2027 Categorical Adjustment Index Measure Supplement

This supplement provides details related to the adjusted measure set for the 2027 Categorical Adjustment Index (CAI).

CMS has updated the analyses examining the variability of the within-contract differences in performance between low-income subsidy/dual eligible (LIS/DE) and non-LIS/DE beneficiaries for the set of measures included in the 2027 CAI. This information is for informational purposes only.

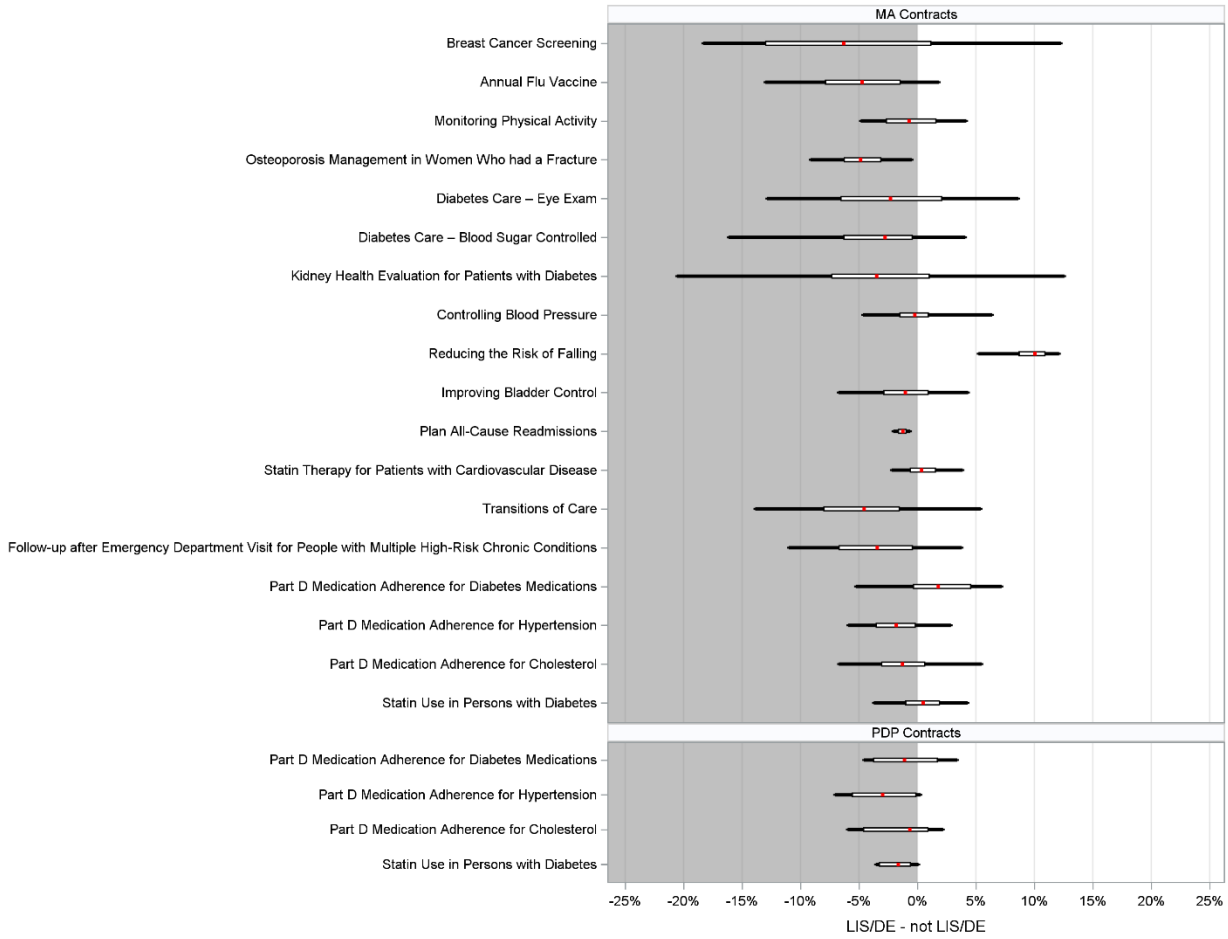
- Figure 1 depicts the within-contract LIS/DE and non-LIS/DE differences in performance for each measure for the contracts that received a measure Star Rating in the 2026 Star Ratings. The figure provides (1) the variability of the within-contract differences for MA contracts and, (2) the variability for PDPs.
- Figure 2 is provided to aid in the interpretation of the visuals shown in Figure 1.
- Tables 1 through 4 provide descriptive statistics of the within-contract differences to supplement the visuals in Figure 1.
    - Tables 1 and 3 provide the overall summary statistics for central tendency and dispersion for MA and PDP contracts, respectively.
    - Tables 2 and 4 provide specific percentiles of the distribution of the within-contract differences for MA and PDP contracts, respectively.
- Tables 5 through 16 provide the rating-specific categories for classification of contracts based on the percentage of LIS/DE and disabled beneficiaries along with the final adjustment categories.
    - Table 5 provides the range of the percentages that correspond to the LIS/DE categories determined by dividing the distribution of MA contracts' LIS/DE percentages into ten equal-sized groups for the CAI for the overall Star Rating.
    - Table 6 provides the range of the percentages that correspond to the disability quintiles for the categorization of MA contracts for the CAI for the overall Star Rating.
    - Table 7 provides the description of each of the final adjustment categories for the overall Star Rating for MA contracts and the associated values of the CAI.
    - Tables 8 through 10 provide the range of percentages that correspond to the LIS/DE and disability categories and the CAI values for the Part C summary rating.
    - Tables 11 through 13 provide the range of percentages that correspond to the LIS/DE and disability categories and the CAI values for the Part D summary rating for MA-PDs.
    - Tables 14 through 16 provide the range of percentages that correspond to the LIS/DE and disability categories and the CAI values for the Part D summary rating for PDPs.

