

CMS Office of the Actuary
Rate Announcement 2026
Medicare Part A Non-ESRD Fee-For-Service PMPM Costs and Trends, 2020-2026

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| <u>Part A – PMPM (2026 Rate Announcement (RA))</u> | | | | | | | | |
| Inpatient | \$299.93 | \$314.82 | \$326.50 | \$340.92 | \$356.02 | \$366.22 | \$367.22 | |
| SNF | 62.23 | 61.22 | 68.36 | 66.40 | 70.33 | 75.24 | 80.71 | |
| Home health | 13.20 | 13.61 | 13.83 | 14.36 | 15.26 | 16.02 | 17.07 | |
| Claims processing loading | 0.23 | 0.41 | 0.45 | 0.46 | 0.47 | 0.48 | 0.49 | '26 Growth |
| Total | \$375.59 | \$390.06 | \$409.14 | \$422.14 | \$442.08 | \$457.96 | \$465.49 | 5.39% |
| <u>Part A – PMPM (2025 Rate Announcement (RA))</u> | | | | | | | | |
| Inpatient | \$300.17 | \$315.67 | \$324.88 | \$338.33 | \$347.78 | \$352.46 | \$350.91 | |
| SNF | 62.24 | 61.26 | 68.54 | 66.99 | 67.92 | 72.62 | 77.45 | |
| Home health | 13.20 | 13.58 | 13.86 | 14.04 | 15.06 | 16.12 | 17.95 | |
| Claims processing loading | 0.23 | 0.41 | 0.45 | 0.46 | 0.47 | 0.48 | 0.49 | |
| Total | \$375.84 | \$390.92 | \$407.73 | \$419.82 | \$431.23 | \$441.68 | \$446.80 | |
| <u>Part A – PMPM: 2026 RA versus 2025 RA (% difference)</u> | | | | | | | | |
| Inpatient | -0.08% | -0.27% | 0.50% | 0.77% | 2.37% | 3.90% | 4.65% | |
| SNF | -0.02% | -0.07% | -0.26% | -0.88% | 3.55% | 3.61% | 4.21% | |
| Home health | 0.00% | 0.22% | -0.22% | 2.28% | 1.33% | -0.62% | -4.90% | |
| Claims processing loading | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Total | -0.07% | -0.22% | 0.35% | 0.55% | 2.52% | 3.69% | 4.18% | |
| <u>Part A – PMPM: 2026 RA versus 2025 RA (\$ difference)</u> | | | | | | | | |
| Inpatient | (\$0.24) | (\$0.85) | \$1.62 | \$2.59 | \$8.24 | \$13.76 | \$16.31 | |
| SNF | (0.01) | (0.04) | (0.18) | (0.59) | 2.41 | 2.62 | 3.26 | |
| Home health | 0.00 | 0.03 | (0.03) | 0.32 | 0.20 | (0.10) | (0.88) | |
| Claims processing loading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Total | (\$0.25) | (\$0.86) | \$1.41 | \$2.32 | \$10.85 | \$16.28 | \$18.69 | |
| <u>Part A – PMPM Trend (2026 Rate Announcement)</u> | | | | | | | | |
| Inpatient | n/a | 4.96% | 3.71% | 4.42% | 4.43% | 2.87% | 0.27% | |
| SNF | n/a | -1.62% | 11.66% | -2.87% | 5.92% | 6.98% | 7.27% | |
| Home health | n/a | 3.11% | 1.62% | 3.83% | 6.27% | 4.98% | 6.55% | |
| Claims processing loading | n/a | 78.26% | 9.76% | 2.22% | 2.17% | 2.13% | 2.08% | |
| Total | n/a | 3.85% | 4.89% | 3.18% | 4.72% | 3.59% | 1.64% | |
| <u>Inpatient Trend (2026 RA)</u> | | | | | | | | |
| Total | n/a | 4.96% | 3.71% | 4.42% | 4.43% | 2.87% | 0.27% | |
| Unit cost | n/a | 2.81% | 2.96% | 4.01% | 3.05% | 2.80% | 2.58% | |
| Utilization | n/a | -0.70% | -0.10% | 2.40% | 3.50% | 2.60% | 1.80% | |
| Case mix | n/a | 2.90% | -0.30% | -1.00% | -0.30% | 0.00% | 0.20% | |
| COVID-19 morbidity | n/a | -0.47% | -0.85% | 0.06% | 0.00% | 0.26% | 0.58% | |
| Phase-out of MA med. ed. | n/a | 0.00% | 0.00% | 0.00% | -2.72% | -1.70% | -4.56% | |
| Retirement of Denominator | n/a | 0.00% | 0.00% | -0.78% | -0.12% | -0.05% | -0.13% | |
| Other | n/a | 0.39% | 2.00% | -0.26% | 1.08% | -0.98% | -0.03% | |

