3 percent during the period.
 - The case mix index increased 11.2 percent.
- Home Health
 - The 5-year USPCC trend is 10.9 percent. The trends for 2020–2022 and 2023–2024 are –5.7 percent and 17.6 percent, respectively.
 - During this period, Part A and Part B utilization is projected to decrease by 7.2 percent, and the case mix trend is 7.5 percent.

Rate Announcement 2024 versus Rate Announcement 2023 and Advance Notice 2024 (Part A)

The projections supporting Rate Announcement (RA) 2023 are incurred experience through September 30, 2021 and cash activity through December 31, 2021. Advance Notice (AN) 2024 USPCCs are based on incurred experience and cash activity through September 30, 2022. The projections supporting RA 2024 are based on incurred experience through September 30, 2022 and cash activity through December 31, 2022.

Fee-for-Service (FFS) non-end-stage renal disease (non-ESRD) United States Per Capita Cost (USPCC) Trends—Part B

Highlights of Trends for 2020–2024

- The projected increase in per capita Part B expenditures during 2020–2024 is 32.7 percent.
- Averaged across all Part B services, changes in demographics for the 5 years are estimated to reduce the cost trend by 0.5 percent. This impact excludes the impact of the COVID-19 pandemic. Also, utilization and case mix trends implicitly include effects of the demographic shift.
- Physician Fee Schedule
 - Per capita expenditures are projected to increase 15.3 percent during 2020–2024. The corresponding volume and intensity trend during the period is 8.9 percent.
- Outpatient Hospital
 - The trend for the 5 years is 52.3 percent, which is mainly attributed to the 31.3-percent trend in volume and intensity for non-drug services and to the 63.4-percent per capita trend for drugs.
- Home Health
 - The 5-year trend is 13.3 percent.
 - During this period, Part A and Part B utilization is projected to decrease by 7.2 percent, and the case mix trend is 7.5 percent.
- Durable Medical Equipment
 - The trend during 2020–2024 is 34.9 percent with a corresponding trend in volume and intensity during the period of 21.1 percent.
- Other Carrier
 - This category includes carrier laboratory services, ambulatory surgical centers (ASCs), ambulance services, and medical supplies.
 - The 5-year trend for this category is 38.0 percent.
- Physician-Administered Drugs
 - The 5-year trend for this category is 54.1 percent.
- Intermediary, other than outpatient hospital
 - This category includes intermediary laboratory services, therapy services, dialysis facilities, rural health clinics, and federally qualified health centers.
 - The 5-year trend for this category is 21.3 percent.

Rate Announcement 2024 versus Rate Announcement 2023 and Advance Notice 2024 (Part B)

The projections supporting Rate Announcement (RA) 2023 are incurred experience through September 30, 2021 and cash activity through December 31, 2021. Advance Notice (AN) 2024 USPCCs are based on incurred experience and cash activity through September 30, 2022. The projections supporting RA 2024 are based on incurred experience through September 30, 2022 and cash activity through December 31, 2022.

Total non-end-stage renal disease (non-ESRD) United States Per Capita Cost (USPCC) Trends

Total USPCC Trend—Part A, 2020–2024

- Total—fee-for-service (FFS) plus managed care: 15.8 percent
- FFS: 16.0 percent
- Managed care: 12.0 percent

Total USPCC Trend—Part B, 2020–2024

- Total—FFS plus managed care: 32.6 percent
- FFS: 32.7 percent
- Managed care: 29.8 percent

Total USPCC Trend—Parts A and B, 2020–2024

- Total—FFS plus managed care: 25.3 percent
- FFS: 25.5 percent
- Managed care: 21.9 percent

Rate Announcement 2024 versus Rate Announcement 2023, Parts A and B

- The calendar year (CY) 2024 FFS USPCC growth rate of 2.45 percent consists of a prior period adjustment of –1.94 percent and a current 2024/2023 trend of 4.48 percent. The primary drivers of the prior period adjustment are revisions to Part A historical experience and projection factors, exclusion of 33 percent of MA medical education, and revised forecast scenarios of the COVID-19 pandemic.
- The CY 2024 total USPCC growth rate is 1.60 percent, which is based on a prior period adjustment of –1.77 percent and a current 2024/2023 trend of 3.43 percent. The prior period adjustment is a combination of the FFS adjustment of –1.94 percent and the managed care adjustment of –1.60 percent.
- The implicit CY 2024 managed care growth rate of 0.55 percent consists of a prior period adjustment of –1.60 percent and a current 2024/2023 trend of 2.18 percent. The prior period adjustment is mainly attributed to lower-than-anticipated risk score settlements for CY 2021.