For the 2027 Star Ratings, the adjusted measures are: Breast Cancer Screening, Annual Flu Vaccine, Monitoring Physical Activity, Osteoporosis Management in Women Who had a Fracture, Diabetes Care – Eye Exam, Diabetes Care – Blood Sugar Controlled, Kidney Health Evaluation for Patients with Diabetes, Controlling Blood Pressure, Reducing the Risk of Falling, Improving Bladder Control, Plan All-Cause Readmissions, Statin Therapy for Patients with Cardiovascular Disease, Transitions of Care, Follow-up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions, Part D Medication Adherence for Diabetes

Medications, Part D Medication Adherence for Hypertension, Part D Medication Adherence for Cholesterol, and Statin Use in Persons with Diabetes.

Figure 1 shows distributions of within-contract LIS/DE and non-LIS/DE differences in performance for the contracts that received a measure Star Rating. The shaded area corresponds to worse performance for LIS/DE beneficiaries, and the non-shaded area corresponds to better performance for LIS/DE beneficiaries, relative to non-LIS/DE beneficiaries. Distributions of the within-contract differences are provided first for MA contracts, followed by PDPs.

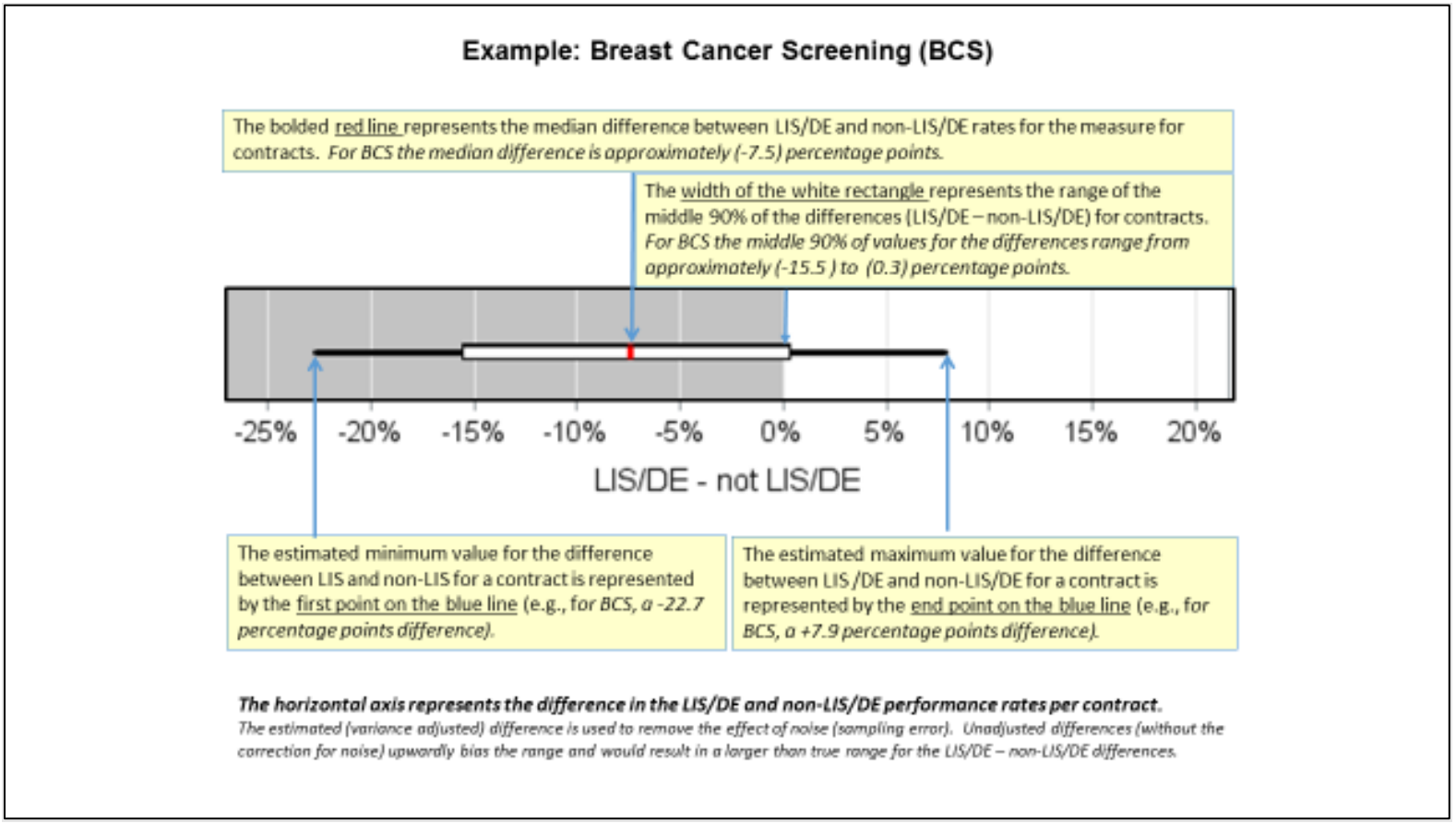
Figure 1: Distribution of Within-Contract LIS/DE Differences in Performance across MA and PDP Contracts



NOTE: Each component of the Transitions of Care composite measure was examined separately, and then within-contract LIS/DE differences were averaged for contracts with calculated differences for all four components; individual component differences are not shown.

Figure 2 is provided to aid in the interpretation of the visuals shown in Figure 1.

Figure 2: Interpretation of the Visual of the Distribution of Within-Contract LIS/DE Differences in Performance across Contracts *



** The example is not based on this year's results and thus, the values in the visual do not match the values in Figure 1 or Tables 1 and 2.*

Table 1 shows overall summary descriptive statistics of the within-contract differences for MA contracts, and Table 2 provides specific percentiles of the distribution of the within-contract differences for MA contracts.

