

## **Strategies for managing today's unprecedented MA margin pressure**

Benefit cuts, tighter utilization management and improved  
provider network performance

**Exclusive Webinar from HealthWorksAI**

April 16th, 2026





# Presenters



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# Agenda

Tough choices ahead in 2027



Context for the 2027 Bid Cycle



The three levers that are typically pulled to reduce costs and expand margin



Provider Network benchmarking and performance management



Trade-offs between Product and Network



How to execute and capture the potential Network savings



# The MA Market Has Matured



Margin protection and member stabilization is the name of the game.

## The CEO of UnitedHealthcare, Timothy Noel:

"Our plan for next year reflects a conservative path focused on **margin growth**. We made significant adjustments to benefits and executed **targeted plan exits and network reductions**. We expect membership contraction of 1.3 to 1.4 million members in total Medicare Advantage."

**Context:** UHG is explicitly sacrificing over 1 million members to ensure that the remaining plans are profitable (protecting the margin).

## The President of Government Health Benefits of Elevance, Felicia Norwood:

"Our enrollment during AEP and the resulting member composition are highly aligned with our **focus on margin**. We took very deliberate steps to reposition the business toward sustainable value and our margin objectives... These outcomes reflect **deliberate choices**, and we are positioned to deliver meaningful Medicare **margin improvement to at least 2% in 2026**."

**Context:** Elevance identifies that their membership decline (attrition) was a "deliberate choice" to reposition the company toward "sustainable value" (stabilization).

Margin concerns  
90% + MLR

Modest rate increase  
2.5% Vs 0.09%

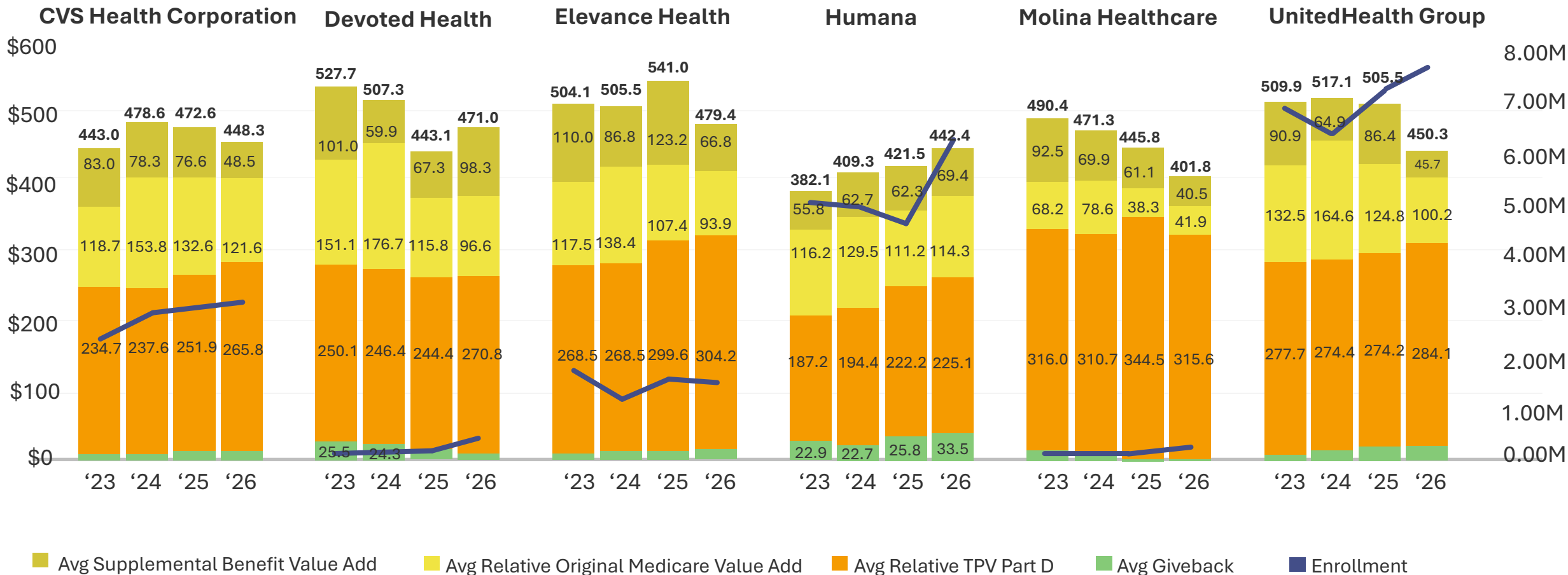
Market Volatility  
2.9M disruption



# Lever 1: Cut the value of benefits



In 2026, the industry reduced benefits by ~10%. Some did not.



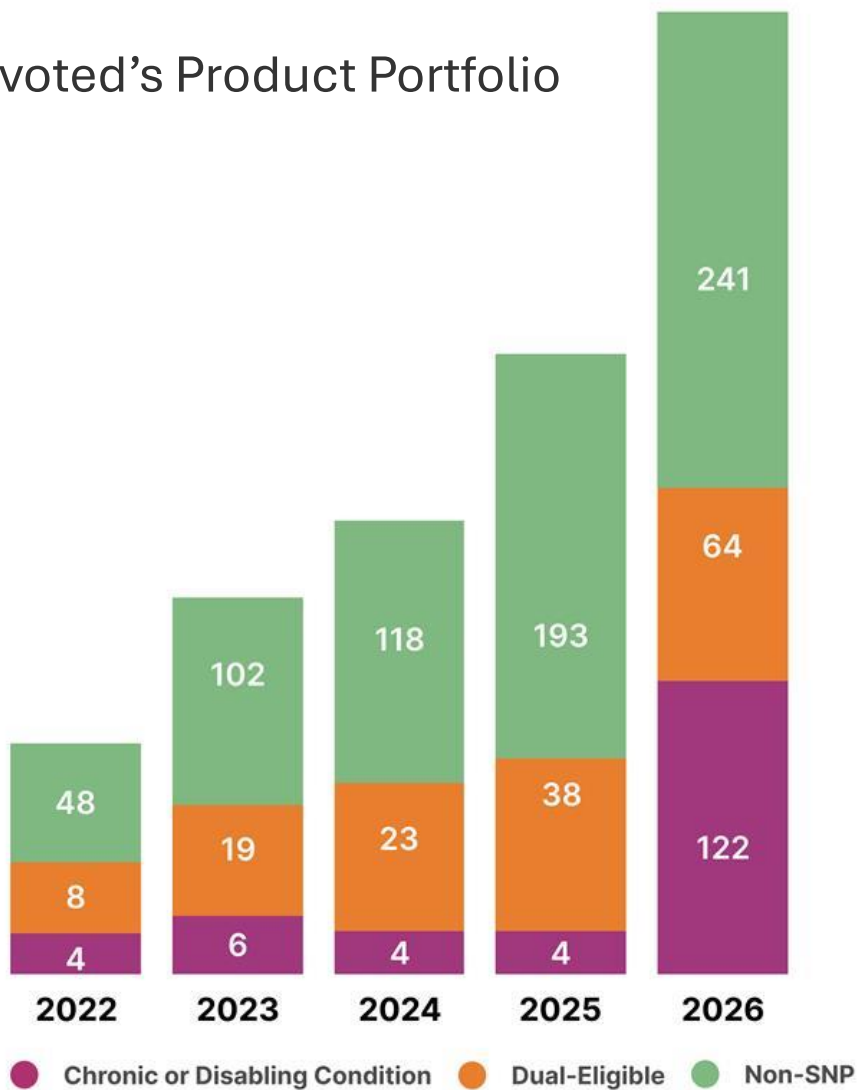
Source: HWAI analytics, CMS landscape, PBP files, other CMS factor files like OOPC, Risk scores etc.



