

## "CMS Informs Congress Of 5-Star Bonus Rule"

U.S. House and Senate Notification

Wednesday, November 10, 2010

To: Congressional Health Staff  
From: Amy Hall  
Director, Office of Legislation  
Centers for Medicare & Medicaid

Re: CMS Announces the 2011 Medicare Star Ratings, a New Demonstration to Accelerate Quality Bonus Payments to High Performing Plans, and its Proposed Rules For Plan Year 2012 Related to the Medicare Advantage and Prescription Drug Benefit Programs

Today, the Centers for Medicare & Medicaid Services (CMS) announced the updated Medicare Plan Finder online tool with 2011 Medicare Star Ratings. These enhancements come in time for beneficiaries to make health and drug plan choices during the Annual Election Period (AEP), which begins November 15<sup>th</sup>. Medicare Plan Finder is available at [www.medicare.gov](http://www.medicare.gov) <<http://www.medicare.gov>>

In addition, CMS announced a three-year demonstration program providing Medicare Advantage (MA) plans with financial incentives to provide high quality care. The demonstration builds on the quality bonus payments authorized in the Affordable Care Act by providing stronger incentives for plans to improve their performance thereby accelerating quality improvements. MA plans earning the highest performance ratings—5 stars—will receive the maximum bonus payment available, while plans that have a score of three stars and higher will also qualify for a gradually smaller bonus payment in 2012. The 2011 star ratings released today will serve as the basis for quality bonus payment in the demonstration for MA plans in calendar year 2012.

Finally, CMS has published to the Federal Register a notice of proposed rulemaking to implement provisions of the Affordable Care Act related to the MA and Prescription Drug Benefit Programs. This proposed rule also sets forth programmatic and operational changes to these programs for contract year 2012 based on continued experience with the administration of the Parts C and D benefits. Provisions included in this proposed rule fall into the following five categories:

- Implementing provisions of the Affordable Care Act;
- Clarifying various program participation requirements;

- Strengthening beneficiary protections;
- Strengthening Medicare's ability to distinguish stronger health plans for participation in Medicare Parts C and D and to remove consistently poor performers; and
- Implementing other clarifications and technical changes.

The proposed rule has a 60-day public comment period with the final rule scheduled to publish in early spring 2011 to allow appropriate timing for the 2012 contract year bids.

A copy of the regulation may be viewed at the Federal Register's website, <http://www.ofr.gov/inspection.aspx>.

The press release and the fact sheet on this announcement are available on the CMS website at: [http://www.cms.gov/apps/media/press\\_releases.asp](http://www.cms.gov/apps/media/press_releases.asp)

If you have questions about this notification, please contact the CMS Office of Legislation at 202-690-8220. Thank you.