Table 1: Summary Statistics of the Within-Contract LIS/DE Differences for MA Contracts

Measure Name	Mean	Median	Minimum	Maximum	Standard Deviation
Breast Cancer Screening	-0.06144	-0.06316	-0.18327	0.12273	0.04050
Annual Flu Vaccine	-0.04684	-0.04743	-0.13021	0.01831	0.01952
Monitoring Physical Activity	-0.00708	-0.00710	-0.04848	0.04179	0.01291
Osteoporosis Management in Women Who had a Fracture	-0.04778	-0.04856	-0.09141	-0.00477	0.01009
Diabetes Care – Eye Exam	-0.02375	-0.02308	-0.12863	0.08630	0.02670
Diabetes Care – Blood Sugar Controlled	-0.02990	-0.02766	-0.16149	0.04094	0.01900
Kidney Health Evaluation for Patients with Diabetes	-0.03315	-0.03483	-0.20580	0.12568	0.02644
Controlling Blood Pressure	-0.00235	-0.00225	-0.04671	0.06390	0.00825
Reducing the Risk of Falling	0.09925	0.10038	0.05223	0.12111	0.00720
Improving Bladder Control	-0.01026	-0.01037	-0.06751	0.04334	0.01226
Plan All-Cause Readmissions	-0.01270	-0.01251	-0.02068	-0.00616	0.00196
Statin Therapy for Patients with Cardiovascular Disease	0.00380	0.00366	-0.02199	0.03875	0.00620
Transitions of Care	-0.04644	-0.04554	-0.13880	0.05422	0.01992
Follow-up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions	-0.03401	-0.03439	-0.11015	0.03801	0.01942
Part D Medication Adherence for Diabetes Medications	0.01856	0.01788	-0.05265	0.07200	0.01448
Part D Medication Adherence for Hypertension	-0.01827	-0.01817	-0.05943	0.02872	0.01064
Part D Medication Adherence for Cholesterol	-0.01265	-0.01273	-0.06720	0.05500	0.01182
Statin Use in Persons with Diabetes	0.00468	0.00478	-0.03736	0.04304	0.00860

NOTE: Each component of the Transitions of Care composite measure was examined separately, and then within-contract LIS/DE differences were averaged for contracts with calculated differences for all four components; individual component differences are not shown.

Table 2: Within-Contract LIS/DE Difference Distribution Values for MA Contracts[1]