# Lever 1: Reduce or Reposition Benefit Exposure

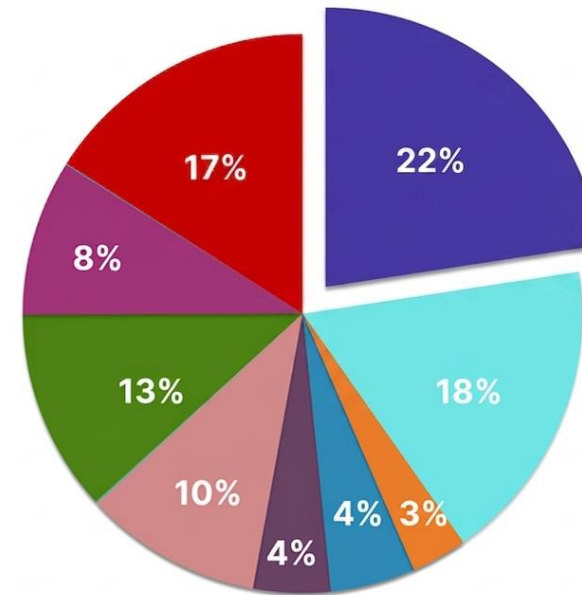
Devoted's aggressive Portfolio Expansion

### Devoted's Product Portfolio



Devoted's C-SNP Market share is small (4%) but growing given its 22% plan share

### C-SNP Plan Share



- Devoted Health, Inc.
- UnitedHealth Group, Inc.
- Humana Inc.
- CVS Health Corporation
- Elevance Health, Inc.
- Zing Health Corporation
- SCAN Group
- Alignment Healthcare USA, LLC
- Others

Source: CMS landscape files

# B | Lever 2: Tightened Utilization Management

UHG retrofitted its portfolio while many of the others added referrals to their new plans

## Gated Plan count changes by Parent Organization

	Existing Plans adding referrals	New Plans in 2026 with referral	Total Plans affected in 2026
UnitedHealth Group, Inc.	365	40	405
Devoted Health, Inc.		38	38
Alignment Healthcare USA, LLC	17	17	34
CVS Health Corporation	1	29	30
Kaiser Foundation Health Plan, Inc.		28	28
Humana Inc.	1	27	28
Elevance Health, Inc.		22	22
SCAN Group		15	15
Longevity Health Founders, LLC	8		8
Gemstone Holdings, Inc.	2	6	8
Centene Corporation		5	5
Athena Healthcare Holdings, LLC		5	5
Verda Healthcare, Inc.		4	4
Health Care Service Corporation		4	4

### UHG Is Playing a Different Game

They retrofitted their product portfolio to have greater control on utilization. They jettisoned ~**610K** members through the reduction in PPOs. In their HMOs, they added referral requirements.

### Mid-sized & niche players are all-in

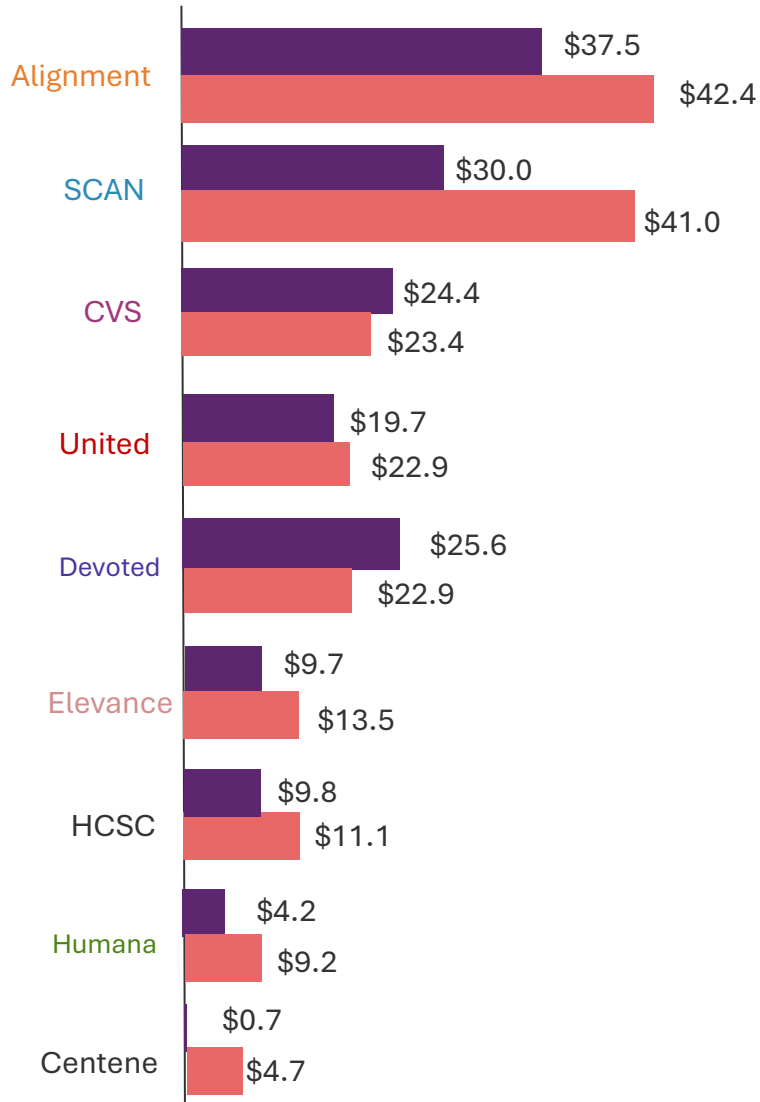
Mid-sized and niche provider-aligned payers leverage gated networks strategically to enhance care coordination and cost control, with some operating fully (100%) gated portfolios.



