



American Academy  
of Value Based Care

# Stars Measure C18 Plan All-cause Readmissions Quick Reference Guide

2026

# Stars Measure C18 Plan All-cause Readmissions — Quick Reference Guide

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## Introduction

Value-based care in the United States is measured through performance metrics; there has been a decisive shift **from process-oriented reporting to** rigorous evaluation of **clinical outcomes**. At the center of this transformation is the Medicare Star Ratings program, specifically the C18 Plan All-Cause Readmissions (PCR) measure.

As of the 2025 Star Ratings cycle, the Centers for Medicare & Medicaid Services (CMS) has elevated this measure to **triple-weighted status**, underscoring the federal government's commitment to incentivizing hospital avoidance and seamless care transitions.<sup>1</sup>

For healthcare providers and Medicare Advantage (MA) organizations, the C18 measure is no longer merely one of many metrics; it is a primary driver of financial viability, brand reputation, and regulatory standing. The complexity of this measure requires an understanding of both its mathematical derivation and the clinical realities of the high-risk populations it serves.

## 1. MEASURE SNAPSHOT

### Medicare PART C DOMAIN 2 - Managing Chronic (long-term) Conditions: C18 - Plan All-Cause Readmissions (PCR)

**CMS Definition:** For Medicare Advantage (MA) members aged 18 years and older, the percentage of acute inpatient and observation stay discharges that were followed by an unplanned acute readmission for any diagnosis within 30 days. The score is a risk-adjusted ratio of observed-to-expected (O/E) readmissions, multiplied by the national average observed rate.<sup>1-4</sup>

**Measure Weight:** Triple-weighted (3x) outcome measure for 2025 and 2026; accounts for approximately 10% of the total Part C rating.<sup>1</sup>

**Exclusions:** Members who died during the index stay, primary diagnosis of pregnancy or perinatal conditions, chemotherapy maintenance, rehabilitation stays, organ transplants, or potentially planned procedures without a principal acute diagnosis. Requires continuous enrollment 365 days before discharge through 30 days post-discharge. Excludes members in hospice or using hospice services any time during the measurement year. Further excludes contracts whose denominator was less than 150. **The complete set of exclusions is available in the NCQA HEDIS Measurement Year 2024 Technical Specifications Volume 2.**<sup>4</sup>

**2025 Financial Impact:** An estimated 2 million patients are readmitted each year, costing Medicare \$26 billion. The Centers for Medicare & Medicaid Services estimate that \$17 billion of that comes from avoidable readmissions.

## CMS PCR Cut Points 2025:<sup>1</sup>

| 1 Star | 2 Star                            | 3 Star                           | 4 Star                          | 5 Star                   |
|--------|-----------------------------------|----------------------------------|---------------------------------|--------------------------|
| >12%   | >10% to less than or equal to 12% | >9% to less than or equal to 10% | >7% to less than or equal to 9% | Less than or equal to 7% |

## Current Industry Performance (2025 → 2026 Trend)<sup>3,5</sup>

- **National Average Star Rating:** The national average for C18 in 2026 is **2.9 stars**, consistent with 2025 and reflecting the measure's high difficulty
- **Market Stabilization:** While enrollment in 4+ star plans saw a historic decline between 2023 and 2025, it stabilized for 2026 at approximately 64% of enrollees, up slightly from 62% in 2025
- **5-Star Scarcity:** Achieving 5 stars remains rare. For 2026, only 18 MA-PD contracts nationwide earned a 5-star overall rating, though the percentage of members in 5-star plans increased slightly to 2.3%
- **Performance Volatility:** PCR is designated as a "poorer performing" measure in the 2026 cycle. Success is heavily dependent on its "lead measure," Transitions of Care (TRC), which emphasizes engagement and medication reconciliation post-discharge

## Rating Impact & Revenue

| Star Rating | Benchmark Bonus                | Rebate | Marketing Rights      |
|-------------|--------------------------------|--------|-----------------------|
| 5 stars     | 5% increase + QBP              | 70%    | Year-round enrollment |
| 4.5 stars   | 5% increase + QBP              | 70%    | Standard windows      |
| 4 stars     | 5% increase + eligible for QBP | 65%    | Standard windows      |
| <4 stars    | None                           | 50-65% | Limited               |

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