

HHS Proposes Updating Medicare Drug Cost-Sharing, Plan Ratings

Nov 25, 2025, 5:18 PM EST; Updated: Nov 25, 2025, 7:10 PM EST

Lauren Clason

Health reporter

The Centers for Medicare & Medicaid Services office, part of the U.S. Department of Health and Human Services, is headquartered in Woodlawn, Md.

The Trump administration on Tuesday proposed a rule cementing changes to patient cost-sharing in Medicare's Part D prescription drug benefit and updating the methodology used to rate private Medicare Advantage plans.

If finalized, the rule, RIN 0938-AV63, would implement changes to Part D that Congress enacted as part of the Inflation Reduction Act under President Joe Biden, and update the methodology used to award insurers quality "star ratings" that determine bonuses and marketing privileges. The changes would take effect in 2027.

"The Trump Administration is committed to ensuring Medicare beneficiaries have access to high-quality affordable care options," Mehmet Oz, Centers for Medicare & Medicaid Services administrator, said in a statement. "This proposed rule continues that commitment by enhancing Star Ratings to reward meaningful improvements in quality and innovation, while making it easier for beneficiaries to compare and choose coverage that best meets their needs."

The rule comes amid a series of changes to Medicare. The second round of negotiated prices with drugmakers under the Inflation Reduction Act also was revealed Tuesday, as drugmakers continue challenging the law in court. Insurers are also [suing](#) over star quality ratings while they scale back Medicare operations nationwide.

The Inflation Reduction Act eliminated Part D's coverage gap as part of a broader overhaul of how the program is financed, which the CMS proposed implementing for 2027. The law's \$2,000 annual out-of-pocket cap for prescription drugs took effect this year.

The CMS also proposed eliminating star ratings measures that it said were based on "administrative processes" and not indicative of a plan's quality. The agency is also proposing to forgo a change related to enrollees with social risk factors, and to add new measures focused on treating depression.

The proposal would also allow Medicare Advantage members a special enrollment period when their doctor leaves their network.

Additionally, the agency is soliciting feedback on ways to improve competition and quality in Medicare Advantage, including by using artificial intelligence and new data

sources in risk adjustment—the approach used to compensate insurers that enroll sicker patients.

The CMS also asked for public comment in improving well-being and nutrition for Medicare patients, as well as how to approach “significant growth” in special needs plans focused on chronic conditions.

Premiums for most Medicare Advantage plans have fallen over the last decade, averaging \$13 in 2025, according to health-care think tank KFF. Out-of-pocket medical expenses are capped at \$9,350 for in-network services and \$14,000 for both in-network and out-of-network services combined.

(Updates fourth paragraph with release of negotiated drug prices.)