



The 2026-2027 Medicare Advantage Inflection Point

Navigating Converging Regulatory Forces in Stars, Risk Adjustment, and Audit Compliance

PREPARED BY ATTAC CONSULTING GROUP
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EXECUTIVE SUMMARY

Major regulatory developments are converging simultaneously to reshape Medicare Advantage operations: CMS's Contract Year 2027 Proposed Rule simplifying Star Ratings, the federal RADV Rule appeal restoring extrapolation risk, restructured 2026 program audits emphasizing member experience, and new outcome-aligned payment models.

Together, these create the most significant operational transformation in a decade.

The strategic imperative is immediate action. Organizations treating these as routine policy updates will find themselves operationally disadvantaged as CMS systematically moves toward outcome-based measurement, technology-enabled compliance, and aggressive audit enforcement.



2026 Audit Protocols

CRITICAL CHANGES

- Scoring eliminated; simplified to CAR, Observation, or IDS classification
- Compliance Program Effectiveness integrated into program area discussions
- Quarterly compliance officer calls for ongoing dialogue
- Tailored validation requirements based on CAR complexity

2027-2029 Proposed Star Changes

CRITICAL CHANGES

- 12 administrative measures removed; new Depression Screening measure added
- Excellent Health Outcomes for All reward NOT implemented for 2027
- Clear refocus on clinical outcomes over process documentation
- The Reward Factor methodology is back and will continue until further notice

RADV Rule Appeal

CRITICAL CHANGES

- CMS appeals Fifth Circuit ruling that vacated extrapolation authority
- If reinstated, extrapolation applies retroactively to PY2018 audits
- Signals aggressive stance on MA overpayment recovery
- Further RADV Audit Notices are imminent

New RFI and Models

CRITICAL CHANGES

- CMS acknowledges current Risk Adjustment model disadvantages smaller plans
- Exploring AI-powered next-generation risk adjustment model
- New 10-Year ACCESS Model that pays providers managing Medicare FFS patients using technology-supported care
- RFI's addressing broader changes to MA, including SNP Enrollment Criteria and Wellness and Nutrition.

STRATEGIC IMPLICATIONS

2026 Audit Restructuring Rewards Prevention

The new audit protocol represents a fundamental shift in CMS's enforcement philosophy. By eliminating scoring and moving Compliance Program Effectiveness into program area discussions, CMS is signaling that it values integrated compliance thinking over structural documentation. The quarterly compliance officer calls create ongoing dialogue rather than annual adversarial audits.

Plans with robust monitoring systems that prevent noncompliance will benefit from simplified validation requirements. Those treating compliance as reactive documentation exercises will face complex CARs requiring full independent validation.

Stars Simplification Demands Resource Reallocation

Removing 12 administrative measures while adding Depression Screening creates clear winners and losers. Plans with mature behavioral health integration and screening capabilities gain competitive advantage. This is a complete transformation of the STARS program, with a focus on clinical outcomes for the population, and it needs a new operating model across the organization.

The RADV Appeal Indicates Clear Intention

CMS's decision to appeal the RADV extrapolation ruling sends an unambiguous message: the agency views extrapolation as essential for MA program integrity and intends to recover what it considers overpayments. The Fifth Circuit appeal means extrapolation could be reinstated with retroactive application to PY2018 audits, creating immediate financial exposure for plans with documentation vulnerabilities.

This isn't about waiting for the appeal outcome. Plans must be RADV-ready and operate as if extrapolation will return while simultaneously strengthening deletion programs and chart documentation quality. The organizations that accelerate compliance now will avoid crisis mode if the Fifth Circuit reverses.

THE NEW COMPETITIVE ADVANTAGE

AT RISK

Plans optimized for process documentation over outcomes

WINNERS

Plans that are agile and can deploy resources as policies are finalized to drive true health outcomes

Strategic Action Framework

Priority 1: RADV Readiness

- **Conduct immediate chart-level documentation audits on high-risk HCCs**
- Post-January 2026 sweeps period: prepare mock audits on high-risk HCCs or targeted member charts to mitigate future RADVs
- Accelerate deletion programs for unsupported diagnoses before CMS identifies them
- Model financial exposure under both scenarios: extrapolation reinstated vs. vacatur maintained
- Evaluate provider and vendor coding patterns to identify outliers before CMS audit analytics

Priority 2: Audit Compliance Infrastructure

- **Generate monthly ODAG/CDAG universe reports to ensure continuous accuracy**
- Integrate compliance monitoring across UM, Pharmacy, Care Management, and CAG workflows
- Prepare compliance officers for quarterly CMS dialogue sessions with evidence-based monitoring
- Establish cross-functional root cause analysis processes to prevent recurring findings