# Lever 3: Improve Network Performance and STARS

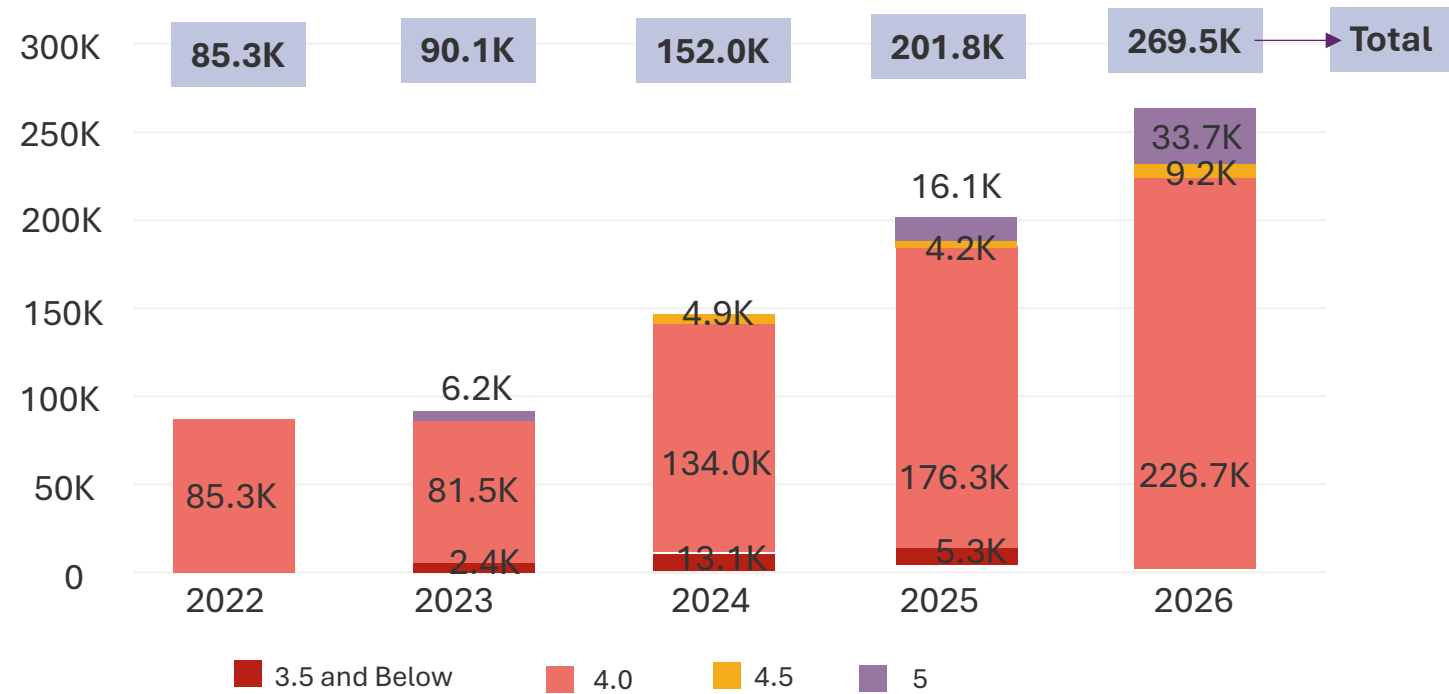


Payer-wise PMPM metric



## Alignment's entire membership is enrolled in 4+ Star plans

Alignment Star rating trend

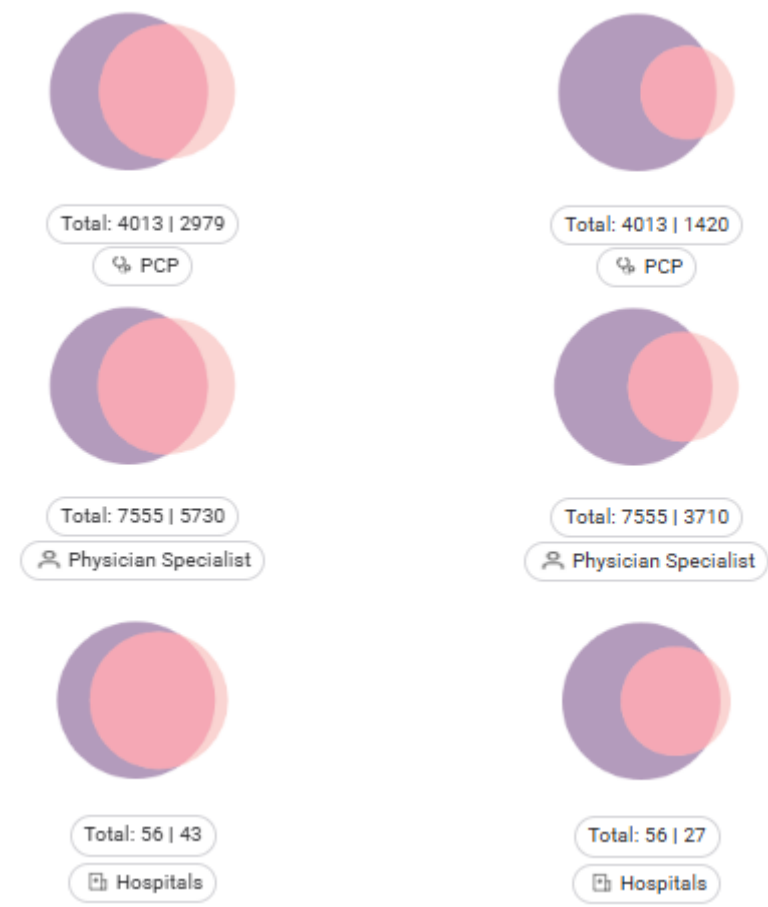


## Comparing PPO Networks, Benefits and Stars

Plan Name	Aetna Medicare Signature Extra (PPO)	HumanaChoice H7617-018 (PPO)	DEVOTED CHOICE 001 IL (PPO)
BID ID	H5521_086_0	H7617_018_0	H6545_001_0
Parent Organization	CVS Health Corporation	Humana Inc.	Devoted Health, Inc.
Feb 2026 Enrollment	18,950	14,475	772
Overall Star Rating	4.5	4.5	3.5
AEP Enrollment Growth	968	14,475	-192
Monthly Premium	\$0	\$0	\$0
Health Deductible	\$0	\$350	\$300
