

DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)  
Centers for Medicare & Medicaid Services (CMS)  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



## CENTER FOR MEDICARE

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**DATE:** July 28, 2025

**TO:** All Medicare Advantage Organizations and Medicare Prescription Drug Plan Sponsors

**FROM:** Chris Klomp  
Director, Center for Medicare

**SUBJECT:** Annual Release of Part D National Average Monthly Bid Amount and Other Part C & D Bid Information

The Centers for Medicare & Medicaid Services (CMS) is announcing today that the Calendar Year (CY) 2026 Part D national average monthly bid amount is \$239.27, the Part D base beneficiary premium is \$38.99, and the *de minimis* amount is \$2. Please see the attached notice for more detailed information concerning the CY 2026 Part D national average monthly bid amount, the Medicare Part D base beneficiary premium, the Part D regional low-income premium subsidy amounts, the Medicare Advantage (MA) regional PPO benchmarks, the MA employer group waiver plan (EGWP) regional payment rates, and the Part D calendar year EGWP prospective reinsurance amount.

CMS is also announcing changes to the parameters of the Part D Premium Stabilization Demonstration for CY 2026, a voluntary demonstration program for standalone prescription drug plans (PDPs), which was implemented in CY 2025 to address volatility and variation in standalone PDP premiums following benefit changes mandated by the Inflation Reduction Act of 2022 (IRA). The demonstration design allowed for CMS to continue the demonstration for subsequent years. In 2025, under the voluntary demonstration, there was a reduction in the base beneficiary premium of \$15 for all participating PDPs, combined with a year-over-year plan premium increase limit of \$35 and narrowed risk corridors applied to participating individual (i.e., non-employer) PDPs. In 2026, CMS is reducing the uniform base beneficiary premium reduction from \$15 to \$10, increasing the year-over-year total premium increase limit from \$35 to \$50, and eliminating the narrowed risk corridor thresholds. By reducing the amount of premium stabilization from the government in 2026, we are facilitating the Part D program's return to operating under regular market conditions.

Detailed information regarding the Part D Premium Stabilization Demonstration and the *de minimis* amount is attached in a separate memo, which contains instructions and timelines for opting into the demonstration, completing rebate reallocation, and volunteering to waive the *de minimis* amount. Part D sponsors of PDPs will have from Monday, July 28, 2025, until 11:59 PM Pacific Daylight Time (PDT) on Monday, August 4, 2025, to opt into the demonstration for CY 2026. All Part D sponsors will have from Monday, July 28, 2025, until 11:59 PM PDT on

Wednesday, August 6, 2025, to complete rebate reallocation. Note that bids may be resubmitted for rebate reallocation multiple times prior to the August 6<sup>th</sup> deadline. Following the conclusion of the demonstration election and rebate reallocation windows, Part D sponsors will have from Friday, August 8, 2025, until 11:59 PM PDT on Tuesday, August 12, 2025, to inform CMS of their intent to participate in the voluntary *de minimis* program.



## OFFICE OF THE ACTUARY

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**DATE:** July 28, 2025

**TO:** All Medicare Advantage Organizations and Medicare Prescription Drug Plan Sponsors

**FROM:** Jennifer Lazio, Director, Parts C & D Actuarial Group

**SUBJECT:** Annual Release of Part D National Average Monthly Bid Amount and other Part C & D Bid Related Information

Today we are releasing the Calendar Year (CY) 2026 Part D national average monthly bid amount, the Medicare Part D base beneficiary premium, the Part D regional low-income premium subsidy amounts, the Medicare Advantage (MA) regional PPO benchmarks, the MA employer group waiver plan (EGWP) regional payment rates, and the Part D calendar year EGWP prospective reinsurance amount.

Below we describe the determination of these amounts. The regional low-income premium subsidy amounts and the regional MA benchmarks can be downloaded from the CMS web site at: <https://www.cms.gov/files/document/regional-rates-and-benchmarks-2026.pdf>.

