

DEPARTMENT OF HEALTH & HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
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TO: Medicare Advantage Organization Compliance Officers

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SUBJECT: Update to 2025 Quality Bonus Payment Determinations

In light of recent court decisions,¹ CMS is recalculating the 2024 Star Ratings for 2025 Quality Bonus Payment (QBP) purposes to address the application of Tukey outlier deletion and guardrails as codified at 42 C.F.R. §§ 422.166(a)(2)(i) and 423.186(a)(2)(i). CMS is not announcing here any policy or position with regard to the calculation of the 2025 Star Ratings, to be issued in October 2024.

Specifically, we have recalculated the 2024 Star Ratings using the published 2023 Star Ratings cut points to determine the guardrails for the 2024 Star Ratings (i.e., Tukey outliers were not removed from the 2023 Star Ratings). We have assigned all contracts the recalculated 2024 overall and/or summary Star Ratings if those recalculated ratings result in higher QBP Ratings than what was previously assigned based on the contract's overall and/or summary 2024 Star Ratings that were released in October 2023. If this recalculation would result in a contract's QBP Rating decreasing compared to the ratings previously assigned, CMS is not implementing

¹ The decisions in *SCAN Health Plan v. Department of Health & Human Services*, Civ. A. No. 23-3910 (CJN) (D.D.C.), and *Elevance Health, Inc. v. Becerra*, Civ. A. No. 23-3902 (RDM) (D.D.C.), were issued on June 3, 2024 and June 7, 2024 respectively. A decision whether to appeal those judgments has not yet been reached. CMS's decision to recalculate 2024 Star Ratings as described herein has no bearing on CMS's potential exercise of its right to appeal those decisions.

the change for those contracts and those contracts will be held harmless in this recalculation. A contract's QBP Rating will not be decreased by CMS as a result of this recalculation.

All MA contracts can view their updated 2025 QBP Ratings and Total Beneficiary Cost (TBC) data in the Health Plan Management System (HPMS). To access the recalculated QBP Ratings data, select Quality and Performance in the navigation bar and then Performance Metrics > Reports > Costs. Select MA QBP Rating as the "Report Type." Contracts should ensure that 2025 is selected as the "Contract Year" and then click "Create Report" to view their QBP Ratings. To access the TBC data, select Quality and Performance in the navigation bar and then Performance Metrics > Reports > Costs. Select Part C Total Beneficiary Costs as the "Report Type." Contracts should select 6/11/2024 as the "Report Period" and click "Create Report."

MA contracts with increases in their QBP Ratings as described above (i.e., only contracts that have an increase in their QBP Ratings from 3 to 3.5 stars, 3.5 to 4.0 stars, or 4.0 to 4.5 stars) will have a time-limited opportunity to resubmit their Contract Year 2025 bids, including bid pricing tools (BPTs), plan benefit packages (PBPs), and formularies. In an effort to minimize disruption to the overall formulary review process, including for those MA contracts without changes to their Star Ratings, affected contracts that plan to make changes to one or more formularies associated to their contracts must contact PartDFormularies@cms.hhs.gov by June 18, 2024 to confirm next steps.

In order for CMS to effectively and efficiently complete the bid review process consistent with its statutory obligations, revised bids and any formulary changes must be submitted no later than June 28, 2024, including the updated supporting documentation. CMS will open the gates in HPMS on June 26, 2024 for affected contracts to resubmit bids to reflect the change in their QBP Rating. MA organizations, including those that are Part D sponsors, should continue to respond to staged BPT, PBP, and formulary review communications that they receive. The actuarial certification for any bid resubmissions must be completed by July 3, 2024.

Questions regarding your QBP Rating should be sent to: PartCandDStarRatings@cms.hhs.gov. Questions regarding the TBC information posted in HPMS should be sent to: actuarial-bids@cms.hhs.gov. Questions related to the TBC policy should be submitted to: <https://mabenefitsmailbox.lmi.org/MABenefitsMailbox/>. Questions related to Part D benefits should be submitted to: PartDBenefits@cms.hhs.gov. Questions related to formularies should be sent to: PartDFormularies@cms.hhs.gov.

Additionally, we plan to update the 2024 Star Ratings information for all contracts on Medicare Plan Finder in the coming weeks.