MOOP	\$5,200	\$3,600	\$4,700
Part B Giveback	\$0	\$1	\$0
Network Name	National Medicare PPO	HUMANA - MEDICARE PPO	DEVOTED HEALTH - IL PPO CHICAGOLAND

## NETWORK OVERLAP

Aetna Medicare Signature Extra (PPO) H5521\_086\_0



CVS v/s Humana

CVS v/s Devoted

Source: Cook County IL. NetworkIntel Provider Comparison 2026 data

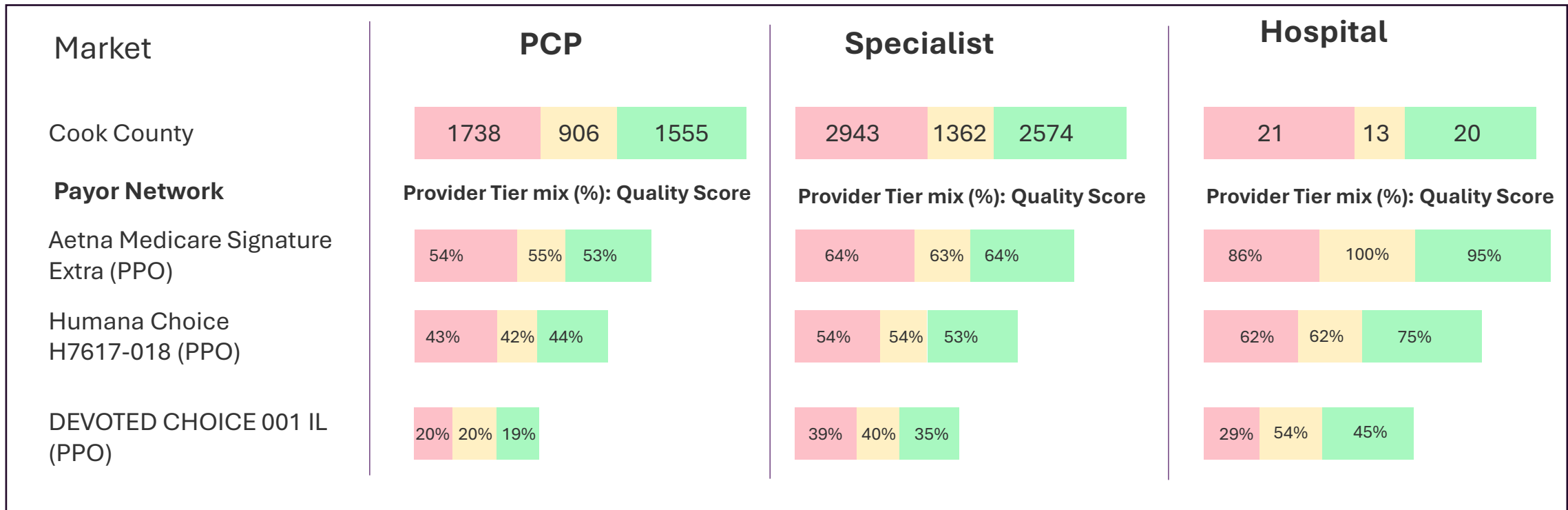


# Lever 3: MA specific Quality scores by Provider Type



**Quality/Cost Scores** : On a scale of 1-5, with 5 being the best, High: (≥4), Medium: 3, Low: (≤2)  
**MA Utilization Score** : On a scale of 1-100, with 100 being the best, High: (≥80), Medium: 41 - 79, Low: (≤40)  
**Visualization** : Widths and percentages show comparison to market (100%)

