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TO: Medicare Advantage Organizations

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SUBJECT: Update to 2027 Quality Bonus Payment Determinations

In light of a recent court decision,¹ CMS is voluntarily recalculating the 2027 Quality Bonus Payment (QBP) ratings for certain Medicare Advantage (MA) contracts. We assigned MA contracts the recalculated rating only if it was higher than the previously assigned QBP rating. If a contract's recalculation results in a lower rating than the previously assigned rating, CMS will not update the contract's 2027 QBP rating; it will be held harmless in this recalculation. CMS is not announcing any policy or position here regarding the calculation of the 2027 Star Ratings, which will be issued in October 2026, nor the 2028 QBP ratings.

We recalculated the 2027 QBP ratings for MA organizations only using data collected under 42 U.S.C. 1395w-22(e) as of November 1, 2003, specifically Part C measures using Healthcare Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Healthcare Providers and Systems (CAHPS), and Health Outcomes Survey (HOS) data. We removed all the Part D measures and the following Part C measures: Special Needs Plan Care Management, Complaints about the Health Plan, Members Choosing to Leave the Plan, Plan Makes Timely Decisions about Appeals, Reviewing Appeals Decisions, and Call Center – Foreign Language Interpreter and TTY Availability.

¹ The decision in *Clover Insurance Company v. Department of Health & Human Services*, Civ. A. No. 25-142 (S.D. Ga.) was issued on May 27, 2026. CMS's decision to recalculate 2027 Quality Bonus Payment ratings as described herein has no bearing on CMS's potential exercise of its right to appeal this decision.

MA organizations can view their recalculated 2027 QBP ratings in the Health Plan Management System (HPMS).

- To access the recalculated 2027 QBP ratings data, select Quality and Performance in the navigation bar and then Performance Metrics > Reports > Costs. Select MA QBP Rating as the “Report Type.” Contracts should ensure that 2027 is selected as the “Contract Year” and then click “Create Report” to view their QBP ratings.

Contracts will be informed when updated Total Beneficiary Cost (TBC) data are available.

MA contracts with increases in their 2027 QBP ratings as described above (i.e., only contracts that have an increase in their QBP ratings that has an impact on their benchmark or rebate amount) will have a time-limited opportunity to resubmit their Contract Year (CY) 2027 bids, including bid pricing tools (BPTs), plan benefit packages (PBPs), and formularies. As a reminder, QBP ratings are calculated at the contract level, so all PBPs underlying a contract will be assigned the associated QBP rating.

Although bid resubmission is permitted for affected entities, it is not required. Your organization maintains the option to proceed with its original 2027 QBP rating and the corresponding final bid submitted to CMS on or before the June 1, 2026 deadline. If you opt out of the resubmission, please be advised that the original bid will be reviewed for compliance with all bid standards and requirements, and the original 2027 QBP rating will be used for payments for enrollees with functioning graft status and for Employer Group Waiver Plans (EGWP) under the contract.

CY 2027 bid submissions must match the QBP rating and associated rebate status in HPMS. For HPMS to reflect your organization’s preference for using its recalculated 2027 QBP rating (if applicable) or its original 2027 QBP rating, CMS needs notice to update HPMS accordingly for bid review and evaluation. Your organization must notify CMS of either your intention to resubmit a bid or your intention to opt out of resubmission no later than June 22, 2026, at 11:59 PM Pacific Daylight Time. Please send this information to the Part C & D Star Ratings mailbox (PartCandDStarRatings@cms.hhs.gov) using the following subject line: 2027 Bid Resubmission Decision Contract(s) HXXXX. Failure to submit your intention by COB June 22, 2026, will be treated as notice of intent to opt out of bid resubmission. After June 22, 2026, CMS will update the 2027 QBP ratings in HPMS as needed for consistency with the QBP ratings used in the final bids. For contracts that opt out of bid resubmission, their 2027 QBP rating will be updated to reflect the QBP rating used in their original bid submission.

In an effort to minimize disruption to the overall formulary review process, including for those MA contracts without changes to their 2027 QBP ratings, affected contracts that would like to make changes to one or more formularies associated with their contracts must contact PartDFormularies@cms.hhs.gov by June 22, 2026 using the following subject line: 2027 QBP Formulary Changes Request FID(s) 27XXX, to confirm next steps. For CMS to effectively and efficiently complete the bid review process consistent with its statutory obligations, CY 2027 bid resubmissions must be submitted no later than June 29, 2026, including the updated supporting documentation. CMS will open the gates in HPMS on June 25, 2026 for affected contracts to resubmit bids to reflect the change in their QBP rating. MA organizations, including Part D sponsors, should continue to respond to staged BPT, PBP, and formulary review

communications. The actuarial certification for any CY 2027 bid resubmissions must be completed by July 1, 2026.

If you intend to resubmit your bid, this is a reminder that all MA organizations are required to submit their best accurate and complete bid(s) no later than Monday, June 29, 2026, at 11:59 PM Pacific Daylight Time. For information regarding bid submission requirements and evaluation, please refer to the April 22, 2026 HPMS memorandum “Final Contract Year (CY) 2027 Standards for Part C Benefits, Bid Review and Evaluation”, as well as the February 6, 2026 HPMS memorandum “Contract Year (CY) 2027 Final Part D Bidding Instructions”.

Any organization proceeding with bid resubmission in accordance with this process is required to submit a bid that complies with issued bid guidance, including but not limited to: Part D Cost Sharing thresholds, Part C Service Category Cost Sharing, PMPM Actuarial Equivalent Cost Sharing, TBC, and/or Optional Supplemental Benefit requirements and evaluation standards.

Questions regarding your QBP rating should be sent to: PartCandDStarRatings@cms.hhs.gov. Questions regarding the TBC information that will be posted in HPMS should be sent to: actuarial-bids@cms.hhs.gov. Questions related to the TBC policy should be submitted to: <https://mabenefitsmailbox.lmi.org/MABenefitsMailbox/>. Questions related to Part D benefits should be submitted to: PartDBenefits@cms.hhs.gov. Questions related to formularies should be sent to: PartDFormularies@cms.hhs.gov.

For impacted contracts that notify CMS of their intent to proceed with bid resubmission based on the recalculated rating, we will be updating the overall rating displayed in HPMS and Medicare Plan Finder for QBP eligibility purposes to match the recalculated 2027 QBP rating in the coming weeks.