### Part D National Average Monthly Bid Amount

CMS has calculated the national average monthly bid amount for CY 2026 in accordance with section 1860D-13(a)(4) of the Social Security Act (“the Act”), codified in 42 CFR § 423.279. For each coverage year, CMS computes the national average monthly bid amount from the applicable Part D plan bid submissions in order to calculate the base beneficiary premium, as provided in 42 CFR § 423.286(c). Because the national average monthly bid amount is calculated based on plans’ standardized bid amounts, it is not impacted by the voluntary Part D Premium Stabilization Demonstration for standalone prescription drug plans (PDPs).

The national average monthly bid amount is a weighted average of the standardized bid amounts for each PDP and MA plan with prescription drug coverage (MA-PD) described in section 1851(a)(2)(A)(i) of the Act. The weights are based on the number of enrollees in each plan. The weight for each plan bid is a percentage calculated with the numerator equal to the number of Part D eligible individuals enrolled in the plan in the reference month (as defined in 42 CFR § 422.258(c)(1)) and the denominator equal to the total number of Part D eligible individuals enrolled in the reference month in all applicable Part D plans. Per section 1860D-13(a)(4)(A) of the Act, the calculation does not include Part D bids submitted by Medicare Medical Savings Account (MSA) plans, MA private fee-for-service plans, specialized MA plans for special needs

individuals, PACE programs under section 1894, any “fallback” prescription drug plans, and plans established through reasonable cost reimbursement contracts under section 1876(h) of the Act (“Cost Plans”). The reference month for the CY 2026 calculation was June 2025.

The national average monthly bid amount for CY 2026 is \$239.27.

## **Part D Base Beneficiary Premium**

Section 1860D-13(a) of the Act, as amended by section 11201 of the Inflation Reduction Act of 2022 (IRA), specifies the methodology for calculating the base beneficiary premium (BBP). Specifically, the BBP for 2024 through 2029 is equal to the lesser of the following calculations:

- A. The prior year’s BBP increased by 6 percent.
- B. The product of the beneficiary premium percentage and the national average monthly bid amount. The beneficiary premium percentage (“applicable percentage”) is a fraction, with a numerator of 25.5 percent and a denominator equal to 100 percent minus a percentage equal to (i) the total reinsurance payments that CMS estimates will be paid for the coverage year, divided by (ii) that amount plus the total payments that CMS estimates will be paid to Part D plans based on the standardized bid amount during the year, taking into account amounts paid by both CMS and plan enrollees.

The result of **calculation A** is \$38.99.

$$2025 \text{ BBP} \times 1.06 \text{ or } \$36.78 \times 1.06 = \$38.99$$

The result of **calculation B** is \$75.38.

Therefore, the Part D BBP for CY 2025 is \$38.99.<sup>1</sup>

In accordance with section 1860D-13(a) of the Act, codified in 42 CFR § 423.286, Part D beneficiary premiums are calculated as the BBP adjusted by the following factors: (i) the difference between the plan’s standardized bid amount and the national average monthly bid amount; (ii) adjusted by any supplemental premium; (iii) an increase for any late enrollment penalty; (iv) a decrease for MA-PDs that apply MA A/B rebates to buy down the Part D premium; and (v) elimination or decrease with the application of the low-income premium subsidy.

## **Part D Regional Low-Income Premium Subsidy Amounts**

In accordance with 42 CFR § 423.780, low-income subsidy (LIS) individuals are entitled to a premium subsidy equal to 100 percent of the premium subsidy amount. A Part D plan’s premium subsidy amount is the lesser of the plan’s premium for basic coverage or the regional low-income

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<sup>1</sup> As noted above, the actual Part D premiums paid by individual beneficiaries equal the BBP adjusted by several factors. In practice, premiums vary significantly from one Part D plan to another and seldom equal the base beneficiary premium.

premium subsidy amount (LIPSA).