Low Medium High



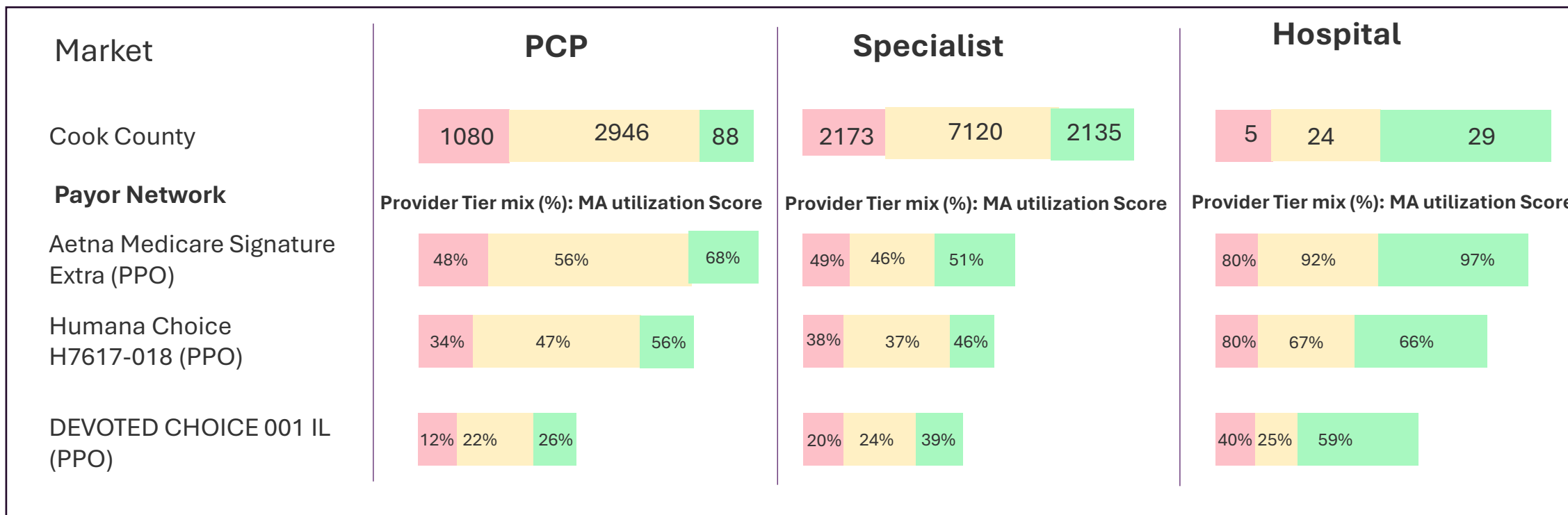


# Lever 3: MA specific Utilization scores by Provider Type



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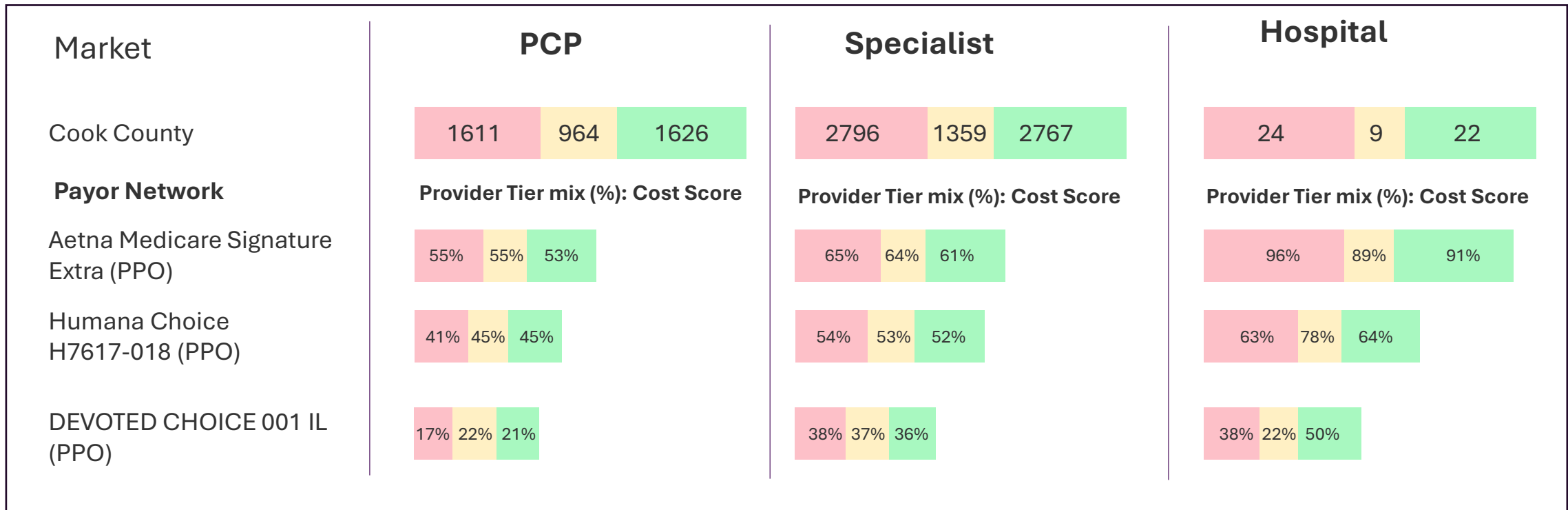


# Lever 3: MA specific Cost scores by Provider Type



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## Provider Network Scores Allows for Benchmarking and Network Sculpting

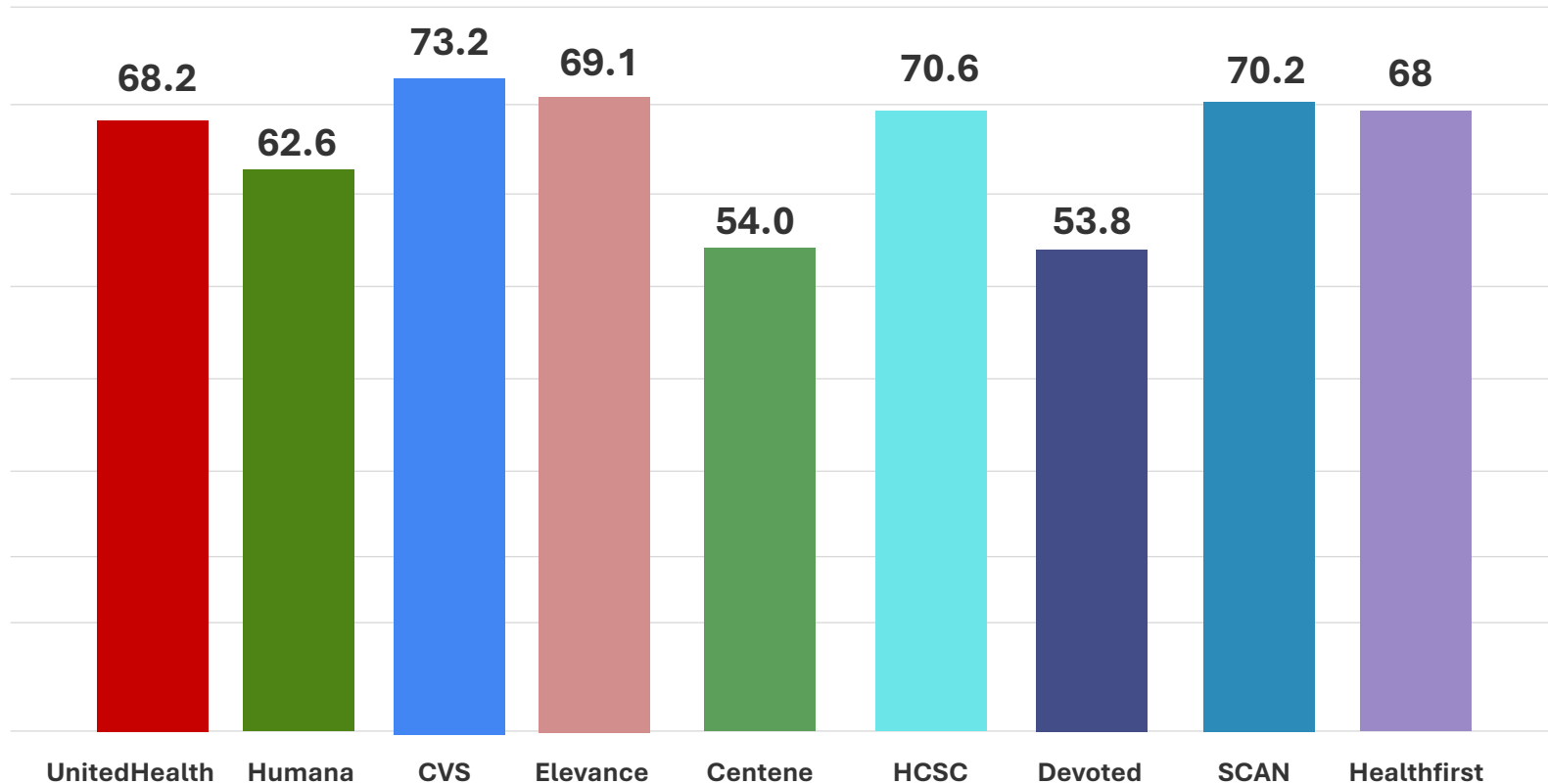
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# A National View of HWAI Network Scores



