

Announcements (4/16/2026 UGC)

1) Similar to last year, OACT intends to post the advance Q&A file the morning of the Thursday User Group Calls

- The questions for this week's call were posted on the CMS website this morning at <https://www.cms.gov> > Medicare > Payment > Medicare Advantage Rates and Statistics > Actuarial Bid Questions within the CY2027 Actuarial Bid Questions document. You may want to open this file to follow along during the Q&A portion of this call.
- This file will only contain the questions asked in advance that we plan to address on the call. The responses will not be included in this early posting but will be posted after the call.
- The intent of this advance posting is to help listeners follow along during the Q&A portion of the call.
- Note that this is just a draft and some questions could be added/removed/or modified prior to the final posting.
- If a response read on the call is not clear, please ask additional questions either live on the call or by submitting them in writing to the actuarial-bids mailbox.
- In order to help us respond in a timely manner to feedback that involves other areas of CMS, we ask that you please copy the appropriate resource mailboxes in addition to any emails sent to the actuarial-bids mailbox. These email addresses can always be found in the introductory note within the UGC Q&A file.
- Also note that some questions require more discussion and coordination among our group and may be postponed until a later call if necessary.
- We also plan to post the key announcements from our call each week following the call, similar to last year.

2) CY2027 Bid Forms and Instructions

- BPTs and bid instructions were released via HPMS on Friday, April 10th
- The files were also posted on the CMS website, under: <https://www.cms.gov> > Medicare > Payment > Medicare Advantage Rates & Statistics > Bid Form & Instructions
- We appreciate the feedback we received during the industry beta testing period. We have incorporated clarifications within the bid instructions.
- No Bid Pricing Tool (BPT) changes from February Beta Release.
- Instruction Changes from Beta Release:
 - MA Instructions
 1. We updated the rebate reallocation language in Appendix E 10.2.1 in response to industry feedback. The update clarifies that, for plans targeting a LIPSA with a negative Part D basic premium, the amount of unallocated rebates includes the amount necessary to return the Part D basic premium to the LIPSA and the Part D supplemental premium to its intended level.
 - Part D BPT Instructions
 1. We added language to Appendix D to clarify how the March 2026 enrollment Low-Income Benchmark Premium Amounts were calculated.
 - a. Similar to the June results, the March results presented in the Appendix D table were floored at the lowest monthly beneficiary premium for a PDP offering basic prescription drug coverage in the applicable PDP region.

- b. Unlike the June results, the March results were calculated using the direct subsidy derived from March enrollment.
 2. We updated the Worksheet 7, Line 2 language to explicitly define “Organization.”
 - a. An “organization” is the legal entity that contracts with CMS to provide benefits under one or more contracts, and it is recorded in HPMS as the Legal Entity name. The NAMBA estimate must be equal for all plans under a single organization.
 3. For both Worksheets 1 and 3, we updated the language for the “Number of Members” column.
 - a. Prior UGC Q&As indicate that members with non-zero scripts but \$0 in allowed claims must be reported in line 2. This guidance is now explicitly included in the instructions.
 - b. The prior language incorrectly stated that members must be reported in Line 4 if their TrOOP costs exceed the out-of-pocket limit. The language should have read *meet or exceed* the out-of-pocket limit. This has been corrected.
- Guidance for MA-PD and PDP plan sponsors with a negative total Part D premium
 - Plan sponsors must develop a reasonable NAMBA estimate at the Organization level and support it.
 1. Artificially lowering the NAMBA estimate to accommodate bids with negative Part D premiums is not acceptable.
 2. Estimates below the CY2026 NAMBA should reflect a thorough review of underlying assumptions and provide a clear basis for the proposed reduction.
 - If a bid’s total Part D premium is negative, plan sponsors must follow the steps below:
 1. The plan sponsor must enhance Part D benefits until a \$0 total Part D premium is reached. However, bids are only required to enhance Part D benefits to the extent necessary to be actuarially equivalent to the LI benefit. OACT is considering excluding the specialty tier from this measurement.
 - a. OACT defines the LI benefit as a \$0 deductible and Category Code 1 copays for Generic/Preferred Multi-Source Drugs and Other Drugs. For CY2027, the Generic/Preferred Multi-Source Drugs Category Code 1 copay is \$5.80 and the Other Drugs Category Code 1 copay is \$14.40.
 - b. OACT will evaluate compliance by running the LI benefit through the OOPC model and comparing it to the bid’s OOPC.
 2. If the bid has a negative total Part D premium after enhancing Part D benefits to the LI benefit, the plan sponsor may increase Part D gain/loss margin to reach a \$0 total Part D premium.
 - a. For basic PDP and Platino bids that do not have the option to become EA, plan sponsors may increase Part D gain/loss margin to reach a \$0 total Part D premium without enhancing Part D benefits.
 3. For PDP bids, plan sponsors must ensure that the PDP aggregate gain/loss margin meets the margin requirements. No bids may be excluded from the PDP aggregate gain/loss margin calculation.
 4. For MA-PD bids, if the above steps result in failure of the MA vs. Part D gain/loss margin requirement, plan sponsors must ensure that the combination of MA benefits and premium have not been enhanced from the prior year.