Measure Name	P2.5	P5	P10	P25	P50	P75	P90	P95	P97.5
Breast Cancer Screening	-0.14433	-0.12975	-0.11160	-0.08343	-0.06316	-0.04105	-0.01029	0.01144	0.02671
Annual Flu Vaccine	-0.08689	-0.07860	-0.07067	-0.05693	-0.04743	-0.03619	-0.02326	-0.01482	-0.00448
Monitoring Physical Activity	-0.03065	-0.02658	-0.02237	-0.01471	-0.00710	-0.00085	0.00943	0.01580	0.02154
Osteoporosis Management in Women Who had a Fracture	-0.07080	-0.06254	-0.05763	-0.05252	-0.04856	-0.04254	-0.03642	-0.03135	-0.02742
Diabetes Care – Eye Exam	-0.07929	-0.06537	-0.05525	-0.03685	-0.02308	-0.01142	0.00691	0.02075	0.03597
Diabetes Care – Blood Sugar Controlled	-0.07100	-0.06287	-0.05339	-0.03892	-0.02766	-0.01884	-0.00956	-0.00447	0.00305
Kidney Health Evaluation for Patients with Diabetes	-0.08209	-0.07320	-0.06207	-0.04665	-0.03483	-0.02026	-0.00382	0.01005	0.02335
Controlling Blood Pressure	-0.01886	-0.01498	-0.01113	-0.00574	-0.00225	0.00114	0.00594	0.00928	0.01357
Reducing the Risk of Falling	0.08381	0.08699	0.08969	0.09527	0.10038	0.10382	0.10726	0.10902	0.11153
Improving Bladder Control	-0.03247	-0.02874	-0.02398	-0.01705	-0.01037	-0.00394	0.00370	0.00912	0.01935
Plan All-Cause Readmissions	-0.01708	-0.01615	-0.01514	-0.01387	-0.01251	-0.01139	-0.01052	-0.00976	-0.00911
Statin Therapy for Patients with Cardiovascular Disease	-0.00930	-0.00607	-0.00280	0.00147	0.00366	0.00548	0.00928	0.01539	0.02002
Transitions of Care	-0.08941	-0.08000	-0.07043	-0.05683	-0.04554	-0.03457	-0.02281	-0.01557	-0.01181
Follow-up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions	-0.07577	-0.06697	-0.05756	-0.04404	-0.03439	-0.02337	-0.01188	-0.00435	0.00776
Part D Medication Adherence for Diabetes Medications	-0.01119	-0.00337	0.00270	0.01127	0.01788	0.02432	0.03679	0.04552	0.05009
Part D Medication Adherence for Hypertension	-0.03843	-0.03522	-0.03016	-0.02384	-0.01817	-0.01324	-0.00747	-0.00189	0.00487
Part D Medication Adherence for Cholesterol	-0.03610	-0.03050	-0.02486	-0.01824	-0.01273	-0.00805	-0.00012	0.00619	0.01451
Statin Use in Persons with Diabetes	-0.01437	-0.01001	-0.00454	0.00145	0.00478	0.00779	0.01420	0.01880	0.02343

[1] The values provided in the table correspond to the percentiles in the distribution of the within-contract LIS/DE differences for MA contracts (these differences are also depicted in Figure 1).

NOTE: Each component of the Transitions of Care composite measure was examined separately, and then within-contract LIS/DE differences were averaged for contracts with calculated differences for all four components; individual component differences are not shown.

Table 3 provides the overall summary statistics for central tendency and dispersion for PDP contracts, and Table 4 shows specific percentiles of the distribution of the within-contract differences for PDP contracts.

Table 3: Summary Statistics of the Within-Contract LIS/DE Differences for PDPs

Measure Name	Mean	Median	Minimum	Maximum	Standard Deviation
Part D Medication Adherence for Diabetes Medications	-0.01091	-0.01109	-0.04587	0.03404	0.01576
Part D Medication Adherence for Hypertension	-0.02979	-0.02976	-0.07058	0.00283	0.01607
Part D Medication Adherence for Cholesterol	-0.01051	-0.00657	-0.05970	0.02185	0.01648
Statin Use in Persons with Diabetes	-0.01660	-0.01634	-0.03555	0.00093	0.00638

Table 4: Within-Contract LIS/DE Difference Distribution Values for PDPs[2]

Measure Name	P2.5	P5	P10	P25	P50	P75	P90	P95	P97.5
Part D Medication Adherence for Diabetes Medications	-0.04299	-0.03746	-0.02793	-0.01689	-0.01109	-0.00320	0.00587	0.01705	0.01817
Part D Medication Adherence for Hypertension	-0.06265	-0.05568	-0.05482	-0.03631	-0.02976	-0.02141	-0.00841	-0.00137	0.00033
Part D Medication Adherence for Cholesterol	-0.04924	-0.04600	-0.03021	-0.01636	-0.00657	-0.00199	0.00710	0.00895	0.01522
Statin Use in Persons with Diabetes	-0.03472	-0.03252	-0.01969	-0.01830	-0.01634	-0.01516	-0.01051	-0.00607	-0.00162

[2] The values provided in the table correspond to the percentiles in the distribution of the within-contract LIS/DE differences for PDP contracts (these differences are also depicted in Figure 1).

