

NEWS RELEASE

New report: Medicare Advantage market growth continues despite headwinds

Report analyzes continued but decelerating growth as the market undergoes a period of correction, following several years of rapid growth in the early 2020s.

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<https://www.chartis.com/about/news/new-report-medicare-advantage-market-growth-continues-despite-headwinds>

HealthScape Advisors, a leading healthcare payer consulting firm, today announced the release of its annual 2025 Medicare Advantage competitive enrollment report. The report is a collaboration between Chartis and HealthScape Advisors, a Chartis Company.

The Medicare Advantage market grew by 1.3 million beneficiaries to 34.5 million (+3.9%) in 2024, down from 2.2 million (+7%) in 2023 and half the record growth of 2.7 million (+9.4%) in 2022. Prior to the annual enrollment period (AEP), many for-profit health plans signaled their intent to slow growth or even contract membership in response to a “perfect storm” of pressures—including rising utilization, lower-than-expected rate increases, and increased regulatory scrutiny around key financial levers.

Despite this cooldown, the market remains strong. According to the forecast for Medicare Advantage, health plan leaders point to continued growth and favorable economics compared to other market segments. Additionally, the new Trump Administration has signaled support for the program, and less administrative burden is expected for plans.

Health plan leaders’ outlooks for the Medicare Advantage industry over the next five years are generally more positive than when they were surveyed last year, despite tempered expectations at the company level in the short term. Ninety-one percent expect the same or better performance in 2026 (compared to just 74% the year prior), indicating confidence in the stability and growth potential of the market.

“Even with slowed growth, Medicare Advantage enrollment continues to show signs of strength, and it should for the foreseeable future,” said Nick Herro, a Chartis Senior Partner in Strategic Transformation and co-author of the report. “Special Needs Plan popularity, anticipated regulatory support by the new administration, and consistent growth in the aging population present future growth opportunities and instill confidence in this market segment.”

“Health plans are optimistic about the future of Medicare Advantage,” said [Alexis Levy](#), Senior Partner at HealthScape Advisors and report co-author. “To maintain this momentum, health plans must address challenges around financial performance and sustainability to position themselves for this long-term growth potential.”

The report explores the following changes shaping the Medicare Advantage market:

- **Enrollment trends:** With more than half of Medicare-eligible individuals in Medicare Advantage plans, the market grew by 1.3 million (+3.9%). This slow-down from the previous year’s growth of 2.2 million (+7.0%) continues the trend of tempered growth compared to the first few years of the decade. Despite some health plans’ efforts to scale back during AEP, for-profit health plans continued their dominance in this segment and collectively captured 748,000 new members—56% of the total market’s year-over-year growth.
- **Special Needs Plan (SNP) enrollment:** While enrollment in SNPs is growing faster than the individual non-SNP market, the growth rate is decelerating. SNP enrollment increased 10% from 2024 to 2025 (by nearly 700,000 members), in contrast to an average rate of 17% per year over the past five years. Today, more than 1 in 5 Medicare Advantage enrollees have coverage through an SNP. Notably, SNPs captured just above half of new enrollees this year.
- **Plan options and preferences:** The number of plan options is roughly flat from the previous year, with the average senior having access to 5,581 plans. In contrast, the trend of the past five years has been 5.4% growth. Year-over-year growth in preferred provider organizations (PPOs) continued. PPOs now constitute 44% of all plans offered, up from 33% in 2020.
- **Dominant players:** At a macro-level, the competitive dynamics remain relatively unchanged over last year. For-profit insurers control nearly three-quarters of the Medicare Advantage market. Meanwhile, Blues, nonprofit, and provider-sponsored health plans continue to see marginal market share erosion, despite notching overall enrollment growth.
- **Quality ratings:** Quality remains a concern as plans struggle to maintain quality scores, and 2025 marked another year of [declining average Star Ratings](#). Only 64% of membership is attributed to plans with four or more stars, down from nearly 80% the year prior.
- **Reaction to recent market disruption:** In response to challenging market conditions and financial pressure, several plans exited the MA market, others reduced their service area or terminated plans, and 60% of plans weakened benefit offerings.

To view the full report and explore what’s driving the changes described above, [click here](#).

Analytic methodology

Medicare Advantage enrollment, plan, and pricing data from the Centers for Medicare & Medicaid Services (CMS), February 2020 to February 2025. Medicare fee for service (FFS) enrollment data from CMS, January 2019 to January 2025. This analysis includes all Medicare Part C plans, including regional PPO and

Medicare cost data.

Due to limitations in 2025 Connecticut enrollment data, July 2024 was used as a proxy for February 2025 enrollment in Connecticut.

Plans are categorized as for-profits, Blues, and nonprofit based on Chartis and HealthScape analysis. For market-level analyses, any counties not part of a CBSA (defined by the US Office of Management and Budget) or that had fewer than 11 Medicare FFS enrollees were excluded.

SNP data from SNP Comprehensive Reports February 2020 to January 2025. Plan options data from CMS Landscape files 2020 through 2025. Population data from the US Census Bureau. AEP data measures change from December 2024 to February 2025.

Prior years' reports limited data to the 50 states and DC. This year's report includes new and historical data for US territories, though they are not shown on maps. Additionally, this year's report uses data of enrollment from February 2024 through February 2025, while last year's report used data of enrollment from March 2023 through January 2024.

In January of 2025, Chartis surveyed line of business leaders at 30 health plans about their market outlook for 2026 and beyond.

About Chartis

The challenges facing US healthcare are longstanding and all too familiar. We are Chartis, and we believe in better. We work with over 900 clients annually to develop and activate transformative strategies, operating models, and organizational enterprises that make US healthcare more affordable, accessible, safe, and human. With over 1,000 professionals, we help providers, payers, technology innovators, retail companies, and investors create and embrace solutions that tangibly and materially reshape healthcare for the better. Our family of brands—Chartis, Jarrard, Greeley, and HealthScape Advisors—is 100% focused on healthcare and each has a longstanding commitment to helping transform healthcare in big and small ways. [Learn more.](#)

About HealthScape Advisors

Every payer strives for better. At HealthScape Advisors, we help them achieve it. We partner with payers to deliver better member experiences, build better provider partnerships, and realize better health outcomes. We work with health plans and payers, ancillary and specialty health organizations, and healthcare investors and innovators to accelerate strategic growth; advance care quality, accessibility, and affordability; optimize operations; and unlock the power of data. Our expertise across thousands of projects means we understand the landscape like no one else. When payers want meaningful results, they turn to HealthScape Advisors—the specialist who'll help them get to better. [Learn more.?](#)