

CMS Issues CY2026 Medicare Advantage and Part D Final Rule

On April 4, 2025, the Centers for Medicare & Medicaid Services (CMS) issued its [Contract Year \(CY\) 2026 final rule](#) for the Medicare Advantage (MA) program, Medicare Prescription Drug Benefit Program (Part D), Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly (PACE). CMS also issued a [fact sheet](#) summarizing major provisions in this new rule.

The rule finalizes CMS proposals to establish new federal requirements for Medicare Advantage dual eligible special needs plans (D-SNPs) that are applicable integrated plans (AIPs). Those provisions (detailed on pages 15872-15879) require AIPs to:

- Beginning in CY2027, have integrated member identification (ID) cards that serve as the ID cards for both the Medicare and Medicaid plans in which an enrollee is enrolled (pages 15872-15876); and
- Beginning in CY2027, conduct an integrated health risk assessment (HRA) for Medicare and Medicaid, rather than separate HRAs for each program (pages 15876-15879).

Beginning in CY2026, the rule also codifies timeframes for all special needs plans (SNPs) to conduct HRAs and individualized care plans, and to prioritize the involvement of the enrollee or the enrollee's representative, as applicable, in the development of such care plans (pages 15879-15887). Specifically, SNPs must (1) conduct an initial HRA within 90 days (before or after) of the effective date of enrollment for all new enrollees and (2) develop an individualized care plan within 90 days of conducting the initial HRA or 90 days after the effective date of enrollment, whichever is later.

Additional rule provisions that may be of interest to states include:

- The establishment of guardrails for Specialized Supplemental Benefits for the Chronically Ill (SSBCI). In the final rule, CMS (1) clarifies that while SSBCI may be non-primarily health-related, they must have a reasonable expectation of improving or maintaining the health or overall function of chronically ill enrollees, and (2) codifies a list of non-allowable examples, such as cosmetic procedures, alcohol, tobacco, life insurance and non-healthy food (pages 15866-15868).
- An amendment to the definition of a highly integrated dual eligible special needs plan (HIDE SNP) at 42 CFR §422.2 to make it clear that a D-SNP can qualify as a HIDE SNP when the D-SNP's MA organization is a founding member of a local nonprofit public benefit corporation that holds a capitated contract with the state Medicaid agency for coverage of Medicaid benefits to D-SNP enrollees (pages 15888-15889). This scenario currently occurs in Oregon, and the D-SNPs with these relationships were classified as HIDE SNPs for CY2025.
- A high-level summary of CMS' comment solicitation in the proposed rule about public posting of State Medicaid Agency Contracts (SMACs) with D-SNPs (pages 15887-15888), noting overwhelming support for making the substantive content of SMACs publicly available.

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