- a. Supporting documentation item MA Appendix B 8.6.2 must be submitted to demonstrate this.
 - b. This applies regardless of whether the plan sponsor is using Option A or Option B to comply with MA vs. Part D gain/loss margin requirements.
5. For plan sponsors failing the MA vs. Part D gain/loss margin requirement using Option A, no other steps are required.
 6. For plan sponsors failing the MA vs. Part D gain/loss margin requirement using Option B, the following steps are required to ensure compliance:
 - a. Calculate the aggregate MA gain/loss margin as normal. Do not exclude any bids.
 - b. The Part D gain/loss margin on all other bids — excluding those bids that increased their Part D gain/loss margin to reach a \$0 total Part D premium in Step 2 — must be equal and within 1.5% of the aggregate MA gain/loss margin calculated in Step 6a.
 - c. Supporting documentation must be submitted to demonstrate compliance under this situation.
 - Bids new in CY2027 will not be granted the gain/loss margin flexibility, as described above.

3) Actuarial Bid Training

- A basic overview of the Medicare Advantage and Part D programs and bid forms for actuaries and other interested parties can be downloaded and printed at any time from the OACT webpage (<https://www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/actuarial-bid-training>).
 - The training consists of 3 sessions:
 - Introduction to Bidding
 - BPT 101
 - Introduction to Bid Review, Audit, and Bid Improvement Initiative
 - Sections 3 (Rebate Reallocation Guidelines) and 4 (Rebate Reallocation Review) of the training, along with the rebate reallocation flowchart, will be updated to reflect the A/B Mandatory Supplemental Revenue Requirement change allowing up to 110% of unallocated rebates. These updates will be posted next week alongside an updated rebate reallocation tool. Sections 1–2 and 5 of the training require no updates.
- 4) The Office of the Actuary has posted the following ratebook-related items on the CMS website at: CMS Home > Medicare > Payment > Medicare Advantage - Rates & Statistics > FFS Trends.
 - FFS unit cost trends for 2025-2027
 - FFS per capita trends for 2022-2027 (revised 4/15/26 to correct inpatient and SNF utilization trends)
 - Non-ESRD FFS USPCC-to-ratebook reconciliation
 - 5) Please direct any technical questions related to the BALANCE Model to Model Mailbox at BALANCEModel@cms.hhs.gov. To stay connected, we recommend subscribing to the CMS Innovation Center listserv and visiting the CMS BALANCE Model [Webpage](#) for any updates, including additional technical guidance, on the BALANCE Model.
 - 6) Contract Year (CY) 2027 Final Part D Bidding Instructions were released via HPMS on Friday, February 6th

- 7) The CY2027 Final C&D Regulation was released on Thursday April 2nd and a summary of key provisions can be found at: <https://www.cms.gov/newsroom/fact-sheets/contract-year-2027-medicare-advantage-part-d-final-rule>
- 8) Release of risk score data for CY2027 bidding
 - Bene-level files released to support MA and Part D bidding
 - See HPMS memo from 4/13 that provides information beneficiary-level files
- 9) Bid Submission - On May 1, 2026, CMS will release the CY 2027 Bid Submission module in HPMS.

Announcements (4/23/2026 UGC)

1) Follow up on Negative Total Part D Premium Guidance

- We appreciate the feedback from plan sponsors regarding the guidance we put out on last week's call
- We are currently working through this feedback and the technical details of the measurement standard for Part D benefit enhancement levels and plan to present details of that measurement on next week's UGC
- MA vs PD Margin Flexibility for Plans with Negative Total Part D Premiums
 - On last week's call, OACT laid out guidance for CY2027 for MA-PD and PDP plan sponsors with a negative total Part D premium, and under step 4 in the posted agenda/announcements, we stated "For MA-PD bids, if the above steps result in failure of the MA vs Part D gain/loss margin requirement, plan sponsors must ensure that the combination of MA benefits and premium have not been enhanced from the prior year."
 - This guidance was intended to ensure that differentials between MA and Part D margins do not widen unnecessarily while MA vs. Part D margin flexibility is granted.
 - Due to concerns raised by industry, we will not move forward with the requirement that MA benefits and premium not be enhanced from the prior year for a plan to be eligible for margin flexibility.
 - However, longstanding guidance exists regarding MA vs. Part D margin differentials, and plan sponsors are expected to make reasonable efforts to comply. OACT will be monitoring MA benefit and premium changes for plans seeking margin flexibility to address negative Part D premium.

