

CMS Office of the Actuary
Rate Announcement 2025
Medicare Part A Non-ESRD Fee-For-Service PMPM Costs and Trends, 2019-2025

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Part A - PMPM (2025 Rate Announcement)</u>							
Inpatient	\$310.41	\$300.17	\$315.67	\$324.88	\$338.33	\$347.78	\$352.46
SNF	58.77	62.24	61.26	68.54	66.99	67.92	72.62
Home health	14.38	13.20	13.58	13.86	14.04	15.06	16.12
Claims processing loading	0.27	0.23	0.41	0.45	0.46	0.47	0.48
Total	\$383.83	\$375.84	\$390.92	\$407.73	\$419.82	\$431.23	\$441.68

<u>Part A - PMPM (2024 Rate Announcement)</u>							
Inpatient	\$306.57	\$295.28	\$308.73	\$316.68	\$345.60	\$357.10	\$359.66
SNF	58.79	62.21	61.29	67.41	67.27	67.15	73.59
Home health	14.38	13.20	13.62	13.58	15.29	15.97	17.34
Claims processing loading	0.27	0.23	0.40	0.44	0.47	0.48	0.50
Total	\$380.01	\$370.93	\$384.05	\$398.10	\$428.63	\$440.70	\$451.09

<u>Part A - PMPM: 2025 Rate Announcement versus 2024 Rate Announcement (% difference)</u>							
Inpatient	1.25%	1.65%	2.25%	2.59%	-2.11%	-2.61%	-2.00%
SNF	-0.03%	0.04%	-0.06%	1.68%	-0.41%	1.14%	-1.32%
Home health	-0.03%	-0.03%	-0.31%	2.06%	-8.18%	-5.68%	-7.03%
Claims processing loading	0.00%	0.00%	2.50%	2.27%	-2.13%	-2.08%	-4.00%
Total	1.00%	1.32%	1.79%	2.42%	-2.06%	-2.15%	-2.09%

<u>Part A - PMPM: 2025 Rate Announcement versus 2024 Rate Announcement (\$ difference)</u>							
Inpatient	\$3.84	\$4.88	\$6.94	\$8.20	-\$7.28	-\$9.32	-\$7.20
SNF	-0.02	0.03	-0.03	1.13	-0.28	0.77	-0.97
Home health	0.00	0.00	-0.04	0.28	-1.25	-0.91	-1.22
Claims processing loading	0.00	0.00	0.01	0.01	-0.01	-0.01	-0.02
Total	\$3.82	\$4.91	\$6.87	\$9.63	-\$8.81	-\$9.47	-\$9.41

<u>Part A - PMPM trend (2025 Rate Announcement)</u>							
Inpatient	n/a	-3.30%	5.17%	2.92%	4.14%	2.79%	1.35%
SNF	n/a	5.90%	-1.57%	11.88%	-2.26%	1.39%	6.92%
Home health	n/a	-8.21%	2.88%	2.06%	1.30%	7.26%	7.04%
Claims processing loading	n/a	-14.81%	78.26%	9.76%	2.22%	2.17%	2.13%
Total	n/a	-2.08%	4.01%	4.30%	2.96%	2.72%	2.42%

<u>Inpatient trend (2025 Rate Announcement)</u>							
Total	n/a	-3.30%	5.17%	2.92%	4.14%	2.79%	1.35%
Unit cost	n/a	3.06%	2.81%	2.96%	4.01%	2.97%	2.75%
Utilization	n/a	-14.20%	-0.70%	0.00%	-1.10%	2.00%	0.50%
Case mix	n/a	3.80%	2.90%	-0.30%	-1.00%	0.50%	0.50%
Phase-out of MA med. ed.	n/a	0.00%	0.00%	0.00%	0.00%	-2.04%	-1.31%
COVID-19 morbidity	n/a	-1.26%	-0.47%	-0.85%	0.06%	0.00%	0.26%
Other	n/a	6.69%	0.59%	1.12%	2.19%	-0.60%	-1.30%