Top Payors based on enrollment with Network Score



We create Network scores which compares and contrasts the Payers. The higher the score, the greater the alignment between a beneficiaries' preferences and membership growth

Source: NetworkIntel Provider Network Score 2026 data. Note: Numeric are weighted average Network score



# Local Provider Network Scores – IL Cook



	Overall	Non-SNP	HMO	PPO	C-SNP	D-SNP	I-SNP
CVS Health Corporation	79	83	64	85	56	65	
UnitedHealth Group, Inc.	67	66	67	67	68		65
Health Care Service Corporation	64	64	64	63			
Humana Inc.	53	57	49	60	31	26	
Devoted Health, Inc.	50	50	51	46	56		
Longevity Health Founders, LLC	44		44				44
Zing Health Consolidator, Inc	42	42	42		42		
Centene Corporation	42	41	42			42	
Clear Spring Health	29	29	29		30		
Rifkin Managed Care Holding, LLC	22		22				22
Molina Healthcare, Inc.	0.3	15	0.3				

Source: NetworkIntel Provider Network Score 2026 data. Note: Numeric are weighted average Network score



## **Benefit v/s Network Trade-offs and the Challenges of Optimization**

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# Where to invest? Where to divest?

## HWAI's composite score reveals impact of product, network, marketing and brand



### Provider Network Comparison (Group-to-Group)

Note: All group references on this dashboard are at the TIN level.  
Single parent organization selection enables a one-to-one comparison with Humana based on providers.

HWAI Weights:  
- Product: 31.85%  
- Provider: 24.72%  
- Marketing: 8.73%  
- Brand: 13.70%

[NPI Download](#) [Hospital-to-Hospital Download](#) [Group-to-Group Download](#) [Filters](#)

MARKET	SUB MARKET	STATE	PLAN TYPE	PARENT ORG	Execute
All	All	Illinois	Local PPO	5 items selected	<a href="#">Execute</a>

PARENT ORGANIZATION	NUMBER OF PLANS	FEB 2025 ENROLLMENT	DEC 2024 ENROLLMENT	NET AEP ENROLLMENT	NET AEP GROWTH %	HWAI SCORE	PRODUCT SCORE	NETWORK SCORE	MARKETING SCORE	BRAND SCORE	UNEXPLAINED
Humana Inc.	6	28,101	25,419	2,682	10.6%	45	31	65	85	85	25
Health Care Service Corporation	7	10,737	9,368	1,369	14.6%	37	40	67	39	60	13
Centene Corporation	3	3,119	3,202	-83	-2.6%	32	43	39	24	45	10
Devoted Health, Inc	1	1,103	1,861	-558	-33.6%	39	52	67	15	15	11
CVS Health Corporation	6	41,125	41,724	-599	-1.4%	41	51	73	43	39	7
UnitedHealth Group, Inc	3	24,587	26,164	-1,577	-6.0%	43	49	66	46	64	8

[Plan Details](#) Compare Medicare Advantage plans by enrollment, costs, ratings, and coverage.

[Network Comparison : Aggregate Scores](#) Review network performance by comparing quality, breadth, and utilization scores. Deep dive into detailed insights in the subsequent sections. All scores in this section are on a scale of 1-to-100, the higher the better. [Download](#)

Sorted by: Network Score (Descending) [Clear Sort](#)

PAYOR NETWORK	NETWORKS	NETWORK SCORE	UTILIZATION SCORE	QUALITY SCORE	BREADTH SCORE	COST SCORE
CVS Health Corporation Local PPO	ILLINOIS MEDICARE PPO	73	32	76	78	34
Devoted Health, Inc. Local PPO	IL PPO CHICAGOLAND	67	58	85	17	74
Health Care Service Corporation L...	MEDICARE ADVANTAGE PPO	67	15	78	85	34
UnitedHealth Group, Inc. Local PPO	AARP MEDICARE ADVANTAGE FRO...	66	37	67	62	46
Humana Inc. Local PPO	MEDICARE PPO	65	53	57	47	46
Centene Corporation Local PPO	ILLINOIS 13205/13267 (H6713)	39	49	15	24	43



# Major 2026 Payer-Provider Network Disruptions



## Big changes to the Existing Networks

Provider / System	Payer(s)	Change Type	Timing	Key Notes
NewYork-Presbyterian	UnitedHealthcare	Potential OON	May 2026	Pending agreement; deadline extended
Moffitt Cancer Center	Humana	Going OON	July 2026	Post split with Aetna
Memorial Hermann	Blue Cross Blue Shield of Texas	OON	Jan 2026	Major MA contract termination
Mayo Clinic	UnitedHealthcare, Humana	OON	Early 2026	Broad exclusion across MA plans
UNC Health	Humana, Centene, Health Care Service Corporation	OON	Jan 2026	Multi-payer contract exits
Providence Clinical Network	UnitedHealthcare	OON	Jan 2026	15 hospitals (CA impacted)
Mass General Brigham	UnitedHealthcare, Blue Cross Blue Shield of Massachusetts	OON	2026	PCP network largely impacted
Elevance Health (Anthem)	Elevance Health	Policy / Dispute	2026	OON penalties expanding; Mt. Sinai dispute
Lehigh Valley Health Network	UnitedHealthcare	OON	Jan 2026	Contract ended
St. Luke's / Centra Health	Humana	OON	Early 2026	Regional system exits
White River Health	Aetna, UnitedHealthcare	OON	Feb-Apr 2026	Multi-payer exits



# Implementation of Provider Network Strategies

*How to capture the network savings and balance the cost savings opportunities*



## WHAT THIS SECTION DELIVERS?

Now the question every health plan needs to answer:

**I need to find \$30 PMPM in my network.**

### THE ANALYTICAL FRAMEWORK

Where to look, what to measure, and which levers move the needle fastest.

