2027 CMS Proposed Rule And What It Means For Medicare Agents

Description

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This article discusses CMSâ?? proposed rule for the 2027 Contract Year, including its recommended changes and timeline. It also gives insights on how these new changes might affect Medicare sales.

With the 2026 Annual Enrollment Period (AEP) wrapping up in a matter of days, the Centers for Medicare & Medicaid Services (CMS) is already looking ahead to the 2027 contract year (CY 2027). The federal agency just released the Medicare Advantage and Part D Proposed Rule for the 2027 Contract Year (CMS-4212-P). Forward-thinking Medicare agents are seeking to understand what is in the proposed rule, when changes could take effect, and how it will impact enrollment activity, their processes, and lead strategies.

Timeline for CY 2027 changes

While the proposed rule has already stirred up discussions within the industry, it is still just a *proposed* rule. It will take at least four more months for the rule to progress to a final ruling where changes become binding. Some key dates in this evolution include:

- **November 2025 â?? January 2026:** No proposed changes are in effect at this point. The CMS will gather feedback from key stakeholders in the industry.

- **January â?? April/May 2026:** The CMS will review the comments submitted and determine if and how the rule will be revised.
- **April â?? June 2026:** The CMS will issue the Final Rule for CY 2027 (CMS-4212-F). This final ruling will outline enforceable regulations.
- **June â?? September 2026:** The industry readies for the new changes. Plan benefit designs, networks, operational policies, and member materials are all updated for CY 2027.
- **October 15 â?? December 7, 2026:** This is the AEP 2027, the time period where agents may begin to sell 2027 Medicare plans under the new rule.
- **January 1, 2027:** The CY 2027 rules officially take effect for beneficiaries.

Given none of the proposed rule changes will be finalized for a while, agents have some time to delve into what is in the proposed rule and how it might affect their businesses. So, what changes have been proposed?

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Key changes in the CY 2027 proposed rule

While previous rulings have focused on regulating how agents market to and interact with beneficiaries, the newly proposed rule does not modify agent marketing rules, Third-Party Marketing Organization (TPMO) disclaimers, Scopes of Appointment, policies for recording calls, or any part of the current Medicare sales compliance. Instead it focuses on:

- **Streamlining Star Ratings** â?? The CMS developed its Star Ratings system to help beneficiaries compare plans and to determine rebates. Plans are rated across multiple measures, falling into one of five categories (outcomes, intermediate outcomes, process, patient experience, and access). For CY 2027, the CMS would like to streamline the measures, removing 12 low-value administrative measures and adding a Part C Depression Screening and Follow-Up measure to be reflected in 2029 ratings. They are also looking to retain the historical reward factor that recognizes high performance across all measures rather than implementing the intended Excellent Health Outcomes for All reward. Both of these changes are designed to refocus the system on clinical care, outcomes, and patient experience. Agents selling plans that have historically performed stronger on administrative measures and weaker on clinical performance will need to adjust their sales strategy.
- **Offering more flexible SEP for provider terminations** â?? The CMS would like to make it easier for beneficiaries to change their plans when their current provider leaves their network and they wish to maintain the relationship. The CMS would modify a Special Enrollment Period (SEP) to eliminate the need for the Medicare Advantage organization and the CMS to consider the network change â??significantâ?• before allowing seniors to change their coverage. This change will likely increase year-round enrollments, giving Medicare agents more opportunities during traditionally slow sales months.

