

# HEADWINDS & TAILWINDS FOR MEDICARE AND MEDICAID MANAGED CARE PLANS IN 2023

## Medicare Advantage (MA)

### Tailwinds

- Increased Congressional scrutiny of downstream third-party marketing activity
- Increased Department of Justice scrutiny of partnerships between risk-bearing providers and MA plans
- Ongoing pressure on MA plans due to risk adjustment-related litigation
- Potential recoupment of substantial alleged overpayments from the recent Medicare Risk Adjustment Data Validation (RAD-V) rule
- Potential pushback against MA plans from Congress and the Biden administration
- Uncertainty regarding MA plans' potentially expenditures during the Part D catastrophic coverage phase which may increase upon implementation of the Part D redesign [IRA]
- Proposed changes to MA marketing rules may impede MA plans' ability to market, generate leads, and engage with brokers to generate business—particularly for smaller plans

### Headwinds

- Accelerating MA enrollment may increase support for funding and growth opportunities
- New risk-adjusted opportunities for collaboration between MA plans and brokers
- Emerging opportunities to implement population management strategies
- Streamlined ability for MA plans to resolve pending overpayment issues from recent RAD-V rule
- Increasing use of utilization management tools and other vendor solutions due to changes in risk adjustment
- Impact of recent proposals to reduce Star Ratings' emphasis on beneficiary experience
- Increased administrative efficiency expected upon wide adoption of standardized electronic prior authorization by other entities

## Medicaid Managed Care

### Tailwinds

- Heightened barriers to successful procurement bids due to states' higher expectations regarding how Medicaid managed care plans manage populations
- Enrollment churn due to the end of the Public Health Emergency

### Headwinds

- Increasing use of utilization management tools and other vendor solutions due to changes in risk adjustment
- Emerging opportunities to focus on health equity and social determinants of health
- Growing opportunities through innovative care model proposals focused on dual-eligible population
- New federal Medicaid match requirements for certain territories and Puerto Rico [CAA23]
- Permanent requirement for states to provide 12 months of continuous coverage in Medicaid and CHIP [CAA23]
- Permanent extension of the American Rescue Plan's state option to provide 12 months of continuous coverage in Medicaid for post-partum care [CAA23]
- Reauthorization of the CHIP program through FY 2029 [CAA23]
- Increased administrative efficiency expected upon wide adoption of standardized electronic prior authorization by other entities



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