2) OACT has released CY2027 industry tools via the CMS website at: CMS Home > Medicare > Payment > Medicare Advantage – Rates & Statistics > Bid Forms & Instructions > 2027

- MA PBP to BPT Comparison Tool
- Gain/Loss Margin Tool
- Rebate Reallocation Tool - The rebate reallocation tool has been updated to:
 - Reflect new flexibilities allowing changes to Part C mandatory supplemental benefits for all plans, including those with negative Part D basic premiums.
 - Update the Option B "Populate" button, which previously converted columns B and C from formulas to static values.
 - Update the "Reset" button to prevent deletion of user-added columns used for scenario testing.
 - Add a new section with supplemental calculations based on industry feedback. The summary page now also includes remaining unallocated rebates, enabling users to easily identify plans with rebates still to be allocated.
 - For CY2027, we are piloting the inclusion of Python scripts that can be used in place of the Excel version of the Rebate Reallocation Tool. We anticipate the Python version will only be relevant to users who already have experience using Python and plan to use "*Option C: Use your own custom method to populate the 'Input Data' sheet*" for completing Step 1 of the Rebate Reallocation Tool instructions. Everyone else can continue to use the Excel version.

- 3) The Office of the Actuary has posted documentation of the development of the 2027 MA actuarial equivalent factors on the CMS website at CMS Home > Medicare > Payment > Medicare Advantage - Rates & Statistics > Bid Forms and Instructions > 2027
- 4) Release of 2027 OOPC Models
 - 2027 Out-of-Pocket Cost models were released via the CMS website at:
<https://www.cms.gov> > Medicare > Coverage > Prescription Drug > Out-of-Pocket Costs
 - See the HPMS memo released on April 16th for more information
 - For technical questions about the OOPC models, please email OOPC@cms.hhs.gov
- 5) Final Contract Year (CY) 2027 Standards for Part C Benefits, Bid Review and Evaluation were released via HPMS on Wednesday, April 22
- 6) BALANCE Model – See April 21, 2026 HPMS announcement that CMS will delay implementation of the Medicare Part D portion of Better Approaches to Lifestyle and Nutrition for Comprehensive hHealth (BALANCE) Model for Calendar Year (CY) 2027 pending further evaluation and data collection.
- 7) Bid Submission - On May 1, 2026, CMS will release the CY 2027 Bid Submission module in HPMS.

Announcements (4/30/2026 UGC)

1) Follow up on Negative Total Part D Premium Guidance

- We appreciate the detailed feedback we have received from industry. We have updated and clarified our guidance in response. If a bid's total Part D premium is negative, plan sponsors must follow the steps below:
 - The plan sponsor must enhance Part D benefits until the plan achieves either—
 1. \$0 total Part D premium, or
 2. 70% of the DS OOPC value (Plans may evaluate compliance by running the OOPC model)
 - If the bid still has a negative total Part D premium after enhancing Part D benefits to 70% of the DS OOPC value, the plan sponsor may then increase Part D gain/loss margin to reach a \$0 total Part D premium.
 - For MA-PD bids, if the above steps result in failure of the MA vs. Part D gain/loss margin guidance, OACT will grant flexibility around the 1.5% differential.
- Rationale for using 70% of the DS OOPC value as the standard for Part D benefit enhancement:
 - We originally suggested requiring enhancement of Part D benefits to the extent necessary to be actuarially equivalent to the LI benefit prior to granting margin flexibility. We had also indicated that we would exclude specialty from this requirement.
 - After hearing feedback from industry on the difficulty of measuring this, we have decided to use a standard that is simpler to implement. Using 70% of the DS OOPC value creates a consistent measure that can easily be produced by the OOPC model and holds everyone to the same standard.

2) Release of plan-specific TBC data.

- Plan specific TBC data was posted in HPMS at: HPMS Home > Quality and Performance > Performance Metrics > Reports > Costs > Part C Total Beneficiary Costs
- If you are having issues accessing this data, please contact the HPMS Help Desk at 1-800-220-2028 or hpms@cms.hhs.gov.
- Any questions regarding the plan-specific TBC data can be sent to actuarial-bids@cms.hhs.gov.
- Any questions beyond the plan-specific TBC data (ex: questions on the memo or regarding OOPC/TBC policy) should be sent to <https://mabenefitsmailbox.lmi.org/MABenefitsMailbox/>.

3) Bid Submission - On May 1, 2026, CMS will release the CY 2027 Bid Submission module in HPMS.

Announcements (5/07/2026 UGC)

- 1) CMS has released an updated version of the BPT add-in file to correct an issue with the MA BPT. The update corrects the decimal formatting for the “MA Rates” values for Original Medicare Cost-Sharing, columns H through O.
 - All MA organizations must submit or resubmit their MA BPT(s) using the updated version of the BPT add-in file.
 - CY 2027 PD and MSA BPTs may use the original add-in file or the updated version.
 - See HPMS email blast from Friday, May 1 for more information on how to download and execute the updated add-in file.

- 2) Bid submission functionality in HPMS is available
 - *We ask that each organization “test the process” early.*
 - A bid can be submitted repeatedly until the deadline, (11:59 PM PT) Monday, June 1st, at which time all gates close.

- 3) Verify your compliance with the Academy’s *Qualification Standards* before certifying bids.
 - Members of the *Society of Actuaries* should update their “SOA CPD attestation status” at <https://store.soa.org/?returnurl=%2fMy-Account%2fSOA-CPD-Attestation>.
 - Some certifying actuaries are currently listed as non-compliant on <https://www.actuarialdirectory.org/>.

Announcements (5/14/2026 UGC)

There are no new announcements.