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
SNF trend							
Total	n/a	5.90%	-1.57%	11.88%	-2.26%	1.39%	6.92%
Unit cost	n/a	2.35%	1.95%	1.57%	3.00%	4.01%	3.92%
Utilization	n/a	-1.00%	-0.90%	9.90%	-5.40%	0.00%	0.60%
Case mix	n/a	4.90%	1.40%	1.50%	1.50%	1.50%	1.50%
COVID-19 morbidity	n/a	-2.55%	-0.96%	-0.72%	0.08%	-0.10%	0.43%
Other	n/a	2.24%	-2.99%	-0.54%	-1.25%	-3.86%	0.33%
Home Health (A) trend							
Total	n/a	-8.21%	2.88%	2.06%	1.30%	7.26%	7.04%
Unit cost	n/a	1.50%	2.00%	2.60%	-0.08%	0.32%	-0.17%
Utilization	n/a	-12.40%	-2.10%	-4.60%	0.80%	4.50%	5.00%
Case mix	n/a	-1.40%	-0.30%	0.10%	1.50%	1.50%	1.50%
COVID-19 morbidity	n/a	-2.85%	-1.07%	-1.10%	-0.35%	0.10%	0.75%
Other (incl. episodes per visit)	n/a	7.77%	4.45%	5.32%	-0.56%	0.70%	-0.14%

Rate Announcement 2025**Medicare Part B Non-ESRD Fee-For-Service PMPM Costs and Trends, 2019-2025**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Part B - PMPM (2025 Rate Announcement)							
Physician Fee Schedule	\$184.30	\$164.63	\$198.20	\$201.98	\$209.88	\$213.91	\$216.74
Outpatient Hospital	147.54	139.34	166.96	168.97	187.79	204.39	221.05
Durable Medical Equipment	17.94	18.18	19.03	21.69	26.70	26.88	27.86
Carrier Lab	15.39	16.21	19.40	18.64	18.15	19.13	20.07
Physician Admin Rx	46.60	48.27	53.64	60.49	70.49	77.84	86.37
Other Carrier	24.64	24.70	26.09	32.01	36.47	29.25	30.15
Intermediary Lab	7.12	7.69	8.88	8.67	8.22	8.46	8.68
Other Intermediary	33.37	30.95	34.69	35.57	39.08	40.98	43.07
Home Health	28.47	27.79	28.81	28.98	29.91	31.50	33.18
Claims processing loading	0.83	0.73	1.50	1.70	1.82	1.91	2.00
Total	\$506.20	\$478.49	\$557.20	\$578.70	\$628.51	\$654.25	\$689.17

Part B - PMPM (2024 Rate Announcement)							
Physician Fee Schedule	\$183.68	\$164.74	\$197.44	\$201.90	\$207.68	\$211.83	\$213.56
Outpatient Hospital	142.51	134.17	160.98	167.36	198.79	216.96	235.01
Durable Medical Equipment	18.23	18.33	19.14	21.01	23.40	24.62	25.95
Carrier Lab	15.39	16.22	19.40	18.83	20.65	21.86	24.19
Physician Admin Rx	46.62	48.27	53.80	60.13	65.51	71.84	77.08
Other Carrier	24.64	24.78	26.12	29.92	32.74	34.02	35.24
Intermediary Lab	7.12	7.69	8.89	8.86	9.39	9.65	10.25
Other Intermediary	33.41	31.02	34.74	35.83	37.80	39.54	41.58
Home Health	28.39	27.70	28.74	28.20	31.37	32.23	34.08
Claims processing loading	0.83	0.73	1.49	1.61	1.76	1.86	1.96
Total	\$500.82	\$473.65	\$550.73	\$573.64	\$629.07	\$664.40	\$698.89

Part B - PMPM: 2025 Rate Announcement vs 2024 Rate Announcement (% difference)							
Physician Fee Schedule	0.34%	-0.07%	0.39%	0.04%	1.06%	0.98%	1.49%
Outpatient Hospital	3.53%	3.85%	3.72%	0.96%	-5.53%	-5.79%	-5.94%
Durable Medical Equipment	-1.61%	-0.80%	-0.56%	3.22%	14.12%	9.20%	7.38%
Carrier Lab	0.02%	-0.04%	-0.02%	-0.98%	-12.12%	-12.48%	-17.02%
Physician Admin Rx	-0.03%	-0.01%	-0.29%	0.60%	7.60%	8.35%	12.05%
Other Carrier	-0.02%	-0.34%	-0.13%	6.99%	11.40%	-14.01%	-14.43%
Intermediary Lab	0.00%	0.00%	-0.11%	-2.14%	-12.46%	-12.33%	-15.32%
Other Intermediary	-0.13%	-0.21%	-0.14%	-0.73%	3.39%	3.65%	3.58%
Home Health	0.28%	0.31%	0.26%	2.78%	-4.64%	-2.28%	-2.63%
Claims processing loading	0.00%	0.00%	0.67%	5.59%	3.41%	2.69%	2.04%
Total	1.07%	1.02%	1.17%	0.88%	-0.09%	-1.53%	-1.39%