- **Clarifying and codifying SEP processes** â?? The proposed rule also seeks to formally codify the existing policy that some SEPs require prior CMS approval. This creates greater clarity for agents and beneficiaries.
- **Redesigning Part D under the Inflation Reduction Act** â?? In 2022, the Inflation Reduction Act allowed for changes to the Medicare Part D prescription drug benefit and gave CMS the authority to implement these changes through 2026. With this window of authority closing, the CMS would like to codify changes to Part D that are already in the works. These changes include removing the coverage gap phase, setting lower annual out-of-pocket thresholds, eliminating cost sharing in the catastrophic phase, and providing operational updates such as specialty tier rules and TrOOP calculations. Medicare agents will find it easier to explain Part D to consumers, simplifying and improving the consumer experience.
- **Updating Special Supplemental Benefits for the Chronically Ill (SSBCI)** â?? Under the proposed rule, cannabis products that are illegal under state or federal law (such as the Federal Food, Drug, and Cosmetic Act) are not allowable as Special Supplemental Benefits. This will align SSBCI benefit policies with federal law, while still ensuring the chronically ill can get the help they need.
- **Reducing administrative burden for Medicare Advantage plans** â?? The CMS is proposing to remove several administrative requirements that are either duplicative or no longer needed. Specifically, the CMS will eliminate requirements for mid-year notices about unused supplemental benefits, some creditable coverage disclosures, and health equity mandates in Utilization Management (UM) committees. All of these changes will reduce the costs of administration and compliance staff.

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Although these structural reforms are not yet in effect, agents will want to understand how they could potentially impact their sales efforts in 2026 and 2027.

How these changes will affect Medicare sales

There are many reasons to be excited about the proposed changes being discussed for 2027. Some of the positive impacts they will have are:

- **Increased enrollment opportunities** â?? The revised provider-termination SEP will undoubtedly increase the number of enrollments. All network changesâ??not just those deemed by CMS to be *significant*â??will give beneficiaries the chance to change plans. That means agents will have more year-round enrollment opportunities, not just during selective times. Agents will need to seek more ways to open conversations with affected individuals throughout the year, including through inbound calls and reactivated aged data.
- **Higher conversion rates** â?? The simplified Part D structure and clearer SEP rules will make it easier for agents to close sales. Less administrative hurdles should result in more straightforward

conversations with consumers and ultimately a shorter sales cycle. As conversion rates rise, so does an agentâ??s ROI on the leads they buy.

- **Shift toward quality and client retention** â?? With Star Ratings focusing more on clinical performance and patient experience, stronger plans will be easily differentiated from others. Plans will need to be of the highest quality to attract and retain clients. Agents will also play a critical role in client retention. They should focus on calls with high-intent individuals, real-time data, and well-targeted aged lists. Quality leads will have a direct, measurable impact on revenue and retention.
- **Stronger demand for education-based marketing** â?? The SEPs and Part D changes will directly impact enrollment. Reaching beneficiaries with educational and informational marketing will be an important part of sales strategy. Agents should allow adequate time in the sales process to educate beneficiaries, ensuring they fully understand the changes. Efforts here will drive even better client retention rates.

So, what do all these positive impacts imply for your lead buying strategy?

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How the proposed changes will affect your lead buying strategy

Every change that the CMS is proposing for CY 2027 drives the need for a large volume of high-quality leads. More SEPs means that beneficiaries can switch their plans at any time of the year. Simplifying Part D will make it easier for agents to enroll seniors. Reducing administrative costs means more resources can be focused on acquiring clients. Agents, field marketing organizations (FMOs), and carriers will need targeted Medicare leads:

- Real-time data leads
- Click-to-call inbound calls
- Reactivated aged data to sell new SEPs
- Marketing funnels aligned with provider-network change events

Conclusion

The new proposed rule, if finalized next year, will significantly change the Medicare Advantage and Part D structure in CY 2027. The reforms focus on Star Ratings, SEPs, Part D benefit design, alignment with Special Needs Plans (SNP), and reduced administration. These changes will drive carriers to shift their focus to plan quality and member outcomes. For agents, it will bring more flexibility in enrollment, clearer rules, less complex benefit structures, and new compliant creative angles tied to legitimate SEPs.

Organizations that start preparing for the upcoming changes now will achieve higher conversion rates. That preparation should include taking a fresh look at your lead strategy, ensuring you have a consistent, strong supply of high quality leads throughout the year. Are you ready to get started on preparing for a successful and compliant CY 2027?

If you would like more information on how you can sell more Medicare Advantage plans in 2026 and 2027, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at https://theleadswarehouse.com.

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