

# Special Needs ——— ————— Plan Alliance

## **Better Approaches to Lifestyle and Nutrition for Comprehensive Health (BALANCE) Model**

### Model Summary

- Under the model, CMMI will negotiate, on behalf of states and Part D plans, agreements with the manufacturers of GLP-1 therapies to permit coverage of the drugs for improved metabolic health. Participation in the model will be voluntary for GLP-1 drug manufacturers, state Medicaid programs (that participate in the Medicaid Drug Rebate Program), and Medicare Advantage prescription drug (MA-PD) plans as well as standalone prescription drugs plans (PDPs). The CMMI Innovation Center will support model participants in implementing, monitoring, and evaluating usage of the medications for the model-covered purpose.
- CMMI is aiming for a “critical mass” of Part D sponsors to participate and has established a threshold participation rate of 80% for 2027. If the 80% threshold is not met, CMMI will not move forward with the BALANCE Model in Medicare in 2027. CMMI will notify Part D plan sponsor applicants whether this threshold is met by April 30, 2026. If the participation threshold is not met for BALANCE, which will be known by the end of April, CMMI has not indicated if or how it would affect the implementation of the GLP-1 Bridge.

### Implementation

- Upon agreement of the terms and conditions (“Key Terms”) between CMMI and the manufacturer, the manufacturer will enter into a Participation Agreement (PA) with CMMI and formally become a participant in the model.
- CMMI will communicate the agreed-upon standardized Key Terms to all states and Part D plan sponsors, who may, at their option, execute a State Agreement (SA) or Part D Contract Addendum (CA) with CMMI, thus becoming participants in the model. Participating states will adopt the Medicaid Key Terms through a supplemental rebate agreement (SRA) with each participating manufacturer.
- The CMMI Innovation Center is testing this model beginning on May 1, 2026, for participating States and January 1, 2027, for participating Part D sponsors. The model will run through December 2031.

# Special Needs ——— ————— Plan Alliance

## Special Needs Plan Impact

- SNPs, other than Defined Standard D-SNPs, are eligible to participate in the BALANCE model if their Part D plan sponsors apply and are approved to participate. Applications are submitted by the Part D parent organization.
- C-SNP and I-SNPs are identified as part of the categories of eligible plans in the risk corridor methodology and with Part D sponsor participation will be eligible to participate in the model.
- Participating PBPs will potentially be eligible for a narrowed first risk corridor that will provide additional financial protection for PBPs with higher-than-average enrollment of beneficiaries utilizing model drugs. Participating parent organizations can elect all their eligible PBPs at the time of application.
- Participating PBPs in the model can qualify for the narrowed risk corridor if its plan-level model drug utilization exceeds one standard deviation above the mean for its plan type among all eligible participating plans that have opted for the narrowed risk corridor.
- The first risk corridor threshold will begin at +/- 2.5 percent of the target amount instead of the +/-5 percent under current law today. All risk percentages between CMMI and Part D plan sponsors are 50 percent risk for both CMMI and Part D plan sponsors in between the first and second risk corridor threshold, and 80 percent CMMI risk and 20 percent Part D plan sponsor risk beyond the second risk corridor -- remain the same.
- SNPs participating in the BALANCE model will have the additional value proposition of offering GLP-1 while controlling costs. It probably does not do enough to drive additional C-SNPs into the market addressing obesity but will complement those addressing diabetes.
- CMMI as part of future incentives state that they may explore a payment adjustment factor (PAF) that would be incorporated into the direct subsidy payment calculation for participating plans by adding the PAF to the beneficiary risk score, CMMI would include the adjustments to the beneficiary risk score in participating plan bids. CMMI reserves the right to limit eligibility to those who participate in the model for CY 2027 and/or continuous participation beginning in a Part D plan sponsor's first eligible model year.

# Special Needs ——— ——— Plan Alliance

## Model Timeline

Date	Timeline
March 9, 2026	CMMI releases RFA for Part D Parent Organizations
April 20, 2026	Deadline for Part D Parent Organizations to apply (at 11:59pm PDT)
April 30, 2026	Target date for notification of Part D Participation Threshold in Model
May 18, 2026	Conditional Approvals are sent to Part D Parent Organizations
June 1, 2026	Part D bid deadline for CY27. Part D plan sponsor's bid reflects its intended participation in the Model
September 2026	CY27 Model Contract Addendum executed BALANCE Model Part D Participants Announced
January 1, 2027	Plan year begins

## Model Drugs for CY 2027

Drug Manufacturer	GLP-1-Product	Included Formulations	GLP-1 Net Price
Eli Lilly	Zepbound	KwikPen	\$245 per month supply
	Mounjaro	All Presentations	
	Orforglipron (pending FDA approval)	Tablets	
Novo Nordisk Inc.	Ozempic	All Presentations	
	Rybelsus	All Presentations	
	Wegovy	All Presentations	