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SNF Trend | | | | | | | |
| Total | n/a | -1.62% | 11.66% | -2.87% | 5.92% | 6.98% | 7.27% |
| Unit cost | n/a | 1.95% | 1.57% | 3.00% | 4.01% | 3.85% | 2.78% |
| Utilization | n/a | -1.10% | 9.70% | -3.70% | -0.50% | 0.50% | 1.50% |
| Case mix | n/a | 1.40% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| COVID-19 morbidity | n/a | -0.96% | -0.72% | 0.08% | -0.10% | 0.43% | 1.37% |
| Retirement of Denominator | n/a | 0.00% | 0.00% | -0.01% | -0.04% | 0.00% | 0.00% |
| Other | n/a | -2.84% | -0.55% | -3.59% | 0.97% | 0.55% | -0.06% |
| Home Health (A) Trend | | | | | | | |
| Total | n/a | 3.11% | 1.62% | 3.83% | 6.27% | 4.98% | 6.55% |
| Unit cost | n/a | 2.00% | 2.60% | -0.08% | 0.32% | 0.90% | 0.40% |
| Utilization | n/a | -2.10% | -4.70% | 1.40% | 3.30% | 2.10% | 3.50% |
| Case mix | n/a | -0.30% | 0.10% | 1.50% | 1.50% | 1.50% | 1.50% |
| COVID-19 morbidity | n/a | -1.07% | -1.10% | -0.35% | 0.10% | 0.75% | 2.03% |
| Retirement of Denominator | n/a | 0.00% | 0.00% | 0.49% | -0.01% | 0.00% | 0.00% |
| Other (incl. episodes per visit) | n/a | 4.69% | 4.98% | 0.82% | 0.94% | -0.35% | -0.99% |