### THE BUY-IN PATH

How to translate analysis into contracting decisions that get approved internally.



# Know Your Membership Mix First — The Opportunity Is in the Composition



## The \$30 PMPM Is Not One Number, It's Several

### MA vs. SNP Concentration

SNP members carry higher acuity, more specialist reliance, and higher ER utilization than standard MA. Your SNP concentration determines both the size of the opportunity and which levers matter most.

### Product Line Mix (PPO vs. HMO)

Product structure shapes network leverage. HMO arrangements give you stronger steerage tools; PPO populations require a different approach - rate and site-of-care are your primary levers.

### Dominant Cost Driver Profile

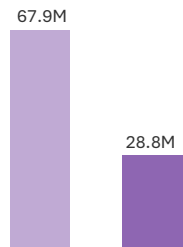
In Medicare, inpatient admissions, post-acute spend (SNF/HH), and specialist-driven downstream costs drive the majority of PMPM variation. Start with your top 5 cost categories before selecting levers.

#### Market Highlights

Market implies to State and County selected

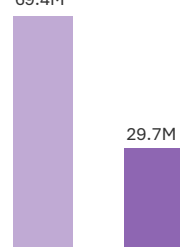
ENROLLMENT GROWTH: **3.1%** ▲

MA PENETRATION  
**42.5%**



Mar 2025

MA PENETRATION  
**42.8%**



Mar 2026

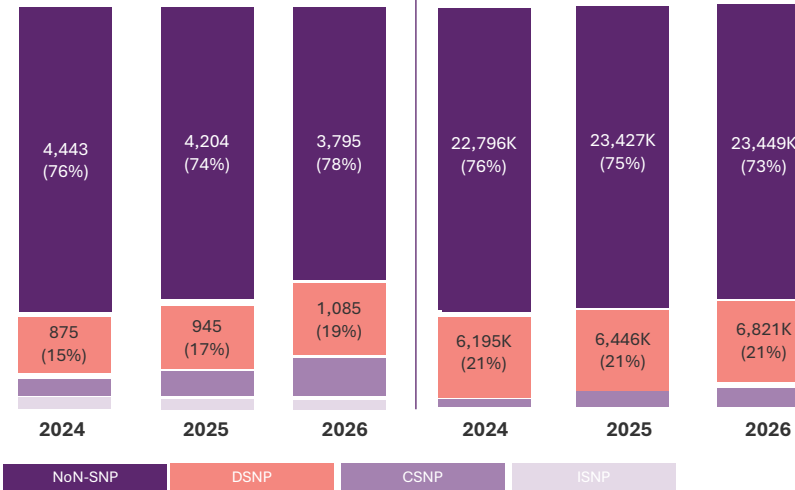
MA Eligible

Enrollment

Competitor Analysis 2.0

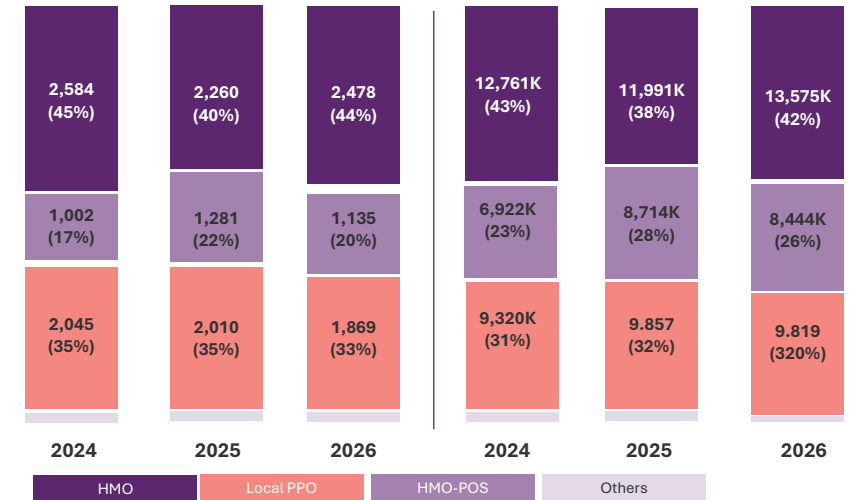
#### PLAN DISTRIBUTION

#### ENROLLMENT TREND (FEB YOY)



#### PLAN DISTRIBUTION

#### ENROLLMENT TREND (FEB YOY)



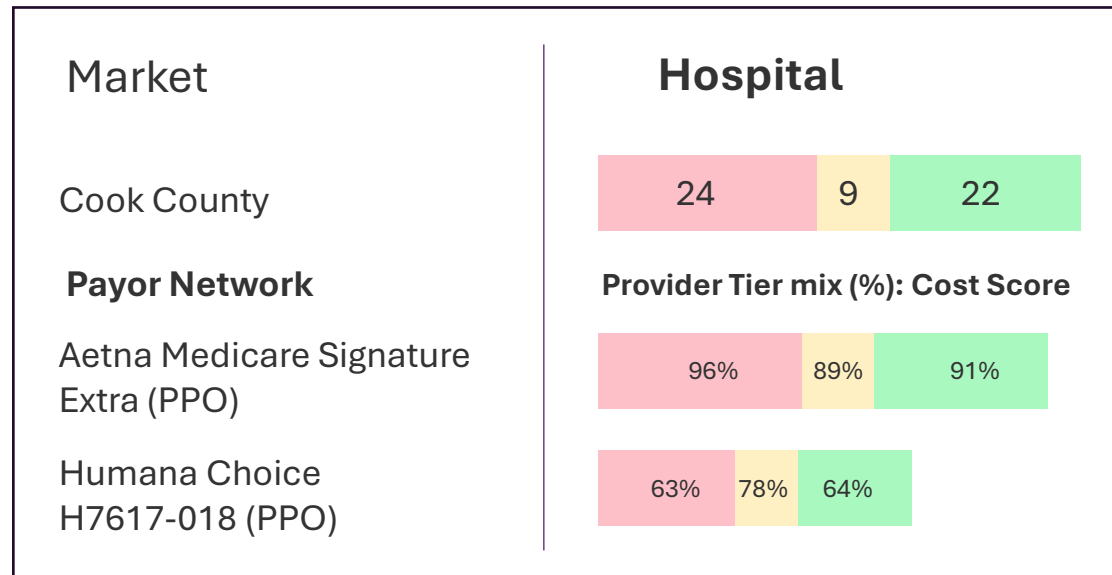
AEP landscape Report 2026



# Know Your Membership Mix First — The Opportunity Is in the Composition

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Low Medium High





# Network Levers That Drive Contracting Decisions



Most plans know where the pressure is. Fewer know which network development lever to pull first, and how to build the internal case to act on it.