Priority 3: Star Ratings Recalibration

- **Reallocate resources from retiring administrative measures to clinical outcome initiatives**
- Build Depression Screening and follow-up capabilities for 2027 measurement year
- Model 2027-2029 revenue scenarios without health equity reward implementation
- Develop targeted improvement plans for remaining measures with highest ROI potential
- Comment to CMS about your specific concerns, providing your population's health and experience for context

Priority 4: Risk Adjustment Strategy Diversification

- **Strengthen prospective strategies that can improve documentation accuracy and STAR rating clinical measure outcomes**
- Strengthen clinical documentation quality and authenticity at point of care
- Prepare RFI comments with trusted internal/external advisors if you are invested in MA for the long term
- Monitor CMS signals on AI-powered risk adjustment model development

NAVIGATING THE INFLECTION POINT

The convergence of RADV appeal, restructured audits, simplified Star Ratings, and risk adjustment modernization signals creates unprecedented regulatory complexity and opportunity. Organizations that wait for final rules and appeals to resolve will find themselves reacting while competitors have already built operational advantages.

CMS is moving aggressively on MA program integrity while simultaneously simplifying measurement systems. This dual approach rewards organizations with strong fundamental compliance and clinical quality capabilities while exposing those optimized for process documentation over outcomes.

For more than two decades, ATTAC Consulting Group has been the partner health plans, providers, and regulators trust to deliver compliance, audit, and operational solutions that stand up to scrutiny. We support many of the nation's top insurers, Blues organizations, and specialty health systems with a high-touch, accountable approach that goes beyond standard advisory services.

At ATTAC, precision and partnership define every engagement. We turn the complexity of the 2026-2027 regulatory landscape into clarity and strategy into action, helping clients strengthen revenue integrity, improve performance, and achieve measurable financial impact.

OPERATIONALIZE YOUR STRATEGY

RADV LEADERSHIP



Elizabeth Nunez, MSHS
SR. DIRECTOR, DATA AUDIT GROUP

Elizabeth architects strong business processes and implements controls that safeguard accuracy from data intake through submission. She brings deep expertise in healthcare operations, overseeing complex initiatives from strategy through execution to deliver measurable results.

BOTTOM UP COMPLIANCE



Anne Crawford
SVP, COMPLIANCE SOLUTIONS

With 25 years of industry leadership, Anne guides clients on audit readiness and corporate integrity. Formerly the Government Compliance Officer for Highmark BCBS, she is a recognized expert in process controls and led a program that achieved the rare "CMS Certified Compliance Program" designation.

STARS AND RISK EXCELLENCE



Subbu Ramalingam
MANAGING DIRECTOR AND PRACTICE LEADER

As former VP of Quality, Stars & Risk Adjustment at CareFirst, Subbu brings a direct operational track record. He grew his division from one to sixty staff while driving plans to 4.5-Star ratings. He leverages this experience to help clients operationalize tested frameworks rather than simply providing strategic advice.



Jonathan Rogers
SR. CONSULTANT, RISK ADJUSTMENT LEADER

A seasoned executive formerly with CareSource and Molina Healthcare, Jonathan specializes in Medicare Advantage risk adjustment strategy. He brings deep expertise in high-ROI prospective and retrospective initiatives, guiding organizations to build effective controls that reduce data leakage and ensure submission accuracy.

SEIZING THE 2027 ADVANTAGE

The 2026-2027 inflection point demands more than just regulatory interpretation—it requires proven operational execution. To navigate the convergence of Star Ratings simplification, RADV audits, and risk adjustment modernization, you need a partner who has sat in your chair.

Schedule a 1x1 Strategy Session

ATTAC's Managing Director, Subbu Ramalingam brings direct health plan executive experience to your table. As the former VP of Quality, Stars & Risk Adjustment at CareFirst, Subbu didn't just advise on strategy—he built high-performing programs from the ground up, growing his team from one to over sixty while driving significant Star Rating improvements.

This operational track record ensures that ATTAC's frameworks for measurement infrastructure and cross-functional alignment are not just theoretical, but battle-tested.



SCHEDULE YOUR SESSION

*Ready to operationalize your 2027 roadmap?
Contact Subbu directly for a peer-to-peer strategy discussion.*

DIRECT LINE: 215.514.6430

EMAIL: SRAMALINGAM@ATTACCONSULTING.COM