Table 5 provides the range of the percentages that correspond to the initial LIS/DE groups for the determination of CAI values for the overall rating. With the exception of the highest category, the upper limit for each category is not included in that category, but rather the next (higher) category. For example, in Table 5, if the percentage of beneficiaries who are LIS/DE in a contract is 58.928513%, the contract's LIS/DE initial category is L8. Table 6 shows disability quintiles for the determination of the CAI values for the overall rating.

Table 5: Categorization of MA Contracts into Initial LIS/DE Groups for the Overall Rating

LIS/DE Initial Group	Percentage of Contract's Beneficiaries who are LIS/DE
1	0.000000 to less than 6.686763
2	6.686763 to less than 10.349302
3	10.349302 to less than 15.483871
4	15.483871 to less than 20.687800
5	20.687800 to less than 29.727000
6	29.727000 to less than 41.517338
7	41.517338 to less than 58.928513
8	58.928513 to less than 89.943576
9	89.943576 to less than 100.000000
10	100.000000

Table 6: Categorization of MA Contracts into Disability Quintiles for the Overall Rating

Disability Quintile	Percentage of Contract's Beneficiaries who are Disabled
1	0.000000 to less than 13.857965
2	13.857965 to less than 20.256591
3	20.256591 to less than 29.063062
4	29.063062 to less than 42.883295
5	42.883295 to 100.000000

Table 7 provides the description of each of the final adjustment categories for the overall Star Rating for MA contracts and the associated values of the CAI.

Table 7: Final Adjustment Categories and CAI Values for the Overall Rating

Final Adjustment Category	LIS/DE Initial Group	Disability Quintile	CAI Value
1	L1-L2	D1	-0.069659
2	L3-L4 L1-L4	D1 D2	-0.036054
3	L5-L7 L5-L6 L1-L5	D1 D2 D3	-0.010250
4	L8 L7-L8 L6-L7	D1 D2 D3	0.008676
5	L9-L10 L8-L10 L1-L8 L1-L5	D1-D2 D3 D4 D5	0.042618
6	L6-L8	D5	0.075637
7	L9-L10	D4-D5	0.108248

Tables 8 and 9 provide the range of the percentages that correspond to the initial LIS/DE groups and disability quintiles for the initial categories for the determination of the CAI values for the Part C summary rating.

Table 8: Categorization of MA Contracts into Initial LIS/DE Groups for the Part C Summary Rating

LIS/DE Initial Group	Percentage of Contract's Beneficiaries who are LIS/DE
1	0.000000 to less than 6.498100
2	6.498100 to less than 10.019757
3	10.019757 to less than 15.248089
4	15.248089 to less than 20.302758
5	20.302758 to less than 28.821954
6	28.821954 to less than 41.025711
7	41.025711 to less than 58.612452
8	58.612452 to less than 89.648716
9	89.648716 to less than 100.000000
10	100.000000

Table 9: Categorization of MA Contracts into Disability Quintiles for the Part C Summary Rating

Disability Quintile	Percentage of Contract's Beneficiaries who are Disabled
1	0.000000 to less than 13.624186
2	13.624186 to less than 19.983334
3	19.983334 to less than 28.599096
4	28.599096 to less than 42.694737
5	42.694737 to 100.000000

Table 10 provides the description of each of the final adjustment categories for the Part C summary rating and the associated values of the CAI.

Table 10: Final Adjustment Categories and CAI Values for the Part C Summary Rating

Final Adjustment Category	LIS/DE Initial Group	Disability Quintile	CAI Value
1	L1	D1	-0.057651
2	L2-L4 L1-L4	D1 D2	-0.026685
3	L5-L7 L5-L6 L1-L5 L1-L2	D1 D2 D3 D4	-0.005963
4	L8 L7-L8 L6-L7 L3-L5 L1-L5	D1 D2 D3 D4 D5	0.009542
5	L9-L10 L9 L8-L9 L6-L8	D1 D2 D3 D4	0.042302
6	L6-L8	D5	0.070808
7	L10 L9-L10	D2-D3 D4-D5	0.111696

Tables 11 and 12 provide the range of the percentages that correspond to the initial LIS/DE groups and the disability quintiles for the initial categories for the determination of the CAI values for the Part D summary rating for MA-PDs.