The regional LIPSA is the greater of the low-income benchmark premium amount for a PDP region or the lowest monthly beneficiary premium for a prescription drug plan that offers basic prescription drug coverage in the PDP region. In accordance with section 1860D-14 of the Act and the final rule “Modification to the Weighting Methodology Used to Calculate the Low-Income Benchmark Amount,” which appeared in the Federal Register (73 FR 18176) on April 3, 2008, the low-income benchmark premium amount for a PDP region is a weighted average of the monthly beneficiary premiums for basic prescription drug coverage in the region. The weight for each PDP and MA-PD plan is a percentage calculated with the numerator equal to the number of Part D LIS-eligible individuals enrolled in the plan in the reference month and the denominator equal to the total number of Part D LIS-eligible individuals enrolled in all PDP and MA-PD plans in a Part D region in the reference month.

The Patient Protection and Affordable Care Act of 2010 amended the statute governing the calculation of the LIS benchmark premium amount (see section 3302, as amended by section 1102 of the Health Care and Education Reconciliation Act of 2010). As amended, section 1860D-14(b)(2)(B)(iii) of the Act requires the calculation of the weighted average premium amounts described above using MA-PD basic Part D premiums before the application of Part C rebates each year.

The calculation does not include bids submitted by MA private fee-for-service plans, PACE programs under section 1894, and Cost Plans. The reference month for the CY 2026 calculation was June 2025.

For CY 2026, two regions would have a negative LI benchmark amount if calculated using the formula described above. However, as discussed in the 2005 final rule “Prescription Drug Benefit Final Rule” (70 FR 4304-4305), CMS has determined that while the Part D statute permits the calculation of negative premiums, “the statute did not necessarily envisage negative premiums for there are no clear directives on how the negative premium dollars should be treated.” (To implement this policy regarding negative premiums, CMS determined that, under 42 CFR 423.272(e), if a plan’s standardized bid is sufficiently below the national average monthly bid amount to result in a negative premium, the plan is required to either reduce the supplemental premium (if the Part D plan already submitted a bid with an enhanced alternative benefit) or add a new enhanced alternative benefit of no less value than the amount of the negative premium.) Consistent with the policy that no Part D plan is permitted to have a negative premium, when the LI benchmark calculation produces a negative benchmark amount prior to rebate reallocation, CMS will set the benchmark at \$0.

The regional low-income premium subsidy amounts are provided in the file Regional Rates and Benchmarks 2026, which can be accessed on the CMS website through the following link: <https://www.cms.gov/files/document/regional-rates-and-benchmarks-2026.pdf>. The low-income benchmark calculation will not be impacted by the voluntary Part D Premium Stabilization Demonstration for PDPs. The CY 2026 low-income benchmarks are calculated based on pre-demonstration basic Part D premiums; however, the LIPSA paid to participating PDPs will be based on their post-demonstration basic Part D premiums.

## MA Regional PPO Benchmarks

Per section 1858(f)(2) of the Act, the standardized PPO benchmark for each MA region is a sum of two components: (i) a statutory component consisting of the weighted average of the county capitation rates across the region for each appropriate level of star rating; and (ii) a competitive, or plan-bid, component consisting of the weighted average of all of the standardized A/B bids for regional MA PPO plans in the region. (Such regional MA plan bids relate to the benefits covered under Parts A and B of Medicare.) The two components are then summed for each region, with the statutory component reflecting the national market share of Traditional Medicare and the regional MA plan-bid component reflecting the market share of all MA organizations in the Medicare population nationally. In other words, the weights used in combining the statutory and competitive components of the benchmark are the same for all regions and are equal to the national enrollment percentages, respectively, for Traditional Medicare and all MA plans. For CY 2026, the national weights applied to the statutory and plan-bid components are 45.6 percent and 54.4 percent, respectively.

The separate weighted-average statutory component and weighted-average competitive component in each region are determined based on the following weights:

- The weighting for the statutory component is based on all MA eligible individuals in the region — i.e., all Medicare beneficiaries who are either in the traditional, fee-for-service Medicare program or enrolled in an MA plan and who are entitled to benefits under Part A and enrolled in Part B.
- The weighting for the plan-bid component is based on the enrollment in regional MA plans in the region for the reference month of June 2025. (That is, the weight for each plan's bid is based on the plan's market share in the region.)