Rate Announcement 2026

Medicare Part B Non-ESRD Fee-For-Service PMPM Costs and Trends, 2020-2026

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Part B – PMPM (2026 Rate Announcement (RA)) | | | | | | | | |
| Physician Fee Schedule | \$165.92 | \$202.49 | \$202.09 | \$207.86 | \$215.72 | \$216.19 | \$223.24 | |
| Outpatient Hospital | 137.98 | 165.19 | 170.79 | 185.06 | 203.54 | 225.11 | 246.44 | |
| Durable Medical Equipment | 18.25 | 19.01 | 21.16 | 23.36 | 27.26 | 29.63 | 31.36 | |
| Carrier Lab | 16.16 | 19.32 | 18.12 | 18.75 | 20.32 | 21.44 | 22.52 | |
| Physician Admin Rx | 48.30 | 53.59 | 59.74 | 74.71 | 97.38 | 104.44 | 108.73 | |
| Other Carrier | 24.63 | 26.07 | 31.35 | 38.21 | 35.42 | 38.84 | 41.66 | |
| Intermediary Lab | 7.61 | 8.85 | 8.73 | 8.23 | 8.50 | 8.72 | 8.95 | |
| Other Intermediary | 30.81 | 34.66 | 35.81 | 38.84 | 42.01 | 43.85 | 46.22 | |
| Home Health | 27.67 | 28.70 | 28.82 | 29.31 | 30.05 | 31.83 | 33.88 | |
| Claims processing loading | 0.73 | 1.51 | 1.70 | 1.82 | 1.81 | 1.92 | 2.03 | '26 Growth |
| Total | \$478.06 | \$559.39 | \$578.31 | \$626.15 | \$682.01 | \$721.97 | \$765.03 | 11.01% |
| Part B – PMPM (2025 Rate Announcement (RA)) | | | | | | | | |
| Physician Fee Schedule | \$164.63 | \$198.20 | \$201.98 | \$209.88 | \$213.91 | \$216.74 | \$222.50 | |
| Outpatient Hospital | 139.34 | 166.96 | 168.97 | 187.79 | 204.39 | 221.05 | 239.37 | |
| Durable Medical Equipment | 18.18 | 19.03 | 21.69 | 26.70 | 26.88 | 27.86 | 29.60 | |
| Carrier Lab | 16.21 | 19.40 | 18.64 | 18.15 | 19.13 | 20.07 | 22.23 | |
| Physician Admin Rx | 48.27 | 53.64 | 60.49 | 70.49 | 77.84 | 86.37 | 93.90 | |
| Other Carrier | 24.70 | 26.09 | 32.01 | 36.47 | 29.25 | 30.15 | 31.30 | |
| Intermediary Lab | 7.69 | 8.88 | 8.67 | 8.22 | 8.46 | 8.68 | 9.21 | |
| Other Intermediary | 30.95 | 34.69 | 35.57 | 39.08 | 40.98 | 43.07 | 45.43 | |
| Home Health | 27.79 | 28.81 | 28.98 | 29.91 | 31.50 | 33.18 | 36.22 | |
| Claims processing loading | 0.73 | 1.50 | 1.70 | 1.82 | 1.91 | 2.00 | 2.12 | |
| Total | \$478.49 | \$557.20 | \$578.70 | \$628.51 | \$654.25 | \$689.17 | \$731.88 | |
| Part B – PMPM: 2026 RA versus 2025 RA (% difference) | | | | | | | | |
| Physician Fee Schedule | 0.78% | 2.16% | 0.05% | -0.96% | 0.85% | -0.25% | 0.33% | |
| Outpatient Hospital | -0.98% | -1.06% | 1.08% | -1.45% | -0.42% | 1.84% | 2.95% | |
| Durable Medical Equipment | 0.39% | -0.11% | -2.44% | -12.51% | 1.41% | 6.35% | 5.95% | |
| Carrier Lab | -0.31% | -0.41% | -2.79% | 3.31% | 6.22% | 6.83% | 1.30% | |
| Physician Admin Rx | 0.06% | -0.09% | -1.24% | 5.99% | 25.10% | 20.92% | 15.79% | |
| Other Carrier | -0.28% | -0.08% | -2.06% | 4.77% | 21.09% | 28.82% | 33.10% | |
| Intermediary Lab | -1.04% | -0.34% | 0.69% | 0.12% | 0.47% | 0.46% | -2.82% | |
| Other Intermediary | -0.45% | -0.09% | 0.67% | -0.61% | 2.51% | 1.81% | 1.74% | |
| Home Health | -0.43% | -0.38% | -0.55% | -2.01% | -4.60% | -4.07% | -6.46% | |
| Claims processing loading | 0.00% | 0.67% | 0.00% | 0.00% | -5.24% | -4.00% | -4.25% | |
| Total | -0.09% | 0.39% | -0.07% | -0.38% | 4.24% | 4.76% | 4.53% | |
| Part B – PMPM: 2026 RA versus 2025 RA (\$ difference) | | | | | | | | |
| Physician Fee Schedule | \$1.29 | \$4.29 | \$0.11 | (\$2.02) | \$1.81 | (\$0.55) | \$0.74 | |
| Outpatient Hospital | (1.36) | (1.77) | 1.82 | (2.73) | (0.85) | 4.06 | 7.07 | |
| Durable Medical Equipment | 0.07 | (0.02) | (0.53) | (3.34) | 0.38 | 1.77 | 1.76 | |
| Carrier Lab | (0.05) | (0.08) | (0.52) | 0.60 | 1.19 | 1.37 | 0.29 | |
| Physician Admin Rx | 0.03 | (0.05) | (0.75) | 4.22 | 19.54 | 18.07 | 14.83 | |
| Other Carrier | (0.07) | (0.02) | (0.66) | 1.74 | 6.17 | 8.69 | 10.36 | |
| Intermediary Lab | (0.08) | (0.03) | 0.06 | 0.01 | 0.04 | 0.04 | (0.26) | |
| Other Intermediary | (0.14) | (0.03) | 0.24 | (0.24) | 1.03 | 0.78 | 0.79 | |
| Home Health | (0.12) | (0.11) | (0.16) | (0.60) | (1.45) | (1.35) | (2.34) | |

