



OFFICE OF THE ACTUARY

TO: Medicare Advantage & Prescription Drug Plan Sponsors and Certifying Actuaries
FROM: Jennifer Lazio, Director, Parts C & D Actuarial Group
DATE: November 29, 2016
SUBJECT: Early Preview – CY2018 Medicare Advantage Ratebook Growth Rates

On November 15, 2016, CMS published in the *Federal Register* the calendar year (CY) 2017 Part A and Part B premiums. Supporting the CY 2017 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 2018 ratebook growth rates for non-ESRD beneficiaries is 2.42 percent for total USPCC and 2.31 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 2016 Medicare Advantage Capitation Rates.

These estimates are preliminary and could change when the final rates are published on April 3, 2017 in the Announcement of Calendar Year (CY) 2018 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) 2018, which is expected to be released on February 1, 2017.

Table 1. Increase in the USPCC Growth Percentage for CY 2018 – Non-ESRD

	Total USPCC	FFS USPCC
Current projected 2018 USPCC	\$862.40	\$844.26
Prior projected 2017 USPCC	\$842.06	\$825.20
Projected increase	2.42%	2.31%

Table 2. Comparison of Current & Previous Estimates of the Total USPCC – 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	\$383.93	\$383.93	\$367.93	\$367.93	\$751.86	\$751.86	1.000
2010	\$382.99	\$382.99	\$376.82	\$376.82	\$759.81	\$759.81	1.000
2011	\$389.78	\$389.78	\$386.31	\$386.31	\$776.09	\$776.09	1.000
2012	\$379.28	\$379.28	\$392.98	\$392.90	\$772.26	\$772.18	1.000
2013	\$381.32	\$381.32	\$399.69	\$399.73	\$781.01	\$781.05	1.000
2014	\$371.80	\$371.80	\$418.79	\$418.58	\$790.59	\$790.38	1.000
2015	\$373.10	\$372.10	\$433.73	\$432.53	\$806.83	\$804.63	1.003
2016	\$372.04	\$375.95	\$445.77	\$441.72	\$817.81	\$817.67	1.000
2017	\$376.29	\$386.02	\$465.11	\$456.04	\$841.40	\$842.06	0.999
2018	\$384.58	\$397.89	\$477.82	\$473.50	\$862.40	\$871.39	0.990
2019	\$396.52	\$410.97	\$504.48	\$503.55	\$901.00	\$914.52	0.985
2020	\$412.26		\$530.07		\$942.33		

Table 3. Comparison of Current & Previous Estimates of the FFS USPCC – 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	\$369.90	\$369.90	\$374.91	\$374.91	\$744.81	\$744.81	1.000
2011	\$373.81	\$373.81	\$384.48	\$384.47	\$758.29	\$758.28	1.000
2012	\$359.57	\$359.57	\$392.18	\$392.07	\$751.75	\$751.64	1.000
2013	\$365.58	\$365.58	\$395.92	\$395.99	\$761.50	\$761.57	1.000
2014	\$365.88	\$365.88	\$409.18	\$408.86	\$775.06	\$774.74	1.000
2015	\$369.71	\$368.23	\$428.15	\$426.30	\$797.86	\$794.53	1.004
2016	\$364.65	\$370.33	\$437.56	\$431.08	\$802.21	\$801.41	1.001
2017	\$370.56	\$378.95	\$453.88	\$446.25	\$824.44	\$825.20	0.999
2018	\$378.29	\$390.23	\$465.97	\$462.98	\$844.26	\$853.21	0.990
2019	\$389.70	\$402.64	\$490.21	\$491.86	\$879.91	\$894.50	0.984
2020	\$404.71		\$514.29		\$919.00		

Part A Notice:

<https://www.federalregister.gov/documents/2016/11/15/2016-27388/medicare-program-cy-2017-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>

Part B Notice:

<https://www.federalregister.gov/documents/2016/11/15/2016-27425/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rate-and-annual-deductible>