As stated in the *Advance Notice of Methodological Changes for Calendar Year 2026 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies* (“2026 Advance Notice”) and *Announcement of Calendar Year 2026 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies* (“2026 Rate Announcement”), these benchmarks reflect the average bid component of the regional benchmark excluding EGWPs. The statutory and plan-bid components of the MA regional standardized benchmarks for 14 of the 26 MA regions<sup>2</sup> are in the file *Regional Rates and Benchmarks 2026*, which can be accessed on the CMS website through the following link: <https://www.cms.gov/files/document/regional-rates-and-benchmarks-2026.pdf>.

## MA Regional EGWP Payment Rates

In accordance with the payment methodology finalized in the 2026 Rate Announcement, the 2026 EGWP Regional payment rates are being released concurrently with this 2026 MA Regional benchmark release. For detailed descriptions of the payment policy finalized for 2026, please refer to the 2026 Advance Notice and 2026 Rate Announcement: <https://www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/announcements-and-documents>.

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<sup>2</sup> In the remaining twelve MA regions, there are no regional MA plans.

The payment rates for Regional EGWPs are in the file Regional Rates and Benchmarks 2026, which can be accessed on the CMS website through the following link:  
<https://www.cms.gov/files/zip/2026-regional-ppo-egwp-rates.zip>.

### **Part D CY EGWP Prospective Reinsurance Amount**

In accordance with the payment methodology described in the Final CY 2025 Part D Redesign Program Instructions and applied to CY 2026 through the Final CY 2026 Part D Redesign Program Instructions, the CY 2026 prospective reinsurance payment amount for Part D Calendar Year EGWPs is being released concurrently with this release of the Part D national average monthly bid amount, Part D base beneficiary premium, and related Part D bid information. For a detailed description of the CY 2026 Part D payment policy, please refer to the Final CY 2025 Part D Redesign Program Instructions: <https://www.cms.gov/files/document/final-cy-2025-part-d-redesign-program-instructions.pdf>.

For CY 2026, CMS is calculating the prospective reinsurance payments to all Part D Calendar Year EGWP sponsors using the weighted average of the per member-per month (PMPM) prospective reinsurance amounts submitted by Part D sponsors for enhanced alternative (EA) plans as part of the Part D bid submissions for the payment year in question. For CY 2026, this amount is \$47.92.

/s/

Jennifer Lazio, F.S.A., M.A.A.A. Director, Parts C & D Actuarial Group Office of the Actuary



## **MEDICARE PLAN PAYMENT GROUP**

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**DATE:** July 28, 2025

**TO:** All Medicare Advantage Organizations and Medicare Prescription Drug Plan Sponsors

**FROM:** Jennifer R. Shapiro, Director, Medicare Plan Payment Group

**SUBJECT:** Voluntary Part D Premium Stabilization Demonstration for Standalone Prescription Drug Plans, Release of the *De Minimis* Amount, and Operational Guidance

In this memo, CMS is releasing information regarding the voluntary Part D Premium Stabilization Demonstration for Calendar Year (CY) 2026 for standalone prescription drug plans (PDPs) and the CY 2026 *de minimis* amount. In addition, this memo provides instructions and timelines for opting into the voluntary demonstration, completing rebate reallocation, and volunteering to waive the *de minimis* amount. Part D sponsors of PDPs will have from Monday, July 28, 2025, until 11:59 PM Pacific Daylight Time (PDT) on Monday, August 4, 2025, to opt into the demonstration for CY 2026. All Part D sponsors will have from Monday, July 28, 2025, until 11:59 PM PDT on Wednesday, August 6, 2025, to complete rebate reallocation. Following the conclusion of the demonstration election and rebate reallocation windows, Part D sponsors will have from Friday, August 8, 2025, until 11:59 PM PDT on Tuesday, August 12, 2025, to inform CMS of their intent to participate in the *de minimis* program.

