



## NewsBREAK | April 3

### CMS Issues Final Rate Notice for 2024

- On March 31, 2023, the Centers for Medicare & Medicaid Services (CMS) released the Announcement of Calendar Year (CY) 2024 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies (the Rate Announcement).
- **Growth Percentages:** Attachment I provides the final estimates of the National Per Capita MA Growth Percentage and the FFS Growth Percentage, also called growth rates, upon which the capitation rates are based, and information on deductibles for Medical Savings Accounts. For more information on the overall change in growth rates, please see the Fact Sheet.
- Policies in the Advance Notice that are not modified or retracted in the Rate Announcement become effective for the upcoming payment year. Clarifications in the Rate Announcement supersede information in the Advance Notice and prior Rate Announcements as they apply for payment year 2024.
- **Inflation Reduction Act:** CMS will implement the changes to the Part D drug benefit made by the Inflation Reduction Act of 2022 as described in the CY 2024 Advance Notice.
- **Annual Adjustments to Medicare Part D Benefit Parameters in 2024:** CMS will update the defined standard benefit deductible amount, initial coverage limit, and out-of-pocket (OOP) threshold, by multiplying the CY 2023 amounts by the CY 2024 Annual Percentage Increase (API) and rounding as specified by the statute.
- **Part D Calendar Year Employer Group Waiver Plans Prospective Reinsurance Amount:** CMS is maintaining the Part D Calendar Year EGWP prospective reinsurance policy as discussed in the CY 2024 Advance Notice. The average per member per month (PMPM) actual reinsurance amount paid to Part D Calendar Year EGWPs for the most recently reconciled payment year, which for purposes of CY 2024 is CY 2021, was \$71.09.
- **Part D Risk Sharing:** CMS will apply no changes to the current threshold risk percentages for CY 2024.
- **Retiree Drug Subsidy Amounts:** CMS will use the same methodology as in prior years to update the cost threshold and cost limit for qualified retiree prescription drug plans.

See the Rate Announcement for additional details.

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### More on This Topic

- [Rate Announcement](#)
- [Fact Sheet](#)

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- [Capitation Rate Tables for 2024 and supporting data](#)

For questions, please reach out to [Tyler Thorne](#).

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