

CMS Issues 2027 Medicare Advantage and Part D Proposed Rule with Provisions Related to Dual Eligible Special Needs Plans (D-SNPs)

On November 25, 2025, the Centers for Medicare & Medicaid Services (CMS) [announced](#) the release of the contract year 2027 Medicare Advantage and Part D (MAPD) [proposed rule](#). The [rule's Federal Register page](#) contains instructions for commenting on the proposals in the rule; **comments must be submitted by 5 pm Eastern Time on January 26, 2026.**

The proposed rule contains several provisions related to Medicare Advantage (MA) dual eligible special needs plans (D-SNPs) that may be of interest to states. Specifically, CMS proposes to:

- Modify the D-SNP passive enrollment regulations at 42 CFR §422.60(g) to replace the current requirement that the receiving D-SNP and the relinquishing D-SNP have “substantially similar” provider networks with a new requirement that the receiving D-SNP provide a continuity of care transition period of 120 days to enrollees who are enrolled into the D-SNP via the passive enrollment process (pp. 54970 – 54972).
- Establish new exceptions to the policies finalized in the CY 2025 final rule (that take effect in 2027) to increase the percentage of dually eligible managed care enrollees who receive coverage for Medicare and Medicaid services through the same organization (pp. 54972 – 54976). The proposed exceptions would:
 - Exempt MA organizations operating in U.S. Territories that have not adopted Medicare Savings Programs (such as Puerto Rico) from the requirement to only offer one D-SNP for full-benefit dually eligible individuals in a particular service area; and
 - Allow certain D-SNPs in which the majority of enrollees are full-benefit dually eligible individuals who receive Medicaid benefits through fee-for-service Medicaid to continue enrolling those individuals in states where full-benefit dually eligible individuals are not mandatorily enrolled in comprehensive Medicaid managed care programs, rather than ceasing enrollment of those individuals in 2027 and disenrolling them from D-SNPs in 2030 as currently required under 42 CFR §422.514(h).
- Clarify that MA organizations with D-SNP-only contracts cannot submit materials using the MA organization’s multi-contract entity (MCE) number for D-SNP-only contracts, nor can third-party marketing organizations submit materials on behalf of the MA organization for D-SNP-only contracts using an MCE number (pp. 54977 – 54978).
- Update the off-cycle model of care (MOC) submission timeline for D-SNPs and institutional special needs plans (I-SNPs) in CY 2027 and subsequent years to reflect the new MOC initial and renewal submission deadline of the first Monday in June (p. 54970). Specifically, CMS proposes to revise the current off-cycle submission period of June 1 – November 30 to two new periods of January 1 – March 31 and October 1 – December 21.
- Enable CMS to immediately terminate CMS contracts with a D-SNP that no longer holds a state Medicaid agency contract with the state in which they operate (often as a result of loss of a state Medicaid procurement) (pp. 54976 – 54977).
- Remove the current language at 42 CFR §422.102(e) that allows certain D-SNPs that meet integration and performance standards to offer additional Medicare supplemental benefits beyond those allowed for other MA plans, given the small number of D-SNPs that have used this authority (none for 2026 and no more than two D-

SNPs in prior years) and the options that now exist for D-SNPs to offer those benefits through (1) the expanded definition of “primarily health related” supplemental benefits and (2) special supplemental benefits for the chronically ill (SSBCI) (pp. 54985 – 54987).

Some states may also be interested in proposed changes related to Medicare Advantage Prescription Drug plan (MAPD) marketing requirements (pp. 54950 – 54959) and the MAPD Star Ratings system (pp. 54964 – 54970).

In addition to proposed regulatory changes for the MA and Part D programs, the proposed rule contains three requests for information (RFIs) from the public, one of which is focused on the growth of enrollment in chronic condition special needs plans (C-SNPs) and I-SNPs by dually eligible individuals and potential policy solutions for future consideration, such as a potential state Medicaid agency contract requirement for C-SNPs and/or I-SNPs with high concentrations of dually eligible individuals (pp. 54978 – 54984).

For a summary of other major provisions in the [proposed rule](#), see the CMS [fact sheet](#).

ABOUT THE INTEGRATED CARE RESOURCE CENTER

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