



OFFICE OF THE ACTUARY

TO: Medicare Advantage & Prescription Drug Plan Sponsors and Certifying Actuaries
DATE: November 27, 2018
FROM: Jennifer Lazio, Director, Parts C & D Actuarial Group
SUBJECT: Early Preview – CY2020 Medicare Advantage Ratebook Growth Rates

On October 17, 2018, CMS published in the *Federal Register* the calendar year (CY) 2019 Part A and Part B premiums. Supporting the CY 2019 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 2019 ratebook growth rates for non-ESRD beneficiaries is 3.59 percent for total USPCC and 3.86 percent for fee-for-service (FFS) USPCC. Table 1 illustrates the calculation of these growth rates, and Tables 2 and 3 illustrate the year-by-year USPCCs relative to the estimate in the Announcement of the CY 2019 Medicare Advantage Capitation Rates.

These estimates are preliminary and could change when the final rates are published on April 1, 2019 in the Announcement of Calendar Year (CY) 2020 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) 2020, which is to be released in accordance with the statute.

Table 1. Increase in the USPCC Growth Percentage for CY 2020 – Non-ESRD

	Total USPCC	FFS USPCC
Current projected 2020 USPCC	\$947.41	\$925.48
Prior projected 2019 USPCC	\$914.62	\$891.07
Percent increase	3.59	3.86

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

Calendar Year	Part A		Part B		Part A & Part B		
	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	367.93	367.93	751.84	751.84	1.000
2010	383.95	383.95	376.79	376.81	760.74	760.76	1.000
2011	388.18	388.18	386.45	386.45	774.63	774.63	1.000
2012	377.71	377.72	392.97	392.97	770.68	770.69	1.000
2013	381.73	381.73	399.67	399.67	781.40	781.40	1.000
2014	372.70	372.77	418.62	418.59	791.32	791.36	1.000
2015	376.31	376.31	435.75	435.76	812.06	812.07	1.000
2016	380.07	380.07	446.13	446.33	826.20	826.40	1.000
2017	385.12	384.70	461.53	464.36	846.65	849.06	0.997
2018	390.82	390.02	490.13	488.79	880.95	878.81	1.002
2019	400.02	400.52	514.22	514.10	914.24	914.62	1.000
2020	410.80	412.19	536.61	537.91	947.41	950.10	0.997
2021	427.39	427.98	567.21	568.79	994.60	996.77	0.998
2022	447.80	446.75	598.45	599.54	1,046.25	1,046.29	1.000

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

Calendar Year	Part A		Part B		Part A & Part B		
	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Current Estimate	Last Year's Estimate	Ratio
2010	\$371.20	\$371.20	\$374.92	\$374.92	\$746.12	\$746.12	1.000
2011	371.70	371.70	384.70	384.70	756.40	756.40	1.000
2012	357.52	357.52	392.25	392.25	749.77	749.77	1.000
2013	366.28	366.28	396.04	396.04	762.32	762.32	1.000
2014	367.77	367.40	409.53	409.08	777.30	776.48	1.001
2015	372.60	372.76	428.76	429.23	801.36	801.99	0.999
2016	374.91	374.86	436.07	436.55	810.98	811.41	0.999
2017	377.02	376.30	451.77	456.25	828.79	832.55	0.995
2018	383.08	381.58	477.25	474.83	860.33	856.41	1.005
2019	391.52	391.63	499.96	499.44	891.48	891.07	1.000
2020	402.89	403.45	522.59	523.29	925.48	926.74	0.999
2021	418.55	417.97	551.44	552.01	969.99	969.98	1.000
2022	438.09	435.52	581.31	580.78	1,019.40	1,016.30	1.003

Part A Notice:

<https://www.federalregister.gov/documents/2018/10/17/2018-22529/medicare-program-cy-2019-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>

Part B Notice:

<https://www.federalregister.gov/documents/2018/10/17/2018-22530/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rates-and-annual-deductible>