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Claims processing loading | 0.00 | 0.01 | 0.00 | 0.00 | (0.10) | (0.08) | (0.09) |
| Total | (\$0.43) | \$2.19 | (\$0.39) | (\$2.36) | \$27.76 | \$32.80 | \$33.15 |

Part B – PMPM Trend (2026 Rate Announcement)

| | | | | | | | |
|---------------------------|-----|---------|--------|--------|--------|--------|-------|
| Physician Fee Schedule | n/a | 22.04% | -0.20% | 2.86% | 3.78% | 0.22% | 3.26% |
| Outpatient Hospital | n/a | 19.72% | 3.39% | 8.36% | 9.99% | 10.60% | 9.48% |
| Durable Medical Equipment | n/a | 4.16% | 11.31% | 10.40% | 16.70% | 8.69% | 5.84% |
| Carrier Lab | n/a | 19.55% | -6.21% | 3.48% | 8.37% | 5.51% | 5.04% |
| Physician Admin Rx | n/a | 10.95% | 11.48% | 25.06% | 30.34% | 7.25% | 4.11% |
| Other Carrier | n/a | 5.85% | 20.25% | 21.88% | -7.30% | 9.66% | 7.26% |
| Intermediary Lab | n/a | 16.29% | -1.36% | -5.73% | 3.28% | 2.59% | 2.64% |
| Other Intermediary | n/a | 12.50% | 3.32% | 8.46% | 8.16% | 4.38% | 5.40% |
| Home Health | n/a | 3.72% | 0.42% | 1.70% | 2.52% | 5.92% | 6.44% |
| Claims processing loading | n/a | 106.85% | 12.58% | 7.06% | -0.55% | 6.08% | 5.73% |
| Total | n/a | 17.01% | 3.38% | 8.27% | 8.92% | 5.86% | 5.96% |

Physician Fee Schedule Trend

| | | | | | | | |
|---------------------------|-----|--------|--------|--------|--------|--------|--------|
| Total | n/a | 22.04% | -0.20% | 2.86% | 3.78% | 0.22% | 3.26% |
| Unit cost | n/a | 3.75% | -0.72% | -0.49% | 0.11% | -2.54% | 0.45% |
| Volume & Intensity | n/a | 14.70% | 1.80% | 3.40% | 1.80% | 2.20% | 2.70% |
| COVID-19 morbidity | n/a | -0.24% | -0.94% | -0.19% | -0.08% | 0.17% | 0.70% |
| Retirement of Denominator | n/a | 0.00% | 0.00% | -0.49% | -0.07% | -0.05% | -0.07% |
| Other | n/a | 2.80% | -0.32% | 0.65% | 1.98% | 0.50% | -0.54% |