## Site-of-Care Optimization

Shift procedures from HOPDs to ASCs and lower-cost facilities. Model what happens when you add or remove providers - set your target score and let the data show the path. Clearest rate differential, no quality trade-off argument.

## Steerage & Avoidable Utilization

Embed ER reduction targets into VBC contract terms. Drives network design decisions around urgent care access and PCP availability, especially in HMO and Open Access structures.

## Specialists & Referral Patterns

Identify high-value specialists by quality, utilization, and market popularity. Know who to pursue for preferred designation and who to protect in tiering strategy. Outlier referral patterns drive VBC contract terms.

## Hospital Utilization & Short-Stay Review

Quantify DRG over-reimbursement on short-stay admissions. Converts directly into hospital contract language, payment provisions, and observation status terms at your next renewal.

Or

Hospital contract renegotiation targeting observation status language, audit rights, and payment provisions. The data builds the case; the contract locks in the savings.

## PCP Alignment & Panel Performance

Identify high-value PCPs by quality, utilization, and market popularity. Know who to pursue for panel recruitment and who to protect in contracting. Use outlier cost patterns to expand VBC participation and justify network composition changes.

## Network Design & Composition

Map your network composition by tier, provider type, and geography against competitors at county, state, and national levels. Early identification of structural gaps including thin lower-cost alternatives, weak tiering, and facility over-reliance help to shape your contracting sequence and long-term network strategy.



# Turning Analysis Into Contracting Decisions That Get Approved



## QUANTIFY

### Build the network development business case

Decompose the \$30 PMPM by lever and product line. Benchmark your network against the market. Give finance a defensible number and clinical leadership a quality narrative, with both grounded in provider-level data.



## PRIORITIZE

### Sequence your contracting actions by speed to impact

Site-of-care and hospital contract terms move fastest. PCP and specialist network development take more runway but carry the highest long-term PMPM impact. Build a sequenced provider development plan.



## ALIGN

### Connect network decisions to shared organizational goals

Frame every network development recommendation in terms of MLR improvement, Stars quality outcomes, and member experience. The internal coalition forms around shared goals, not a cost-cutting exercise.



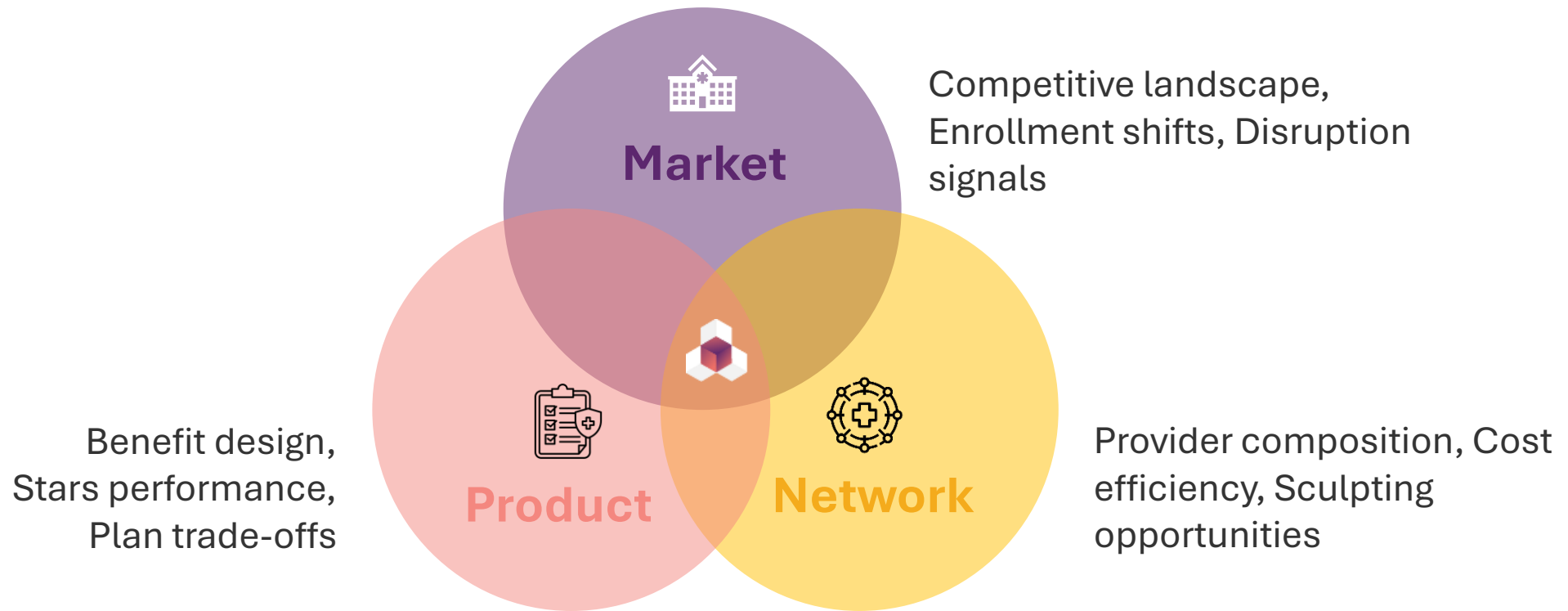
# Turning Analysis Into Contracting Decisions That Get Approved

## WHAT YOU WALK OUT WITH

- Provider-level savings waterfall by lever
- Prioritized network development action plan
- Stakeholder-ready PMPM impact model
- Sequenced contracting target list by product line
- Risk-adjusted timeline to hit the \$30 PMPM target



Only solution that covers the convergence of enrollment drivers



What is your opportunity and where is it?  
Let's connect to find out.

Thank You

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