Rate Announcement 2024 versus Advance Notice 2024, Parts A and B

- The 2024 FFS growth rate of 2.45 percent in Rate Announcement (RA) 2024 is 0.30 percent higher than the rate of 2.15 percent reflected in Advance Notice (AN) 2024.
- The 2024 total growth rate of 1.60 percent in RA 2024 is 0.21 percent lower than the 1.81 percent update reflected in AN 2024.
- The 2024 managed care growth rate shown in RA 2024 is 0.55 percent, which is 0.69 percent lower than the 1.24 percent update that is implicitly reflected in the total growth rate for AN 2024. This decrease is mainly due to lower baseline projections for FFS Part A resulting in lower projected 2024 MA benchmarks and bids.

- Notes about Rate Announcement (RA) 2024 United States Per Capita Cost (USPCC) values and trends:
 - The USPCCs are published in accordance with section 1853(b)(1) of the Social Security Act.
 - The FFS USPCCs reflect actual and projected Medicare Part A and Part B enrollment and program expenditures for non-end-stage renal disease (non-ESRD) beneficiaries enrolled in the Medicare FFS program.
 - The total FFS USPCCs reflect actual and projected Medicare Part A and Part B enrollment and program expenditures for non-ESRD beneficiaries enrolled in all types of coverage, including FFS Medicare, the Medicare Advantage (MA) program, cost plans, and the Programs of All-Inclusive Care for the Elderly (PACE).
 - The USPCC values and trends may not be directly applicable to the preparation of calendar year (CY) 2024 MA bids and supporting assumptions. In particular, MA bids may differ from the USPCCs in enrollee geographic distribution, enrollee demographic/risk profiles, provider contracting arrangements, care management, and other respects.

**Rate Announcement 2024
Non-ESRD FFS USPPC**

<u>Coverage</u>	<u>CY 2019</u>	<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY2024 growth rate</u>
Rate Announcement 2023							
Part A	\$383.05	\$372.68	\$388.34	\$424.46	\$448.03	\$465.39	n/a
Part B	500.77	473.99	546.76	598.85	630.60	666.68	n/a
Total	\$883.82	\$846.67	\$935.10	\$1,023.31	\$1,078.63	\$1,132.07	n/a
Advance Notice 2024							
Part A	\$372.16	\$361.53	\$372.41	\$388.17	\$415.61	\$430.65	-3.88%
Part B	501.24	474.18	552.81	580.21	630.33	671.16	6.43%
Total	\$873.40	\$835.71	\$925.22	\$968.38	\$1,045.94	\$1,101.81	2.15%
Rate Announcement 2024							
Part A	\$380.01	\$370.93	\$384.05	\$398.10	\$428.63	\$440.70	-1.64%
Part B	500.82	473.65	550.73	573.64	629.07	664.40	5.36%
Total	\$880.83	\$844.58	\$934.78	\$971.74	\$1,057.70	\$1,105.10	2.45%

Annual trend based on Rate Announcement 2024

							<u>'24/'19</u>
Part A	n/a	-2.39%	3.54%	3.66%	7.67%	2.82%	16.0%
Part B	n/a	-5.43%	16.27%	4.16%	9.66%	5.62%	32.7%
Total	n/a	-4.12%	10.68%	3.95%	8.85%	4.48%	25.5%

Prior period adjustment: Rate Announcement 2024 vs. Rate Announcement 2023

Part A	-0.79%	-0.47%	-1.10%	-6.21%	-4.33%	n/a
Part B	0.01%	-0.07%	0.73%	-4.21%	-0.24%	n/a
Total	-0.34%	-0.25%	-0.03%	-5.04%	-1.94%	n/a

Prior period adjustment: Rate Announcement 2024 vs. Advance Notice 2024

Part A	2.11%	2.60%	3.13%	2.56%	3.13%	2.33%
Part B	-0.08%	-0.11%	-0.38%	-1.13%	-0.20%	-1.01%
Total	0.85%	1.06%	1.03%	0.35%	1.12%	0.30%