Part B - PMPM: 2025 Rate Announcement vs 2024 Rate Announcement (\$ difference)							
Physician Fee Schedule	\$0.62	-\$0.11	\$0.77	\$0.09	\$2.20	\$2.08	\$3.18
Outpatient Hospital	5.03	5.17	5.98	1.61	-11.00	-12.57	-13.96
Durable Medical Equipment	-0.29	-0.15	-0.11	0.68	3.30	2.26	1.91
Carrier Lab	0.00	-0.01	0.00	-0.19	-2.50	-2.73	-4.12
Physician Admin Rx	-0.02	0.00	-0.16	0.36	4.98	6.00	9.29
Other Carrier	0.00	-0.08	-0.03	2.09	3.73	-4.77	-5.09
Intermediary Lab	0.00	0.00	-0.01	-0.19	-1.17	-1.19	-1.57
Other Intermediary	-0.04	-0.07	-0.05	-0.26	1.28	1.44	1.49
Home Health	0.08	0.09	0.07	0.78	-1.46	-0.73	-0.90

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Claims processing loading	0.00	0.00	0.01	0.09	0.06	0.05	0.04
Total	\$5.37	\$4.84	\$6.47	\$5.07	-\$0.57	-\$10.15	-\$9.73

Part B - PMPM trend (2025 Rate Announcement)

Physician Fee Schedule	n/a	-10.67%	20.40%	1.91%	3.91%	1.92%	1.32%
Outpatient Hospital	n/a	-5.56%	19.82%	1.20%	11.14%	8.84%	8.15%
Durable Medical Equipment	n/a	1.34%	4.68%	13.98%	23.10%	0.67%	3.65%
Carrier Lab	n/a	5.33%	19.68%	-3.92%	-2.63%	5.40%	4.91%
Physician Admin Rx	n/a	3.58%	11.12%	12.77%	16.53%	10.43%	10.96%
Other Carrier	n/a	0.24%	5.63%	22.69%	13.93%	-19.80%	3.08%
Intermediary Lab	n/a	8.01%	15.47%	-2.36%	-5.19%	2.92%	2.60%
Other Intermediary	n/a	-7.25%	12.08%	2.54%	9.87%	4.86%	5.10%
Home Health	n/a	-2.39%	3.67%	0.59%	3.21%	5.32%	5.33%
Claims processing loading	n/a	-12.05%	105.48%	13.33%	7.06%	4.95%	4.71%
Total	n/a	-5.47%	16.45%	3.86%	8.61%	4.10%	5.34%

Physician Fee Schedule trend

Total	n/a	-10.67%	20.40%	1.91%	3.91%	1.92%	1.32%
Unit cost	n/a	0.00%	3.75%	-0.72%	-0.49%	-1.22%	-1.23%
Volume & Intensity	n/a	-11.50%	14.80%	3.90%	3.10%	1.90%	2.20%
COVID-19 morbidity	n/a	-0.63%	-0.24%	-0.94%	-0.19%	-0.08%	0.17%
Other	n/a	1.58%	1.33%	-0.27%	1.47%	1.33%	0.21%

Outpatient Hospital trend

Total	n/a	-5.56%	19.82%	1.20%	11.14%	8.84%	8.15%
Unit cost	n/a	2.60%	2.40%	2.00%	3.80%	3.10%	2.60%
Volume & intensity	n/a	-7.96%	16.50%	5.65%	8.59%	6.13%	6.03%
COVID-19 morbidity	n/a	-0.52%	-0.20%	-0.89%	0.00%	0.16%	0.38%
Other	n/a	0.54%	0.64%	-5.25%	-1.39%	-0.69%	-0.97%

Durable Medical Equipment trend

Total	n/a	1.34%	4.68%	13.98%	23.10%	0.67%	3.65%
Unit cost	n/a	0.89%	0.20%	5.08%	8.66%	2.59%	2.19%
Volume & Intensity	n/a	0.50%	6.70%	8.80%	19.00%	-7.10%	4.20%
COVID-19 morbidity	n/a	-2.85%	-1.07%	-1.10%	-0.35%	0.10%	0.75%
Other	n/a	2.88%	-1.03%	0.80%	-4.47%	5.53%	-3.38%

