

Medicare Star Rating Drops: What Should You Do?

If you've been looking at swapping out your Medicare Advantage plan for another, you may have noticed that your existing plan's "star rating" has changed.

If it hasn't dropped: Congratulations. One in four plans that had a Medicare star rating of four or more in 2022 will see their rating drop in 2023, according to the Centers for Medicare and Medicaid Services.

The CMS re-rates Medicare Advantage and Part D plans annually to reflect changes in "quality," which consists of member satisfaction and the plans' success in managing chronic conditions and providing preventative care.

Going into 2023, 51% of Medicare Advantage plans with drug coverage will have a star rating, compared to 68% of plans in 2022, according to the CMS.

What it means for you

Medicare developed its star-rating system to give recipients an objective measure of a plan's performance. Plans are rated on a one-to-five scale, with one star representing poor performance and five stars representing excellent performance.

The stars reflect a combination of quality and cost to help people make decisions about which Medicare Advantage plan or Part D drug plan is best for them. The CMS evaluates plans every year, and the results are posted every fall, usually in October.

It rates all Medicare Advantage plans against the same set of standards, across a broad set of measures.

If you are shopping around for a new plan, it can behoove you to choose plans that have greater member satisfaction as it's a sign that they will help you better tend to your health needs, such as managing chronic conditions. In fact, that's one of the measures the CMS takes into account when rating plans.

The bottom line

Even though a plan has seen its star rating drop, you may have not seen any noticeable difference in plan coverage and you are completely happy with your plan. Star ratings are guideposts to help you when you are looking to change plans.

Star ratings can be helpful, but they are limited. As mentioned, you may be completely happy with your plan even as its star rating falls.

But, health plans are not one-size-fits-all and everyone's needs are different, and they can change over time.

You may not want to choose a plan with a higher star rating if:

- Its network doesn't include your physician or preferred providers.
- Its network has fewer choices than your current plan.
- Innovative benefits aren't included in the program.
- It doesn't offer your prescription drugs.

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