Rate Announcement 2024
Non-ESRD total USGCC

Coverage	CY2003	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY2024 growth rate
Rate Announcement 2023								
Part A	\$296.18	\$400.21	\$402.19	\$412.79	\$447.39	\$469.56	\$488.33	n/a
Part B	247.66	521.77	522.62	573.53	624.52	668.36	707.07	n/a
Total	\$543.84	\$921.98	\$924.81	\$986.32	\$1,071.91	\$1,137.92	\$1,195.40	n/a
Advance Notice 2024								
Part A	\$296.18	\$400.79	\$403.91	\$409.36	\$434.28	\$460.52	\$461.85	-1.64%
Part B	247.66	522.14	522.78	570.23	608.20	658.04	696.68	4.24%
Total	\$543.84	\$922.93	\$926.69	\$979.59	\$1,042.48	\$1,118.56	\$1,158.53	1.81%
Rate Announcement 2024								
Part A	\$296.18	\$400.79	\$403.90	\$409.38	\$431.47	\$459.23	\$464.05	-1.17%
Part B	247.66	521.89	522.48	569.14	603.83	658.56	692.10	3.55%
Total	\$543.84	\$922.68	\$926.38	\$978.52	\$1,035.30	\$1,117.79	\$1,156.15	1.60%

Annual trend based on Rate Announcement 2024

								'24/'19
Part A	n/a	n/a	0.78%	1.36%	5.40%	6.43%	1.05%	15.8%
Part B	n/a	n/a	0.11%	8.93%	6.10%	9.06%	5.09%	32.6%
Total	n/a	n/a	0.40%	5.63%	5.80%	7.97%	3.43%	25.3%

Prior period adjustment: Rate Announcement 2024 vs. Rate Announcement 2023

Part A	0.00%	0.14%	0.43%	-0.83%	-3.56%	-2.20%	n/a
Part B	0.00%	0.02%	-0.03%	-0.77%	-3.31%	-1.47%	n/a
Total	0.00%	0.08%	0.17%	-0.79%	-3.42%	-1.77%	n/a

Prior period adjustment: Rate Announcement 2024 vs. Advance Notice 2024

Part A	0.00%	0.00%	0.00%	0.00%	-0.65%	-0.28%	0.48%
Part B	0.00%	-0.05%	-0.06%	-0.19%	-0.72%	0.08%	-0.66%
Total	0.00%	-0.03%	-0.03%	-0.11%	-0.69%	-0.07%	-0.21%

Rate Announcement 2024
Managed Care Monthly Non-ESRD Per-Capita Costs

<u>Coverage</u>	<u>CY 2019</u>	<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY2024 growth rate</u>
Rate Announcement 2023							
Part A	\$428.95	\$446.40	\$445.14	\$474.42	\$493.32	\$512.87	n/a
Part B	552.00	584.96	604.98	651.23	704.41	744.42	n/a
Total	\$980.95	\$1,031.36	\$1,050.12	\$1,125.65	\$1,197.73	\$1,257.29	n/a
Advance Notice 2024							
Part A	\$448.58	\$467.34	\$458.40	\$488.88	\$508.33	\$493.08	-0.05%
Part B	552.07	584.90	591.26	637.67	684.16	719.45	2.14%
Total	\$1,000.65	\$1,052.24	\$1,049.66	\$1,126.55	\$1,192.49	\$1,212.53	1.24%
Rate Announcement 2024							
Part A	\$435.47	\$453.27	\$443.12	\$471.15	\$492.05	\$487.52	-1.18%
Part B	552.08	584.90	591.25	635.58	686.49	716.76	1.75%
Total	\$987.55	\$1,038.17	\$1,034.37	\$1,106.73	\$1,178.54	\$1,204.28	0.55%

Annual trend based on Rate Announcement 2024

							<u>'24/'19</u>
Part A	n/a	4.09%	-2.24%	6.33%	4.44%	-0.92%	12.0%
Part B	n/a	5.94%	1.09%	7.50%	8.01%	4.41%	29.8%
Total	n/a	5.13%	-0.37%	7.00%	6.49%	2.18%	21.9%

Prior period adjustment: Rate Announcement 2024 vs. Rate Announcement 2023

Part A	1.52%	1.54%	-0.45%	-0.69%	-0.26%	n/a
Part B	0.01%	-0.01%	-2.27%	-2.40%	-2.54%	n/a
Total	0.67%	0.66%	-1.50%	-1.68%	-1.60%	n/a

Prior period adjustment: Rate Announcement 2024 vs. Advance Notice 2024

Part A	-2.92%	-3.01%	-3.33%	-3.63%	-3.20%	-1.13%
Part B	0.00%	0.00%	0.00%	-0.33%	0.34%	-0.37%
Total	-1.31%	-1.34%	-1.46%	-1.76%	-1.17%	-0.68%