Home health (B) trend

Total	n/a	-2.39%	3.67%	0.59%	3.21%	5.32%	5.33%
Unit cost	n/a	1.50%	2.00%	2.60%	-0.08%	0.32%	-0.17%
Utilization	n/a	-12.40%	-2.10%	-4.60%	0.80%	4.50%	5.00%
Case mix	n/a	-1.40%	-0.30%	0.10%	1.50%	1.50%	1.50%
Episodes per visit	n/a	78.60%	11.60%	2.30%	0.00%	0.00%	0.00%
Other (incl. episodes per visit)	n/a	11.34%	4.13%	2.67%	0.96%	-1.02%	-1.00%

**Rate Announcement 2025
Non-ESRD FFS USPCC**

<u>Baseline</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>CY 2025</u>	<u>CY2025 growth rate</u>
<u>Rate Announcement 2024</u>								
Part A	\$380.01	\$370.93	\$384.05	\$398.10	\$428.63	\$440.70	\$451.09	n/a
Part B	500.82	473.65	550.73	573.64	629.07	664.40	698.89	n/a
Total	\$880.83	\$844.58	\$934.78	\$971.73	\$1,057.70	\$1,105.10	\$1,149.98	n/a
<u>Advance Notice 2025</u>								
Part A	\$383.84	\$375.86	\$390.91	\$407.54	\$423.83	\$435.00	\$441.10	0.09%
Part B	506.20	478.49	557.21	578.89	633.29	657.21	692.35	4.21%
Total	\$890.04	\$854.35	\$948.12	\$986.43	\$1,057.12	\$1,092.21	\$1,133.45	2.57%
<u>Rate Announcement 2025</u>								
Part A	\$383.83	\$375.84	\$390.92	\$407.73	\$419.82	\$431.23	\$441.68	0.22%
Part B	506.20	478.49	557.20	578.77	628.51	654.25	689.17	3.73%
Total	\$890.03	\$854.33	\$948.12	\$986.50	\$1,048.33	\$1,085.48	\$1,130.85	2.33%

Rate Announcement 2025 versus Rate Announcement 2024

Part A	1.00%	1.32%	1.79%	2.42%	-2.06%	-2.15%	-2.09%
Part B	1.07%	1.02%	1.17%	0.90%	-0.09%	-1.53%	-1.39%
Total	1.04%	1.16%	1.43%	1.52%	-0.89%	-1.78%	-1.66%

Rate Announcement 2025 versus Advance Notice 2025

Part A	0.00%	0.00%	0.00%	0.05%	-0.95%	-0.87%	0.13%
Part B	0.00%	0.00%	0.00%	-0.02%	-0.75%	-0.45%	-0.46%
Total	0.00%	0.00%	0.00%	0.01%	-0.83%	-0.62%	-0.23%

Key drivers of change in PMPM amounts from Rate Announcement 2024 to Rate Announcement 2025:

- Part A, 2019-2023: Removal of erroneous 33% MA medical education phase-out for RA 2025
- Part A, lower inpatient per capita spending for 2023, which carries forward to 2025
- Part B, 2019-2022: RA 2025 reflects incurred impact of 340B acquired drug remedy
- Part B, 2023-2023: Lower outpatient hospital spending in 2024 offset partially by increase in spending for physician administered drugs starting in 2023

Key drivers of change in PMPM amounts:

- Revised 2023 Part A enrollment, resulting in decrease in 2023 per capita spending
- Lower 2023 Part B spending for physician, durable medical equipment, and carrier lab
- Change in CY 2025 phase-out of MA medical education from 67% to 52%

Rate Announcement 2025
Managed Care Monthly Non-ESRD Per-Capita Costs

<u>Baseline</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>CY 2025</u>	<u>CY2025 growth rate</u>
Rate Announcement 2024								
Part A	\$435.47	\$453.27	\$443.12	\$471.15	\$492.05	\$487.52	\$509.97	n/a
Part B	552.08	584.90	591.25	635.58	686.49	716.76	754.95	n/a
Total	\$987.55	\$1,038.17	\$1,034.38	\$1,106.73	\$1,178.55	\$1,204.28	\$1,264.92	n/a

Advance Notice 2025								
Part A	\$429.11	\$446.38	\$435.61	\$465.20	\$482.99	\$475.28	\$473.64	-2.85%
Part B	552.04	584.89	591.11	637.87	686.33	707.32	744.86	3.92%
Total	\$981.15	\$1,031.27	\$1,026.72	\$1,103.07	\$1,169.32	\$1,182.61	\$1,218.50	1.18%