Table 11: Categorization of MA-PD Contracts into Initial LIS/DE Groups for the Part D Summary Rating

LIS/DE Initial Group	Percentage of Contract's Beneficiaries who are LIS/DE
1	0.000000 to less than 7.018222
2	7.018222 to less than 10.907851
3	10.907851 to less than 16.438153
4	16.438153 to less than 22.528283
5	22.528283 to less than 32.518966
6	32.518966 to less than 46.524715
7	46.524715 to less than 69.440990
8	69.440990 to less than 98.437500
9	98.437500 to less than 100.000000
10	100.000000

Table 12: Categorization of MA-PD Contracts into Disability Quintiles for the Part D Summary Rating

Disability Quintile	Percentage of Contract's Beneficiaries who are Disabled
1	0.000000 to less than 14.439638
2	14.439638 to less than 21.596244
3	21.596244 to less than 30.752688
4	30.752688 to less than 44.603685
5	44.603685 to 100.000000

Table 13 provides the description of each of the final adjustment categories for the Part D summary rating for MA-PDs and the associated values of the CAI.

Table 13: Final Adjustment Categories and CAI Values for the Part D Summary Rating for MA-PDs

Final Adjustment Category	LIS/DE Initial Group	Disability Quintile	CAI Value
1	L1-L2 L1	D1 D2	-0.067625
2	L3-L9 L2-L9	D1 D2	-0.023879
3	L10 L1-L10	D1-D2 D3	0.013562
4	L1-L10 L1-L6	D4 D5	0.039062
5	L7-L8	D5	0.058514
6	L9-L10	D5	0.094046

Tables 14 and 15 provide the range of the percentages that correspond to the initial LIS/DE groups and the disability quintiles for the initial categories for the determination of the CAI values for the Part D summary rating for PDPs.

Table 14: Categorization of PDP Contracts into Initial LIS/DE Groups for the Part D Summary Rating

LIS/DE Initial Group	Percentage of Contract's Beneficiaries who are LIS/DE
1	0.000000 to less than 0.798481
2	0.798481 to less than 1.326768
3	1.326768 to less than 1.511550
4	1.511550 to less than 1.619624
5	1.619624 to less than 2.408965
6	2.408965 to less than 3.147184
7	3.147184 to less than 3.817008
8	3.817008 to less than 5.370531
9	5.370531 to less than 14.326489
10	14.326489 to 100.000000

Table 15: Categorization of PDP Contracts into Disability Quintiles for the Part D Summary Rating

Disability Quintile	Percentage of Contract's Beneficiaries who are Disabled
1	0.000000 to less than 5.632799
2	5.632799 to less than 7.412702
3	7.412702 to less than 9.940750
4	9.940750 to less than 12.215208
5	12.215208 to 100.000000

Table 16 provides the description of each of the final adjustment categories for the Part D summary rating for PDPs and the associated values of the CAI.

Table 16: Final Adjustment Categories and CAI Values for the Part D Summary Rating for PDPs

Final Adjustment Category	LIS/DE Initial Group	Disability Quintile	CAI Value
1	L1-L3	D1-D3	-0.271269
2	L4-L7 L1-L7 L1-L6	D1-D3 D4 D5	-0.124909
3	L8-L10 L7-L9	D1-D4 D5	-0.106015
4	L10	D5	0.021465

Please note that the CAI values for the Part D summary rating for PDPs are different from the CAI values for the Part D summary rating for MA contracts. Under §§ 422.166(f)(2)(i)(A) and 423.186(f)(2)(i)(A), categories are chosen to enforce monotonicity (i.e., adjustment values increase as percent LIS/DE and percent disabled increases) in the final adjustment categories. There are four final adjustment categories for PDPs for the Part D summary rating.