Outpatient Hospital Trend

| | | | | | | | |
|---------------------------|-----|--------|--------|--------|--------|--------|--------|
| Total | n/a | 19.72% | 3.39% | 8.36% | 9.99% | 10.60% | 9.48% |
| Unit cost | n/a | 2.40% | 2.00% | 3.80% | 3.10% | 2.90% | 2.50% |
| Volume & intensity | n/a | 16.82% | 6.22% | 6.98% | 6.96% | 7.59% | 7.56% |
| COVID-19 morbidity | n/a | -0.20% | -0.89% | 0.00% | 0.16% | 0.38% | 0.38% |
| Retirement of Denominator | n/a | 0.00% | 0.00% | 0.13% | -0.03% | 0.01% | -0.01% |
| Other | n/a | 0.28% | -3.72% | -2.54% | -0.39% | -0.49% | -1.07% |

Durable Medical Equipment Trend

| | | | | | | | |
|---------------------------|-----|--------|--------|--------|--------|--------|--------|
| Total | n/a | 4.16% | 11.31% | 10.40% | 16.70% | 8.69% | 5.84% |
| Unit cost | n/a | 0.20% | 5.08% | 8.66% | 2.59% | 2.40% | 1.90% |
| Volume & Intensity | n/a | 6.30% | 6.40% | 2.00% | 12.90% | 7.40% | 4.30% |
| COVID-19 morbidity | n/a | -0.97% | -0.26% | -0.10% | 0.41% | 0.74% | 1.25% |
| Retirement of Denominator | n/a | 0.00% | 0.00% | 0.44% | 0.00% | 0.01% | -0.01% |
| Other | n/a | -1.25% | -0.18% | -0.73% | 0.34% | -1.91% | -1.63% |

Home Health (B) Trend

| | | | | | | | |
|----------------------------------|-----|--------|--------|--------|--------|--------|--------|
| Total | n/a | 3.72% | 0.42% | 1.70% | 2.52% | 5.92% | 6.44% |
| Unit cost | n/a | 2.00% | 2.60% | -0.08% | 0.32% | 0.90% | 0.40% |
| Utilization | n/a | -2.10% | -4.70% | 1.40% | 3.30% | 2.10% | 3.50% |
| Case mix | n/a | -0.30% | 0.10% | 1.50% | 1.50% | 1.50% | 1.50% |
| COVID-19 morbidity | n/a | 0.00% | 0.00% | -0.11% | -0.09% | -0.02% | -0.02% |
| Other (incl. episodes per visit) | n/a | 4.18% | 2.60% | -1.00% | -2.45% | 1.32% | 0.94% |

Rate Announcement 2026
Non-ESRD FFS USPPC

| <u>Baseline</u> | <u>CY 2020</u> | <u>CY 2021</u> | <u>CY 2022</u> | <u>CY 2023</u> | <u>CY 2024</u> | <u>CY 2025</u> | <u>CY 2026</u> | CY2026 Growth Rate | <u>Experience Cut-Off</u> | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|---------------------------|-----------------|
| <u>Rate Announcement (RA) 2025</u> | | | | | | | | | <u>Cash</u> | <u>Incurred</u> |
| Part A | \$375.84 | \$390.92 | \$407.73 | \$419.82 | \$431.23 | \$441.68 | \$446.80 | n/a | 4Q 2023 | 3Q 2023 |
| Part B | 478.49 | 557.20 | 578.70 | 628.51 | 654.25 | 689.17 | 731.88 | n/a | 4Q 2023 | 3Q 2023 |
| Total | \$854.33 | \$948.12 | \$986.43 | \$1,048.33 | \$1,085.48 | \$1,130.85 | \$1,178.68 | n/a | | |

