

# Large Cuts, With a Disproportionate Impact on Dual-Eligible Americans

## Wakely Consulting Group's Analysis of the 2024 Advance Rate Notice for Medicare Advantage and Part D

Every American deserves affordable health coverage and access to high-quality care – including the more than 30 million seniors and people with disabilities who choose Medicare Advantage (MA). With that value in mind, AHIP commissioned actuarial consulting firm Wakely Consulting Group to [assess the impact](#) of proposed payment policies and changes in the 2024 Advance Notice for MA and Part D.

**Wakely's conclusion: Taken together, proposed changes to the risk model would result in a 3.7% cut to MA – a cut deeper than CMS' own estimate of -3.12%. And these proposed changes would lead to much larger cuts for plans that care for dual-eligible Americans, with cuts on average of 6.4%.**

The cuts and changes proposed in the Advance Notice would result in significant, disparate impacts across organizations and MA enrollees. Wakely found that the impact across all organizations varies by 140%, and the impact on organizations serving dual eligible Americans varies by about 165%, from minimum to maximum.

Further, while there are wide differences in results across MA plans and geographic areas, the greatest impacts, on average, are in states in the South (-4.9%), West (-4.2%) and the territory of Puerto Rico (-10.9%).

**Given these grave concerns, AHIP urges the Centers for Medicare & Medicaid Services (CMS) to withdraw the proposed risk model changes for 2024, and instead engage in a collaborative, deliberative process with stakeholders to assess future changes in the risk adjustment model.**

Wakely Client Average 2024 CMS-HCC Risk Model Impact	
Model Segment	Average Impact
Full Dual Benefit Aged	-6.7%
Full Dual Benefit Disabled	-3.6%
Institutional	3.2%
C-SNP New Enrollee	4.3%
New Enrollee	16.0%
Non-Dual Benefit Aged	-4.0%
Non-Dual Benefit Disabled	-4.4%
Partial Dual Benefit Aged	-8.9%
Partial Dual Benefit Disabled	-5.8%
Overall Dual	-6.4%
Overall Non-Dual	-3.9%
Overall New Enrollee	15.9%
<b>All</b>	<b>-3.7%</b>