

HPMS E-Mail

Date: July 31, 2026

Subject: Contract Year 2027 Medicare Advantage Out-of-Pocket Costs & Premium
Information for Rebate Reallocation

CMS announces that information regarding the current contract year (CY) 2027 Medicare Advantage (MA) premium amounts (net of rebates) based on the national average, adjusted Total Beneficiary Cost (TBC), and Out-of-Pocket Cost values (OOPC) by service category is now available in the Health Plan Management System (HPMS).

This information may be accessed by selecting: Quality and Performance > Performance Metrics > Reports > Costs > Part C Total Beneficiary Costs > 7/28/2026. The information also includes a column with the formulary version number (if applicable). Following rebate reallocation, CMS uses the first-approved plan formulary in calculating the OOPC values or the most recently submitted plan formulary if the formulary is not yet approved. It is important to note that in making this calculation, CMS does not consider any formulary updates after the first-approved plan formulary (i.e., changes made to plan formularies during the CY 2027 Summer Limited Update Window). Please note: Plans that are not subject to TBC requirements, such as Employer Plans, Medical Savings Accounts, Special Needs Plans for End-Stage Renal Disease requiring dialysis, and Dual Eligible Special Needs Plans are excluded from this information.

MA organization's bids must satisfy published requirements, such as TBC, Service Category Cost Sharing, Per Member Per Month Actuarial Equivalent Cost Sharing, and Part C Optional Supplemental Benefits. MA organizations should refer to information regarding rebate reallocation, as posted at: <https://www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/bid-forms-instructions/2027> and included in the "Instructions for Completing the Medicare Advantage Bid Pricing Tools for Contract Year 2027" (April 10, 2026). In addition, the HPMS memo titled, "Final Contract Year (CY) 2027 Standards for Part C Benefits, Bid Review and Evaluation" (April 22, 2026) includes instructions for calculating the adjusted change in TBC.

Technical questions regarding this memo should be submitted as follows:

Premiums: actuarial-bids@cms.hhs.gov

OOPC model: OOPC@cms.hhs.gov

TBC: <https://mabenefitsmailbox.lmi.org/>