



Managed Markets

Medicare Advantage Plans: Market Landscape Trends, Contracting Environment and Manufacturer Engagement

Medicare Advantage plans continue to grapple with a complex transformation of the MA landscape brought forth by the implementation of the Inflation Reduction Act (IRA) and other policy changes. HIRC's report, *Medicare Advantage Plans: Market Landscape Trends, Contracting Environment and Manufacturer Engagement*, reviews the current market landscape, Medicare Advantage plan executives' strategic imperatives, and anticipated responses to the IRA, and focuses on trends in contracting. The report addresses the following questions:

- What is the current landscape of the Medicare Advantage market, and which plans account for the majority of market share?
- What are Medicare Advantage plans' most important strategic imperatives for 2025 and what are the most disruptive market trends? How has the IRA impacted Medicare Advantage plans' utilization management, formulary, and contracting strategies?
- Which Medicare Star metrics are most challenging for plans in achieving performance goals?
- Which manufacturers are most often nominated as Medicare Advantage plans' overall "Partner of Choice"? How do manufacturers benchmark in willingness to contract and overall quality of programs/resources?
- What is the current contracting environment across 15+ therapeutic areas?

Key Finding: Medicare Advantage plans' top strategic imperatives for 2025 include (1) better management of medication costs & utilization, and (2) improvement upon Medicare Star/quality performance ratings.

Impact of the Inflation Reduction Act Identified as MA Plans' Top Market Trend in 2025

Medicare Advantage key decision-makers report a number of market trends with potential to impact their organizations in 2025. The top trends identified are (1) impact of the Inflation Reduction Act, (2) CMS regulatory changes and mandates, and (3) Medicare segment profitability challenges.

MEDICARE ADVANTAGE PLANS: MOST DISRUPTIVE MARKET TRENDS

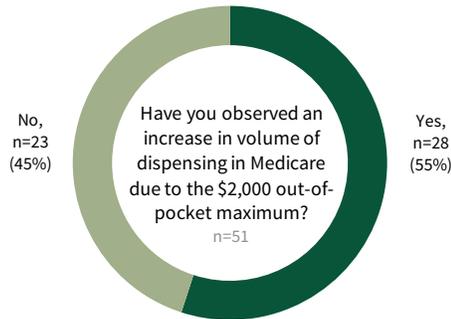
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MARKET TREND	% of Plans Identifying Trend
Impact of the Inflation Reduction Act	25%
CMS Regulatory Changes & Mandates	23%
Medicare Segment Profitability Challenges	15%
Rising Cost of Pharmaceuticals	13%
Medicare Star Changes & Attainability	6%

The full report provides a complete listing of MA plans' top market trends and strategic imperatives in 2025.

Inflation Reduction Act Impact on Medication Dispensing Volume in Medicare

About 55% of panelists report that their plan has observed an increase in the volume of drug dispensing in Medicare now that the \$2,000 out-of-pocket maximum has gone into effect. Increases in prescription volume growth in 2025 are most commonly reported in oncology, diabetes, immunology & inflammation, and GLP-1 agonists.



The full report includes a complete listing of plans' observed dispensing volume and utilization management tactics across therapeutic areas, and examines contracting and formulary expectations in areas where there will be maximum fair pricing.

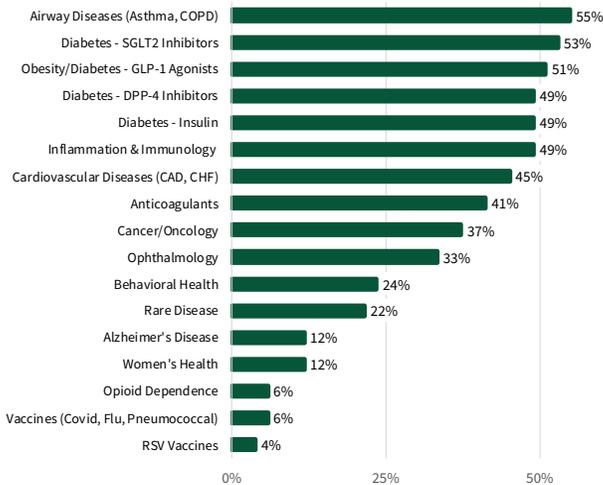
The Managed Markets Service provides strategic and tactical information, including customers' assessments of manufacturers' contracting and resources within four commercial and government market segments; market landscape trends and activity influencing the availability, price, and utilization of pharmaceuticals; managed markets headcounts and organizational trends based on confidential data from industry leading pharmaceutical companies; and the access and partnership landscape of key accounts.



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The Contracting Environment for Medicare Advantage

% of Medicare Advantage Plans Indicating Contract In-Place or Offered in the Last 12-18 Months: BY THERAPEUTIC AREA



Panelists were asked to consider a list of 15+ therapeutic areas and indicate if their plan has a contract in-place or has been offered a contract in the past 12-18 months. Medicare Advantage respondents most frequently report contracts for airway diseases-asthma & COPD (55% of plans), followed by diabetes-SGLT2 inhibitors (53%), and obesity/diabetes-GLP1 agonists (51%).

The full report provides a complete listing of contracting activity as well as rebate/discount amounts across 15+ therapeutic areas.

Research Methodology and Report Availability

In July 2025, HIRC surveyed 51 Medicare Advantage plan pharmacy and medical directors from national, regional, and BCBS plans. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Medicare Advantage Plans: Market Landscape Trends, Contracting Environment and Manufacturer Engagement*, is available now to HIRC's Managed Markets subscribers at www.hirc.com.

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HEALTH INDUSTRIES RESEARCH CENTER (HIRC) is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

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