AMERICA'S PHYSICIAN GROUPS

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Proposed Changes in Medicare Advantage, Including New Model Test, Pose Opportunity For Positive Change In Vital Program And Warrant Careful Review, America's Physician Groups Says

Washington, DC, November 23, 2026 – Many changes to Medicare Advantage (MA) in a newly released proposed federal rule offer opportunities for improving this vitally important program, America's Physician Groups (APG) said today. The complexity of the proposed changes, including testing a new mandatory model for a revamped MA program in a select group of states, warrant careful scrutiny, which APG will undertake in consultation with its member organizations to respond with comments on the proposed rule by the deadline in late January 2027.

APG's more than 300 member organizations care for approximately one in three MA enrollees nationwide, and the organization has long advocated for structural changes in MA to improve outcomes for beneficiaries, drive toward greater value, and enhance the fiscal integrity of the program. Accordingly, APG notes at least two salient features of the rule proposed by the Centers for Medicare & Medicaid Services (CMS) that could help to achieve these results, as follows:

- Testing a new, ten-year ADVaNCE MA (Aligning Data and Value to Nurture Competition and Efficiency in Medicare Advantage) model to boost quality in MA, add certain benefits for vulnerable populations, and develop a new model of risk adjustment that incorporates multiple data sources to improve coding accuracy. APG has long supported moving to a new risk adjustment model, and the Center for Medicare and Medicaid Innovation (CMMI) now proposes a "shadow test" of approaches while the overall ADVaNCE model test is under way. In the model, the agency also proposes to test an alternative to Star Ratings dubbed "Diamond Ratings" that would be based on what is generally described as a "localized, cohort-based, quality framework." The agency also plans a complex process to select the 12 states in which all MA organizations with eligible plans would participate. Because physician groups contracted with MA plans in the selected states will inherently be part of the new model, APG looks forward to undertaking close analysis of the proposal's many details and sharing its observations with CMMI.

- Overhauling the MA Star Ratings and Quality Bonus Program to refocus it on health outcomes for beneficiaries and drive to even greater quality of care. APG and other partners in the delivery of MA have long advocated for a narrower list of quality measures more closely tied to health outcomes than the 32 measures – 15 of them process measures – that will make up Part C Star Ratings in 2027 (an additional 13 measures are in place for Part D). CMS now proposes that, as of 2030, 15 Part C measures will be removed and replaced with others that focus more on outcomes, such as "improving or maintaining" physical and mental health, as well as intermediate outcomes such as control of blood sugar and blood pressure. CMS also proposes to

offer the greatest incentives to MA plans that achieve the highest Star Ratings of 4.5 or higher. These approaches are directionally correct, and APG looks forward to analyzing them further. CMS projects that the changes will reduce quality bonus payments made to plans by $107 billion from 2031-2037, and APG also looks forward to developing a deeper understanding of how such large payment changes may affect payments to physician groups and other health care providers, which are the entities that provide the care to MA enrollees and are ultimately most responsible for care outcomes.

At the same time, APG has concerns about other aspects of the proposed rule that it will probe further before providing full comments back to CMS.

For example, the agency proposes applying a "healthy food" standard to all MA supplemental benefits that include food and that would align the standard with the Dietary Guidelines for Americans, 2025–2030. APG has long argued that allowed supplemental benefits should be linked to evidence that they improve enrollees' health, but it also notes that multiple nutrition and dietary experts have raised concerns about aspects of the dietary guidelines that do not comport with existing scientific evidence, such that linking to some other standards may be preferable. CMS is also considering what it describes as an "optional process" for "transitioning enrollees of commercial and Marketplace health plans into an MA plan under the same MA organization during an enrollee's initial coverage election period if they fail to elect other coverage." APG does not believe that such defaulted enrollment into MA should necessarily be the preferred option, and that CMS should explore other alternatives, such as default enrollment into Original Medicare with attribution to a Medicare Shared Savings Program or LEAD (Long-Term Enhanced ACO Design) model accountable care organization.

APG greatly appreciates CMS's and CMMI's efforts to devise a future for MA that better serves the interests of Medicare beneficiaries; the physician groups and other providers that care for them; and the nation's taxpayers, among other key stakeholders in the Medicare Advantage program. Said Susan Dentzer, president and chief executive officer of APG: "We look forward to working with the agencies to refine these proposals and jointly create a roadmap that meets the test that President Lyndon B. Johnson described at Medicare's outset: 'a test of our willingness to work together' to benefit all'."

About America's Physician Groups

APG is a national association whose more than 300 physician group members comprise approximately 260,000 physicians and other clinicians providing care to nearly 90 million patients, including about 1 in 4 Americans and 1 in 3 Medicare Advantage enrollees. APG's motto, 'Taking Responsibility for America's Health,' conveys our members' commitment to providing clinically integrated, coordinated, value-based health care in which physician groups are accountable for the costs and quality of patient care. Visit us at www.apg.org

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