| | | | | | | | | | | |
|--|----------|----------|----------|------------|------------|------------|------------|-------|---------|---------|
| <u>Advance Notice (AN) 2026</u> | | | | | | | | | | |
| Part A | \$375.84 | \$390.92 | \$407.73 | \$417.47 | \$428.47 | \$441.80 | \$446.21 | 1.03% | 4Q 2023 | 4Q 2023 |
| Part B | 478.38 | 556.71 | 572.02 | 633.41 | 672.75 | 707.01 | 748.78 | 8.65% | 2Q 2024 | 2Q 2024 |
| Total | \$854.22 | \$947.63 | \$979.75 | \$1,050.88 | \$1,101.22 | \$1,148.81 | \$1,194.99 | 5.67% | | |

| | | | | | | | | | | |
|---|----------|----------|----------|------------|------------|------------|------------|--------|---------|---------|
| <u>Rate Announcement (RA) 2026</u> | | | | | | | | | | |
| Part A | \$375.59 | \$390.06 | \$409.14 | \$422.14 | \$442.08 | \$457.96 | \$465.49 | 5.39% | 4Q 2024 | 3Q 2024 |
| Part B | 478.06 | 559.39 | 578.31 | 626.15 | 682.01 | 721.97 | 765.03 | 11.01% | 4Q 2024 | 3Q 2024 |
| Total | \$853.65 | \$949.45 | \$987.45 | \$1,048.29 | \$1,124.09 | \$1,179.93 | \$1,230.52 | 8.81% | | |

RA 2026 versus RA 2025

| | | | | | | | |
|--------|--------|--------|--------|--------|-------|-------|-------|
| Part A | -0.07% | -0.22% | 0.35% | 0.55% | 2.52% | 3.69% | 4.18% |
| Part B | -0.09% | 0.39% | -0.07% | -0.38% | 4.24% | 4.76% | 4.53% |
| Total | -0.08% | 0.14% | 0.10% | 0.00% | 3.56% | 4.34% | 4.40% |

Key drivers of change in PMPM amounts from RA 2025 to RA 2026

- Part A, 2024: Higher spending for inpatient (+2.4%) and SNF (+3.5%) due primarily to higher utilization
- Part A, 2025-2026: Higher base 2024 experience plus increase in inpatient utilization trend for 2025 and 2026
- Part B, 2024: Higher spending for physician administered drugs (+25.1%) due primarily to synthetic skin billing "anomalies"
- Part B, 2024: Higher spending for other carrier (+21.1%) due primarily to actual small increase in spending rather than expected decrease in spending following end of public health emergency (PHE) in May 2023
- Part B, 2025-2026: Higher base 2024 experience plus increase volume and intensity assumption for outpatient drugs

Rate Announcement 2026
Non-ESRD FFS USPCC

| <u>Baseline</u> | <u>CY 2020</u> | <u>CY 2021</u> | <u>CY 2022</u> | <u>CY 2023</u> | <u>CY 2024</u> | <u>CY 2025</u> | <u>CY 2026</u> |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

RA 2026 versus AN 2026

| | | | | | | | |
|--------|--------|--------|-------|--------|-------|-------|-------|
| Part A | -0.07% | -0.22% | 0.35% | 1.12% | 3.18% | 3.66% | 4.32% |
| Part B | -0.07% | 0.48% | 1.10% | -1.15% | 1.38% | 2.12% | 2.17% |
| Total | -0.07% | 0.19% | 0.79% | -0.25% | 2.08% | 2.71% | 2.97% |

Key drivers of change in PMPM amounts from AN 2026 to RA 2026

- Part A, 2023: Higher spending for inpatient due primarily to higher utilization
- Part A, 2024: Higher spending for inpatient and SNF due primarily to higher utilization
- Part A, 2025 and 2026: Higher 2024 spending plus increased projected trend in inpatient utilization
- Part B, 2023: Lower spending for DME to reflect revised estimate of suspended 2023 urinary catheter claims
- Part B, 2024: Increase spending for physician-administered drugs, especially synthetic skin products
- Part B, 2025-2026: Higher base 2024 experience plus increase volume and intensity assumption for outpatient drugs

