

## **CMS Proposes Significant Changes to Medicare Advantage and Part D for 2021 and Beyond**

Article By:

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This week, the U.S. Department for Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS) released a proposed rule ([the Medicare and Medicaid Programs: Contract Year 2021 and 2022 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicaid Program, Medicare Cost Plan Program and Programs of All-Inclusive Care for the Elderly](#)) (the Proposed Rule), the [2021 Medicare Advantage and Part D Advance Notice of Methodological Changes for Medicare Advantage Capitation Rates and Part C and Part D Payment Policies \(Part II\)](#) (the Advance Notice), and multiple Health Plan Management System (HPMS) memos and notices covering topics including Medicare Advantage (MA) benefits, Medicare Part D bidding, and suspension of its Past Performance Review Methodology.

In addition to multiple proposed substantive changes to standards and operations for MA and Part D plans, CMS has also proposed to codify many longstanding MA and Part D policies that have historically been announced through sub-regulatory guidance. As a result of this proposal, CMS has decided not to publish a Call Letter for 2021.

Some of the changes proposed or announced in the Proposed Rule, Advance Notice, and HPMS memos include:

- Implementing changes adopted in the Cures Act to allow Medicare beneficiaries with ESRD to enroll into MA plans (Proposed Rule, Advance Notice, and [MA Benefits Review and Evaluation HPMS Memo](#));
- Changes to the Star Rating System and suspension of CMS's current Past Performance Review Methodology (Proposed Rule and Advance Notice);
- Supplemental Benefits (Proposed Rule), including:
  - Codifying CMS' current sub-regulatory guidance regarding supplemental benefits;
  - Updating MA Medical Loss Ratio (MLR) to account for CMS' broadened definition of supplemental benefits; and
  - Increasing the number of chronic conditions that MA plans may use Special Supplemental Benefits to target;
- Recognizing the importance of telehealth in rural areas by changing network adequacy rules (Proposed Rule);
- Seeking to improve Part D members' access to specialty drugs with new tiering (Proposed

Rule);

- Providing more real time benefit tools in Part D, which echoes the focus on transparency present in HHS' November 2019 proposed rule for group health plans, which we previously discussed [here](#) (Proposed Rule);
- Requiring Part D plans to report the metrics they use to evaluate pharmacy performance (Proposed Rule);
- Various changes to the Programs of All-Inclusive Care for the Elderly (PACE) to increase CMS' access to records, improve participants' rights, and streamlining the service delivery request process (Proposed Rule); and
- Continuing to transition to the use of encounter data and the 2020 CMS-HCC Model (moving from 50% RAPS/2017 CMS-HCC Model and 50% encounter data/2020 CMS-HCC Model for 2020 to 25% RAPS/2017 CMS-HCC Model and 75% encounter data/2020 CMS-HCC Model for 2021) (Advanced Notice).

In the coming weeks, we will be running a series of posts focusing on these key policy proposals.

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