Managed Markets Service

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

Medicare Advantage plans are navigating an increasingly complex operating environment, shaped by mounting cost pressures, regulatory change, and shifting quality and risk adjustment requirements. 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, anticipated responses to the Inflation Reduction Act (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 2026 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?
- 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 20+ therapeutic areas?

Key Finding: While IRA implementation is improving medication affordability, increasing utilization, greater plan liability, and MFP (maximum fair prices) are driving more active formulary, utilization management, and contracting strategies among plans.

Financial and Margin Pressures Identified as Medicare Advantage Plans' Most Disruptive Market Trend in 2026

Medicare Advantage key decision-makers report a number of market trends with potential to impact their organizations in 2026. The top trends identified are (1) financial and margin pressures, (2) impact of the Inflation Reduction Act, (3) government regulations and legislative changes, and (4) Star ratings, quality programs, and HEDIS.

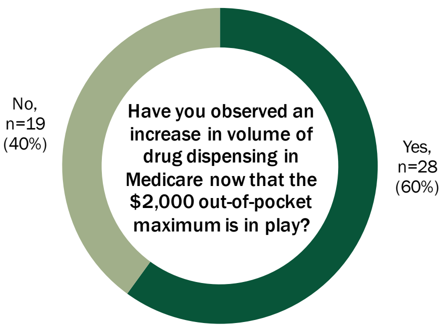
Medicare Advantage Plans: Most Disruptive Market Trends, 2026

Market Trend	% of Plans Identifying Trend
Financial and Margin Pressures	40%
IRA (MFP, Part D redesign, pricing reform)	38%
Government Regulations/Legislative Changes	30%
Star Ratings/Quality Programs/HEDIS	30%
Risk Adjustment (e.g., HCC Model, V28, RADV)	28%

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

Inflation Reduction Act Impact on Medication Dispensing Volume in Medicare

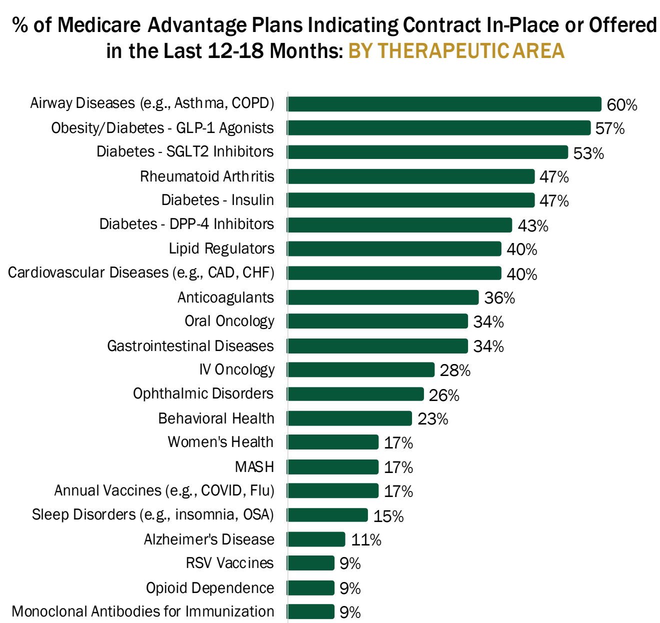
About 60% of MA plans report increased prescription dispensing volume following implementation of the Medicare Part D out-of-pocket cap, reflecting the early impact of reduced beneficiary cost sharing. Panelists report that growth is most pronounced in areas such as GLP-1 agonists, inflammation & immunology, diabetes, and oncology.



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 is or will be maximum fair pricing.

The Contracting Environment for Medicare Advantage

Panelists were asked to consider a list of 20+ 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 (60% of plans), followed by GLP-1s (57%), and diabetes-SGLT2 inhibitors (53%).

The full report provides a complete listing of contracting activity as well as rebate/discount amounts across 20+ therapeutic areas.

Research Methodology and Report Availability

In July 2026, HIRC surveyed 47 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.

The Managed Markets Service examines evolving market trends, stakeholder perspectives, manufacturer engagement, and contracting trends across four key commercial and government payer segments. Also benchmarks managed markets organizational structures and key account relationships across leading pharmaceutical manufacturers.

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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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