Rate Announcement 2026
Managed Care Monthly Non-ESRD Per-Capita Costs

| <u>Baseline</u> | <u>CY 2020</u> | <u>CY 2021</u> | <u>CY 2022</u> | <u>CY 2023</u> | <u>CY 2024</u> | <u>CY 2025</u> | <u>CY 2026</u> | <u>CY2026 Growth Rate</u> | <u>Cash Experience Cut-Off</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------|--|
| <u>Rate Announcement (RA) 2025</u> | | | | | | | | | |
| Part A | \$446.38 | \$435.61 | \$465.20 | \$482.46 | \$484.82 | \$489.64 | \$509.19 | n/a | 4Q 2023 |
| Part B | 584.89 | 591.11 | 637.87 | 685.55 | 708.06 | 738.72 | 784.19 | n/a | 4Q 2023 |
| Total | \$1,031.27 | \$1,026.72 | \$1,103.07 | \$1,168.01 | \$1,192.88 | \$1,228.36 | \$1,293.38 | n/a | |
| <u>Advance Notice (AN) 2026</u> | | | | | | | | | |
| Part A | \$446.34 | \$435.36 | \$464.78 | \$492.49 | \$491.87 | \$498.84 | \$521.23 | 6.45% | 2Q 2024 |
| Part B | 584.83 | 590.26 | 636.59 | 695.79 | 716.29 | 755.13 | 816.92 | 10.59% | 2Q 2024 |
| Total | \$1,031.17 | \$1,025.62 | \$1,101.37 | \$1,188.28 | \$1,208.16 | \$1,253.97 | \$1,338.15 | 8.94% | |
| <u>Rate Announcement (RA) 2026</u> | | | | | | | | | |
| Part A | \$446.38 | \$435.41 | \$464.88 | \$492.91 | \$495.54 | \$510.56 | \$543.77 | 11.06% | 4Q 2024 |
| Part B | 584.88 | 590.33 | 636.71 | 698.10 | 719.99 | 754.60 | 832.53 | 12.70% | 4Q 2024 |
| Total | \$1,031.26 | \$1,025.74 | \$1,101.59 | \$1,191.01 | \$1,215.53 | \$1,265.16 | \$1,376.30 | 12.04% | |

RA 2026 versus RA 2025

| | | | | | | | |
|--------|-------|--------|--------|-------|-------|-------|-------|
| Part A | 0.00% | -0.05% | -0.07% | 2.17% | 2.21% | 4.27% | 6.79% |
| Part B | 0.00% | -0.13% | -0.18% | 1.83% | 1.68% | 2.15% | 6.16% |
| Total | 0.00% | -0.10% | -0.13% | 1.97% | 1.90% | 3.00% | 6.41% |

Key drivers of change in PMPM amounts from RA 2025 to RA 2026

- Parts A+B, 2023: Actual risk score reconciliation for CY 2023 yielded risk score about 1.3 percent higher than reflected in RA 2025 baseline
- Parts A+B, 2025: Carry over of impact of actual 2023 risk scores, update to bid base year from 2022 to 2024, and revised distribution of enrollment by plan type
- Parts A+B, 2026: Carry over of CY 2025 update plus higher FFS trend in 2026 RA versus 2025 RA

RA 2026 versus AN 2026

| | | | | | | | |
|--------|-------|-------|-------|-------|-------|--------|-------|
| Part A | 0.01% | 0.01% | 0.02% | 0.09% | 0.75% | 2.35% | 4.32% |
| Part B | 0.01% | 0.01% | 0.02% | 0.33% | 0.52% | -0.07% | 1.91% |
| Total | 0.01% | 0.01% | 0.02% | 0.23% | 0.61% | 0.89% | 2.85% |

Key drivers of change in PMPM amounts from AN 2026 to RA 2026

- Parts A+B, 2024-2025: Increase due primarily to update in base experience from 2023 bids in 2026 AN to 2024 bids in 2026 RA
- Parts A+B, 2026: Carry over of CY 2025 update plus higher FFS trend in 2026 RA versus 2026 AN

