



*Advising the Congress on Medicare issues*

# Medicare Advantage demographics and enrollment patterns

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# MA demographics and enrollment patterns

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- What is the timing of MA enrollment as beneficiaries enter Medicare?
- Demographics - age, race/ethnicity, and special populations
- Disenrollment
- Discussion

# MA penetration and participation rates 2009-2012

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**MedPAC usually reports  
MA penetration**

MA penetration =  
MA / (All Part A or Part B)

- **August 2012 – 26%**

**For this analysis we use  
MA participation of those  
eligible for MA**

MA participation =  
MA / (All Part A and Part B)

- **August 2012 – 28%**

Source: MedPAC analysis of CMS administrative data. Analysis is preliminary and subject to change.

# MA enrollment of new Medicare beneficiaries, 2009-2012

	2009	2010	2011	2012
MA participation of beneficiaries with both A&B	25%	26%	27%	28%
Beneficiaries new to Medicare (in millions)	2.0	2.0	2.2	2.5
Beneficiaries new to Medicare in MA (in millions)	0.4	0.4	0.5	0.6
MA participation of beneficiaries new to Medicare	21%	21%	21%	24%

## Cohort of 2009 new beneficiaries

MA participation of beneficiaries in cohort	21%	26%	28%	29%
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Source: MedPAC analysis of CMS administrative data. Analysis is preliminary and subject to change.

# Participation rates and share of populations in 2012, by age group

	MA participation rate	Pct. Share in 2012	
		MA	Medicare
All Beneficiaries with A&B	28%	100%	100%
64 and under	22	13	16
65-69	30	25	23
70-74	32	23	20
75-79	31	19	18
80-84	28	11	11
85-90	25	6	7
90 and over	22	3	4

Source: MedPAC analysis of CMS administrative data. Analysis is preliminary and subject to change

# Participation rates, MA growth, and share of populations

	MA participation rate		MA growth, 2009-2012	Percent share, 2012	
	2009	2012		MA	Medicare
<b>Beneficiaries with A&amp;B</b>	25%	28%	7%	100%	100%
<b>Major race/ethnicity groups</b>					
Asian-American	27	33	14	2	2
African-American	28	31	7	11	10
Hispanic	35	39	9	3	3
White	25	28	6	80	83
<b>Medicare-Medicaid status</b>					
Dually-eligible	19	23	11	16	19
<b>Age group (disability)</b>					
Under age 65	19	22	10	13	16

Source: MedPAC analysis of CMS administrative data. Analysis is preliminary and subject to change.

# Participation rates among sub-populations

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- At an aggregate national level, Hispanics are more likely to enroll in MA
- At an aggregate level, populations less likely to enroll in MA are:
  - Medicare-Medicaid dually eligible beneficiaries
  - Beneficiaries under age 65 (beneficiaries with disabilities)

# Are Hispanics more likely to enroll in MA?

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## Aggregate level

- Hispanics are more likely to enroll in MA (39 percent participation versus 28 percent for the overall population)

## Disaggregated

- Hispanics have high participation rates where MA plans have very high penetration (able to attract enrollees)
- Hispanic penetration is below that of other racial/ethnic groups where MA participation is low



# Are dually eligible beneficiaries less likely to enroll in MA?

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## Aggregate level

- Medicare-Medicaid dually eligible beneficiaries have lower MA participation rates, but the participation rate has grown over the past few years

## Disaggregated

- Those with full Medicaid coverage less likely to enroll
- Higher-than-average participation rates for those with partial Medicaid coverage (payment of Medicare Part B premium, coverage of Medicare cost sharing for some categories); enrollment advantageous for beneficiaries and for plans

# Are people with disabilities less likely to enroll in MA?

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## Aggregate level

- Beneficiaries under age 65 are less likely to enroll (22 percent versus 30 percent for the aged).

## Disaggregated

- True if dually eligible Medicare-Medicaid beneficiaries are included
- Excluding the dually eligible, MA participation rates very similar (29 percent for the under-65; 31 percent for the aged)

# Voluntary disenrollment from plans

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- In 2012, rate slightly below 10 percent
- Majority (80 percent) moved from one MA plan to another; 20 percent elected traditional Medicare
  - That is, about 98 percent of MA enrollees remained in MA
- Data indicate that when beneficiaries changed plans, in the large majority of cases beneficiaries elected a plan with a lower premium

# Summary

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- Additional analysis or questions
- At 24 percent, MA participation rates among new beneficiaries are lower than average.  
Why?
- Rate setting issues
  - Need to have different payment rates for full and partial dually eligible beneficiaries
  - Over time, for determining MA payment rates, remaining FFS population may not be representative