### **Voluntary Part D Premium Stabilization Demonstration**

Section 402(a)(1)(A) of the Social Security Amendments of 1967, as amended and expressly made applicable to Part D by section 1860D-42(b) of the Social Security Act (“the Act”), authorizes the Secretary to carry out demonstration projects to determine whether “changes in methods of payment or reimbursement” under Medicare “would have the effect of increasing the efficiency and economy of health services” covered under Medicare through the “creation of additional incentives to these ends.” Pursuant to such authority, in 2025, CMS implemented a voluntary demonstration program to test whether additional policy changes would stabilize year-over-year changes in premiums for participating standalone PDPs, leading to more predictable options for beneficiaries during the initial implementation of the Inflation Reduction Act of 2022 (IRA) benefit redesign, creating more gradual enrollment changes, and allowing participating Part D sponsors to accumulate the experience necessary for bidding in future years. The demonstration design allowed for CMS to continue the demonstration for subsequent years, with parameters in each subsequent year to be determined based on market conditions.



Accordingly, CMS reviewed the CY 2026 bid submissions to determine the appropriate level for each element in CY 2026. In selecting the revised parameters for CY 2026, CMS is facilitating the program's return to operating under regular market conditions by reducing the amount of premium stabilization from the government in CY 2026. Consequently, in CY 2026, the demonstration will include two elements. First, the base beneficiary premium (BBP) for participating standalone PDPs will be reduced by \$10. The BBP reduction will be less than this amount if the full reduction would cause the plan-specific total Part D premium to be less than \$0. In that case, the BBP reduction for that plan would be the difference between the plan-specific total Part D premium and \$0.

Second, a year-over-year increase limit of \$50 will be applied to individual (i.e., non-employer) plan premiums, meaning any plan-specific total Part D premium would not be permitted to increase more than \$50 compared to that plan's premium in CY 2025 (that is, the actual premium charged by the plan for CY 2025, inclusive of the premium reductions under the CY 2025 demonstration for participating PDPs). The year-over-year limit will be applied after the reduction in the BBP and applies to the plan's total Part D premium (that is, the sum of the Part D basic and Part D supplemental premiums). For CY 2026 PDPs that are comprised of crosswalked enrollees from multiple CY 2025 PDPs, the increase limit will be applied to the change between the lowest CY 2025 premium among the PDPs whose enrollees are in the CY 2026 PDP – whether they were already enrolled in that PDP in CY 2025 or are crosswalked into it for CY 2026 – and the CY 2026 premium for the PDP.

CMS is eliminating the narrowed risk corridor thresholds present in the CY 2025 demonstration (i.e., setting the value of this element equal to the value of the element under the Part D statute and applicable regulations absent the demonstration). The risk corridor thresholds for CY 2026 for all PDPs will revert to the thresholds and share of losses assumed by the government that existed prior to the CY 2025 demonstration.

The government, through an increase in the Part D direct subsidy paid to participating PDP sponsors, will cover the full amount of the reduction in premiums under the demonstration. This increase will account for both the \$10 reduction in BBP and the year-over-year premium increase limit of \$50 on a plan's total Part D premium.

Direct subsidy payments are equal to the Part D plan's risk-adjusted standardized bid and reduced by the Part D plan's basic Part D premium. The reduction in the plan's basic Part D premium will directly result in increased direct subsidy payments. In the voluntary demonstration for CY 2026, the BBP reduction of \$10 and year-over-year limit of \$50 will decrease the PDP's basic Part D premium and will cause a corresponding increase to the PDP's direct subsidy payment.

The voluntary demonstration does not affect any other payment operation or calculation conducted by CMS with respect to participating plans. For participating plans, all other payment operations will be conducted as normal using the premiums under the demonstration parameters.

#### *Eligibility:*

All standalone PDPs, including Employer Group Waiver Plans (EGWPs), who participated in the demonstration in CY 2025 or are newly available in CY 2026 are eligible to participate in the

demonstration in CY 2026, subject to the limitations below.