Rate Announcement 2026
Non-ESRD Total USPPC

| <u>Baseline</u> | <u>CY2003</u> | <u>CY 2020</u> | <u>CY 2021</u> | <u>CY 2022</u> | <u>CY 2023</u> | <u>CY 2024</u> | <u>CY 2025</u> | <u>CY 2026</u> | <u>CY2026 Growth Rate</u> |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------|
| <u>Rate Announcement (RA) 2025</u> | | | | | | | | | |
| Part A | \$296.18 | \$404.09 | \$410.03 | \$433.89 | \$449.85 | \$458.16 | \$466.52 | \$479.63 | n/a |
| Part B | 247.66 | 525.19 | 572.47 | 607.46 | 657.69 | 683.05 | 716.36 | \$760.94 | n/a |
| Total | \$543.84 | \$929.28 | \$982.50 | \$1,041.35 | \$1,107.54 | \$1,141.21 | \$1,182.88 | \$1,240.57 | n/a |

| | | | | | | | | | |
|--|----------|----------|----------|------------|------------|------------|------------|------------|-------|
| <u>Advance Notice (AN) 2026</u> | | | | | | | | | |
| Part A | \$296.18 | \$404.07 | \$410.01 | \$433.81 | \$453.71 | \$460.38 | \$471.60 | \$486.01 | 4.18% |
| Part B | 247.66 | 525.10 | 572.18 | 604.01 | 666.11 | 696.34 | 734.17 | 787.91 | 9.99% |
| Total | \$543.84 | \$929.17 | \$982.19 | \$1,037.82 | \$1,119.82 | \$1,156.72 | \$1,205.77 | \$1,273.92 | 7.70% |

| | | | | | | | | | |
|---|----------|----------|----------|------------|------------|------------|------------|------------|--------|
| <u>Rate Announcement (RA) 2026</u> | | | | | | | | | |
| Part A | \$296.18 | \$403.94 | \$409.54 | \$434.61 | \$456.39 | \$469.10 | \$484.86 | \$506.51 | 8.57% |
| Part B | 247.66 | 524.95 | 573.62 | 607.19 | 663.87 | 702.55 | 739.82 | \$803.20 | 12.12% |
| Total | \$543.84 | \$928.89 | \$983.16 | \$1,041.80 | \$1,120.26 | \$1,171.65 | \$1,224.68 | \$1,309.71 | 10.72% |

| | | | | | | | | | |
|--------------------------------------|-------|--------|--------|--------|-------|-------|-------|-------|--|
| <u>RA 2026 versus RA 2025</u> | | | | | | | | | |
| Part A | 0.00% | -0.04% | -0.12% | 0.17% | 1.45% | 2.39% | 3.93% | 5.60% | |
| Part B | 0.00% | -0.05% | 0.20% | -0.04% | 0.94% | 2.85% | 3.27% | 5.55% | |
| Total | 0.00% | -0.04% | 0.07% | 0.04% | 1.15% | 2.67% | 3.53% | 5.57% | |

Key drivers of change in PMPM amounts from RA 2025 to RA 2026:

- Combined effects of FFS and Managed Care updates

| | | | | | | | | | |
|--------------------------------------|--------|--------|-------|--------|-------|-------|-------|--------|--|
| <u>RA 2026 versus AN 2026</u> | | | | | | | | | |
| Part A | -0.03% | -0.11% | 0.18% | 0.59% | 1.89% | 2.81% | 4.22% | -0.03% | |
| Part B | -0.03% | 0.25% | 0.53% | -0.34% | 0.89% | 0.77% | 1.94% | -0.03% | |
| Total | -0.03% | 0.10% | 0.38% | 0.04% | 1.29% | 1.57% | 2.81% | -0.03% | |

Key drivers of change in PMPM amounts from AN 2026 to RA 2026:

- Combined effects of FFS and Managed Care updates