Rate Announcement 2025								
Part A	\$429.11	\$446.38	\$435.61	\$465.20	\$482.46	\$484.82	\$489.64	0.44%
Part B	552.04	584.89	591.11	637.87	685.55	708.06	738.72	3.06%
Total	\$981.15	\$1,031.27	\$1,026.72	\$1,103.07	\$1,168.02	\$1,192.89	\$1,228.36	2.00%

Rate Announcement 2025 versus Rate Announcement 2024							
Part A	-1.46%	-1.52%	-1.70%	-1.26%	-1.95%	-0.55%	-3.99%
Part B	-0.01%	0.00%	-0.02%	0.36%	-0.14%	-1.21%	-2.15%
Total	-0.65%	-0.67%	-0.74%	-0.33%	-0.89%	-0.95%	-2.89%

Rate Announcement 2025 versus Advance Notice 2025							
Part A	0.00%	0.00%	0.00%	0.00%	-0.11%	2.01%	3.38%
Part B	0.00%	0.00%	0.00%	0.00%	-0.11%	0.10%	-0.82%
Total	0.00%	0.00%	0.00%	0.00%	-0.11%	0.87%	0.81%

Key drivers of change in PMPM amounts from Rate Announcement 2024 to Rate Announcement 2025:

- Part A, 2019-2023: Removal of erroneous 33% MA medical education phase-out for RA 2025
- Parts A+B, 2024: reduction due to reflection of actual 2024 MA bids
- Parts A+B, 2025: carry over of impact of actual 2024 MA bids for 2025 RA plus effect of lower FFS update on 2025 ratebook

Key drivers of change in PMPM amounts:

- Parts A+B, inclusion of phased-out MA medical education in managed care baseline for RA 2025

Rate Announcement 2025
Non-ESRD Total USPPC

Baseline	<u>CY2003</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>CY 2025</u>	CY2025 growth rate
Rate Announcement 2024									
Part A	\$296.18	\$400.79	\$403.90	\$409.38	\$431.47	\$459.23	\$464.05	\$480.98	n/a
Part B	247.66	521.89	522.48	569.14	603.83	658.56	692.10	\$729.01	n/a
Total	\$543.84	\$922.68	\$926.38	\$978.52	\$1,035.30	\$1,117.79	\$1,156.15	\$1,209.99	n/a
Advance Notice 2025									
Part A	\$296.18	\$400.80	\$404.11	\$410.02	\$433.79	\$452.33	\$455.24	\$457.89	-1.33%
Part B	247.66	525.05	525.19	572.48	607.53	660.36	683.90	721.11	4.19%
Total	\$543.84	\$925.85	\$929.30	\$982.50	\$1,041.32	\$1,112.69	\$1,139.14	\$1,179.00	1.98%
Rate Announcement 2025									
Part A	\$296.18	\$400.79	\$404.09	\$410.03	\$433.89	\$449.85	\$458.16	\$466.52	0.53%
Part B	247.66	525.05	525.19	572.47	607.46	657.69	683.05	716.36	3.51%
Total	\$543.84	\$925.84	\$929.28	\$982.50	\$1,041.35	\$1,107.54	\$1,141.21	\$1,182.88	2.31%

Rate Announcement 2025 versus Rate Announcement 2024									
Part A	n/a	0.00%	0.05%	0.16%	0.56%	-2.04%	-1.27%	-3.01%	
Part B	n/a	0.60%	0.52%	0.59%	0.60%	-0.13%	-1.31%	-1.73%	
Total	n/a	0.34%	0.31%	0.41%	0.58%	-0.92%	-1.29%	-2.24%	

Rate Announcement 2025 versus Advance Notice 2025									
Part A	n/a	0.00%	0.00%	0.00%	0.02%	-0.55%	0.64%	1.88%	
Part B	n/a	0.00%	0.00%	0.00%	-0.01%	-0.40%	-0.12%	-0.66%	
Total	n/a	0.00%	0.00%	0.00%	0.00%	-0.46%	0.18%	0.33%	

Key drivers of change in PMPM amounts from Rate Announcement 2024 to Rate Announcement 2025

- Combined effects of FFS and Managed Care updates

Key drivers of change in PMPM amounts:

- Combined effects of FFS and Managed Care updates