Part D sponsors must include all plans under each of their standalone PDP contracts in the demonstration if they choose to participate. Part D sponsors with multiple standalone PDP contracts must include all contracts in the demonstration if they choose to participate.

If a Part D sponsor is participating in the demonstration for CY 2025 and offers a new standalone PDP for CY 2026, then that new plan must be included in the demonstration if the sponsor as a whole continues to participate in CY 2026. If a Part D sponsor chose not to participate in the demonstration in CY 2025 and chooses to offer a new standalone PDP in CY 2026, the new standalone PDP would not be eligible for participation in the demonstration because the Part D sponsor offering that PDP is not eligible due to its decision not to participate in CY 2025.

An entity that was not a Part D sponsor in CY 2025 when the demonstration began but enters the Part D market in CY 2026 or a later year if the demonstration is still ongoing, and therefore did not have the opportunity to opt into the demonstration in a preceding year, would be eligible for participation in the demonstration in the year in which it enters the Part D market and in subsequent years, if applicable, provided it chooses to participate in the first year it is eligible.

The demonstration is voluntary and nationwide (all regions). This demonstration is for standalone PDPs only and does not alter any payment-related parameters for Medicare Advantage plans with prescription drug coverage (MA-PDs) that are established in statute, regulation, or guidance. Because EGWPs do not submit bids, they are only eligible for the first element of the demonstration and not the second. Additionally, participating EGWPs may be required to submit additional data to the Office of the Assistant Secretary for Planning and Evaluation (ASPE) to aid in understanding and evaluating the impacts of the demonstration on the stabilization of EGWP beneficiary premiums.

#### *Parameters:*

The demonstration was implemented in 2025. The demonstration design allowed for CMS to continue the demonstration for subsequent years with parameters to be adjusted to reflect market conditions in those years. The second year of the demonstration will be conducted under the parameters described in this memorandum, affecting payments made to participating Part D sponsors for costs incurred from January 1, 2026, through December 31, 2026. For each subsequent year, if applicable, CMS will assess each element of the demonstration separately to determine appropriate parameters for such subsequent plan year, considering the success of each element in achieving the goals of the demonstration in prior years and whether market conditions suggest that Part D sponsors have adequate data on the Part D market to have stable actuarial information on which to base their PDP bids in the absence of additional premium stabilization. The value of one or more of the parameters may be reduced for a subsequent demonstration year to equal its value absent the demonstration. Sponsors that choose to participate in CY 2026 will have the opportunity to choose whether to participate in the demonstration in subsequent demonstration years, if any. However, in order to be eligible to participate in any subsequent demonstration year, a Part D sponsor would have to have participated in the immediately preceding demonstration year. Eligible Part D sponsors that opt into the demonstration will be required to notify CMS of their intent to participate in advance of the voluntary *de minimis* waiver process.

## **De Minimis Amount**

Under section 1860D-14(a)(5) of the Act, a PDP or MA-PD plan may volunteer to waive the portion of beneficiary's monthly adjusted basic Part D premium that is a *de minimis* amount above the low-income subsidy (LIS) benchmark for a subsidy eligible individual. The law prohibits CMS from reassigning LIS members from plans who volunteered to waive the *de minimis* amount. The *de minimis* amount for CY 2026 will be \$2.

## **Operational Guidance and Deadlines**

### **Voluntary Part D Premium Stabilization Demonstration – Action by 11:59 PM PDT on Monday, August 4, 2025**

Part D sponsors of eligible PDPs must affirmatively inform CMS of their intent to participate in the Part D Premium Stabilization Demonstration for CY 2026 via HPMS. On Monday, July 28, 2025, CMS will release premiums for all eligible standalone PDPs as they would be under the demonstration and as they would be if the PDP elects not to participate in the demonstration. Part D sponsors can inform CMS of their intent to participate for CY 2026 starting Monday, July 28, 2025, until 11:59 PM PDT on Monday, August 4, 2025.

