

Dual eligibles: A profile

ISSUE: Understanding the demographic characteristics and spending patterns of dual eligible beneficiaries will help policymakers assess coverage and payment policy options that may improve beneficiaries' access to quality, cost-effective health care.

KEY POINTS: MedPAC analyzed 2001 MCBS data to gain a better understanding of dual eligible beneficiaries' 1) demographic characteristics and 2) use of and spending on Medicare covered health care services.

- Dual eligible beneficiaries account for 15 percent to 17 percent of beneficiaries (depending on methodology) and about 22-26 percent of Medicare spending.
- Dual eligible beneficiaries are more likely than nondual beneficiaries to:
 - be under age 65 or over age 85, female, and of a minority population;
 - report poorer health status and greater difficulty with activities of daily living;
 - live in a rural area;
 - live alone or be institutionalized; and
 - have income below poverty and lack a high school diploma.
- Average Medicare spending for duals is 60 percent higher than nonduals. This higher spending is accounted for by both 1) a greater proportion of duals than nonduals using services and 2) higher volume and/or intensity of services used by duals.
- Medicare spending for duals is concentrated on a small proportion of beneficiaries. The 5 percent most costly dual beneficiaries account for 40 percent of spending on duals.
- Total health care spending for dual eligibles is twice as high as that of nonduals. As with Medicare spending, total health care spending is concentrated among a relatively small percent of beneficiaries.
- The dual population is diverse and their health spending varies greatly.

ACTION: This information will be incorporated into a draft June report chapter on dual eligible beneficiaries for your review in April. Other components of the chapter include: 1) eligibility criteria and 2) coverage and payment policy, both of which were presented in January; and 3) access to and quality of care, to be presented in April.

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