



OFFICE OF THE ACTUARY

TO: Medicare Advantage & Prescription Drug Plan Sponsors and Certifying Actuaries
DATE: December 3, 2019
FROM: Jennifer Lazio, Director, Parts C & D Actuarial Group
SUBJECT: Early Preview – CY2021 Medicare Advantage Ratebook Growth Rates

On November 13, 2019, CMS published in the *Federal Register* the calendar year (CY) 2020 Part A and Part B premiums. Supporting the CY 2020 premium determinations are the underlying estimates of the United States Per Capita Cost (USPCC) for beneficiaries entitled to Part A and/or enrolled in Part B. Based on these estimates, the projected early preview of the CY 2021 ratebook growth rates for non-ESRD beneficiaries is 5.28 percent for total USPCC and 4.46 percent for fee-for-service (FFS) USPCC. Due to increased interest in ESRD, since beneficiaries in ESRD status will be able to enroll in an MA plan in CY2021, we are including an early preview of the ESRD dialysis-only growth rate which is 2.91 percent. Table 1 illustrates the calculation of these growth rates, and Tables 2, 3, and 4 illustrate the year-by-year USPCCs relative to the estimate in the Announcement of the CY 2020 Medicare Advantage Capitation Rates.

These estimates are preliminary and could change when the final rates are published on April 6, 2020 in the Announcement of Calendar Year (CY) 2021 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies. In addition, a preliminary estimate of the growth rates will be published in the Advance Notice of Methodological Changes for Calendar Year (CY) 2021, which is to be released in accordance with the statute.

Table 1. Increase in the USPCC Growth Percentage for CY 2021

	Non-ESRD		ESRD Dialysis-only USPCC
	Total USPCC	FFS USPCC	
Current projected 2021 USPCC	\$1,018.59	\$982.76	\$8,022.37
Prior projected 2020 USPCC	\$967.54	\$940.81	\$7,795.38
Percent increase	5.28	4.46	2.91

Table 2. Comparison of Current & Previous Estimates of the Total USPCC – Non-ESRD

	Part A		Part B		Part A & Part B		
Calendar Year	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Ratio
2003	\$296.18	\$296.18	\$247.66	\$247.66	\$543.84	\$543.84	1.000
2004	314.08	314.08	271.06	271.06	585.14	585.14	1.000
2005	334.83	334.83	292.86	292.86	627.69	627.69	1.000
2006	345.30	345.30	313.70	313.70	659.00	659.00	1.000
2007	355.44	355.44	330.68	330.68	686.12	686.12	1.000
2008	371.90	371.90	351.04	351.04	722.94	722.94	1.000
2009	383.91	383.91	366.78	367.93	750.69	751.84	0.998
2010	383.94	383.94	375.49	376.79	759.43	760.73	0.998
2011	388.15	388.15	385.31	386.41	773.46	774.56	0.999
2012	377.72	377.72	391.98	392.97	769.70	770.69	0.999
2013	380.29	380.30	398.73	399.64	779.02	779.94	0.999
2014	372.76	372.59	418.06	418.60	790.82	791.19	1.000
2015	376.08	376.08	434.77	435.61	810.85	811.69	0.999
2016	379.90	379.90	444.28	445.63	824.18	825.53	0.998
2017	386.22	385.90	459.35	460.41	845.57	846.31	0.999
2018	392.98	391.41	492.76	493.05	885.74	884.46	1.001
2019	404.05	405.04	526.11	522.40	930.16	927.44	1.003
2020	419.24	419.00	553.41	548.54	972.65	967.54	1.005
2021	432.88	434.24	585.71	580.16	1,018.59	1,014.40	1.004
2022	453.40	452.61	619.48	612.18	1,072.88	1,064.79	1.008
2023	474.94		655.62		1,130.56		

Table 3. Comparison of Current & Previous Estimates of the FFS USPCC – Non-ESRD

	Part A		Part B		Part A & Part B		
Calendar Year	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Ratio
2010	\$371.20	\$371.20	\$373.13	\$374.92	\$744.33	\$746.12	0.998
2011	371.70	371.70	383.18	384.70	754.88	756.40	0.998
2012	357.52	357.52	390.73	392.25	748.25	749.77	0.998
2013	364.32	364.32	394.46	396.04	758.78	760.36	0.998
2014	367.61	367.61	408.38	409.50	775.99	777.11	0.999
2015	372.34	372.34	427.35	428.66	799.69	801.00	0.998
2016	374.82	374.82	433.47	435.52	808.29	810.34	0.997
2017	378.52	378.52	448.39	450.74	826.91	829.26	0.997
2018	385.32	385.24	478.98	482.87	864.30	868.11	0.996
2019	391.26	395.52	510.18	507.69	901.44	903.21	0.998
2020	402.77	409.27	532.59	531.54	935.36	940.81	0.994
2021	418.99	424.78	563.77	563.03	982.76	987.81	0.995
2022	438.55	442.49	595.89	593.81	1,034.44	1,036.30	0.998
2023	458.80		629.76		1,088.56		

Table 4. Comparison of Current & Previous Estimates of the ESRD Dialysis-only FFS USPCC

	Part A		Part B		Part A & Part B		
Calendar Year	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Ratio
2010	\$2,952.75	\$2,952.75	\$3,881.39	\$3,881.39	\$6,834.14	\$6,834.14	1.000
2011	2,862.38	2,862.38	3,908.01	3,908.01	6,770.39	6,770.39	1.000
2012	2,774.49	2,774.49	3,944.59	3,944.59	6,719.08	6,719.08	1.000
2013	2,794.19	2,794.19	4,088.66	4,088.66	6,882.85	6,882.85	1.000
2014	2,784.52	2,784.52	4,115.70	4,115.70	6,900.22	6,900.22	1.000
2015	2,775.84	2,775.84	4,060.87	4,060.87	6,836.71	6,836.71	1.000
2016	2,895.91	2,895.91	4,081.27	4,081.27	6,977.18	6,977.18	1.000
2017	2,883.27	2,883.27	4,102.66	4,102.66	6,985.93	6,985.93	1.000
2018	2,952.33	2,928.10	4,440.56	4,459.82	7,392.89	7,387.92	1.001
2019	3,001.40	2,993.78	4,521.84	4,569.75	7,523.24	7,563.53	0.995
2020	3,100.14	3,098.04	4,611.21	4,697.34	7,711.35	7,795.38	0.989
2021	3,227.04	3,205.96	4,795.33	4,899.79	8,022.37	8,105.75	0.990
2022	3,378.68	3,327.60	4,995.29	5,109.43	8,373.97	8,437.03	0.993
2023	3,533.13		5,208.54		8,741.67		

Part A Notice:

<https://www.federalregister.gov/documents/2019/11/13/2019-24439/medicare-program-cy-2020-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>

Part B Notice:

<https://www.federalregister.gov/documents/2019/11/13/2019-24440/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rates-and-annual-deductible>