The mechanism to opt into the Part D Premium Stabilization Demonstration can be found at the following path in HPMS:

*HPMS Home > Plan Bids > Bid Submission > CY 2026 > Review Plan Data > PDP Demo Election*

The 'PDP Demonstration Election' link will be available at the left navigation bar. There is no default value selected. Eligible plan sponsors must select a radio button of Yes or No to indicate if they want to volunteer to participate or not.

As noted previously, Part D sponsors must include all plans under each of their standalone PDP contracts in the demonstration if they choose to participate. Part D sponsors with multiple standalone PDP contracts must include all contracts in the demonstration if they choose to participate. Therefore, Part D sponsors must select the same response for all contracts on the PDP Demonstration Election page.

For Part D sponsors of PDPs that opt into the demonstration, final post-demonstration premiums will be released on Thursday, August 7, 2025.

Please send any questions about the demonstration to [PartDPaymentPolicy@cms.hhs.gov](mailto:PartDPaymentPolicy@cms.hhs.gov).

### **Rebate Reallocation - Action by 11:59 PM PDT on Wednesday, August 6, 2025**

MA organizations that offer MA-PDs will have from Monday, July 28, 2025, until 11:59 PM PDT on Wednesday, August 6, 2025, to complete rebate reallocation. Plan-specific information, such as plan standardized bid amounts, plan-specific premiums, and MA rebate dollars used, can be found at the following path in HPMS:

*HPMS Home > Plan Bids > Bid Submission > CY 2026 > Review Plan Data > Review Plan Data*

After reviewing the plan-specific information in HPMS, some bids may need to be resubmitted to adjust the MA rebate dollars in the Bid Pricing Tool (BPT). Local MA-only plans (which do not offer Part D) and PDPs (which cannot use MA rebates) cannot resubmit their bids during the rebate reallocation period. In instances when an MA-PD allocates all of its MA rebates to buy down the Part D basic premium and the plan's intended target for its Part D basic premium is the low-income premium subsidy amount, the MA-PD may volunteer to use the *de minimis* premium policy.

Guidance on rebate reallocation and premium rounding can be found in Appendix E of the Instructions for Completing the MA BPT for Contract Year 2026. Changes to the BPT must be in accordance with the guidance contained in Appendix E.

If resubmitting, the Part D bid pricing tools must reflect the final benchmarks released earlier in this announcement. Except in specific circumstances described in Appendix E for plans with negative total Part D premium, no pricing changes will be accepted to the Part D bid forms.

As a reminder, CMS expects MA organizations to submit CY 2026 plan bids that satisfy our requirements, including, but not limited to, service category cost sharing, per member per month actuarial equivalence, Total Beneficiary Cost (TBC), and, for Part D benefit packages in MA-PDs, meaningful difference. CMS will not approve plan bids that do not satisfy our requirements.

A "final" actuarial certification must be submitted by all plans. A separate announcement will be released regarding the submission of final actuarial certifications.

If you have questions about this information, please submit them to [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov).

If you have technical questions about your resubmissions, please contact the HPMS Help Desk at 1-800-220-2028 or [hpms@cms.hhs.gov](mailto:hpms@cms.hhs.gov).

**Volunteering to Waive the De Minimis Amount - Action by 11:59 PM PDT on Tuesday, August 12, 2025**

Part D sponsors of eligible plans must actively inform CMS of their intent to participate in the *de minimis* program. Sponsors can inform CMS of their intent to participate starting Friday, August 8, 2025, until 11:59 PM PDT on Tuesday, August 12, 2025.

The mechanism to volunteer for *de minimis* can be found at the following path in HPMS:

*HPMS Home > Plan Bids > Bid Submission > CY 2026 > Review Plan Data > Voluntary De Minimis*

The 'Voluntary de minimis' link will be available at the left navigation bar. The default value will be unchecked (i.e., "No"), and eligible plans must select the checkbox to indicate that they want to volunteer to participate.

Please send any questions about *de minimis* to [PartDPaymentPolicy@cms.hhs.gov](mailto:PartDPaymentPolicy@cms.hhs.gov).