

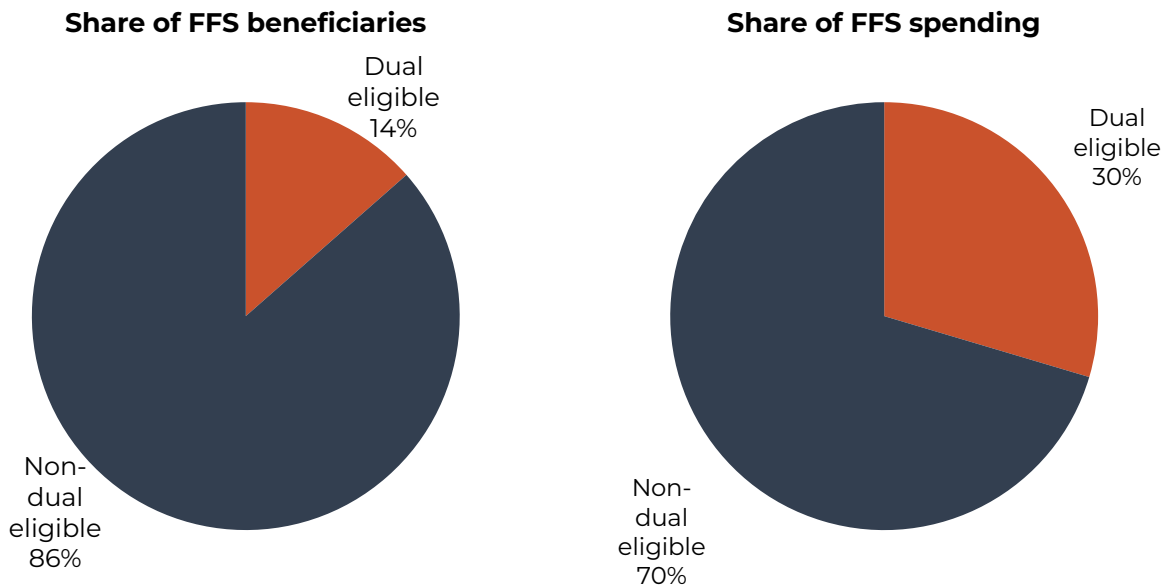
SECTION

# 4

## **Dual-eligible beneficiaries**



**Chart 4-1** Dual-eligible beneficiaries accounted for a disproportionate share of Medicare spending, 2021



**Note:** FFS (fee-for-service). “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2021.

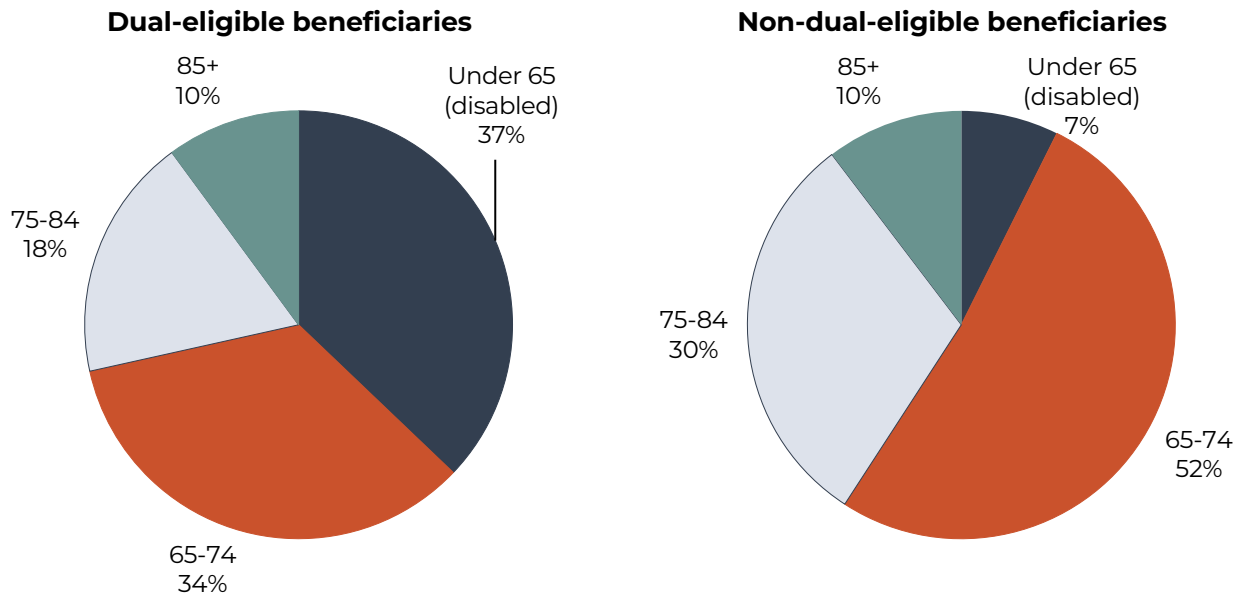
> Dual-eligible beneficiaries are those who qualify for both Medicare and Medicaid. Medicaid is a joint federal and state program designed to help people with low incomes obtain needed health care.

> Dual-eligible beneficiaries account for a disproportionate share of Medicare FFS expenditures. Although they were 14 percent of the FFS Medicare population in 2021, they represented 30 percent of aggregate FFS Medicare spending.

> On average, FFS Medicare per capita spending is more than twice as high for dual-eligible beneficiaries compared with non-dual-eligible beneficiaries: In 2021, \$29,328 was spent per dual-eligible beneficiary, and \$10,907 was spent per non-dual-eligible beneficiary (data not shown).

> In 2021, average total spending—which includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending across all payers—for dual-eligible beneficiaries was \$45,598 per beneficiary, about twice the amount for other Medicare beneficiaries (data not shown).

**Chart 4-2** Dual-eligible beneficiaries were more likely than non-dual-eligible beneficiaries to be under age 65 and have a disability, 2021

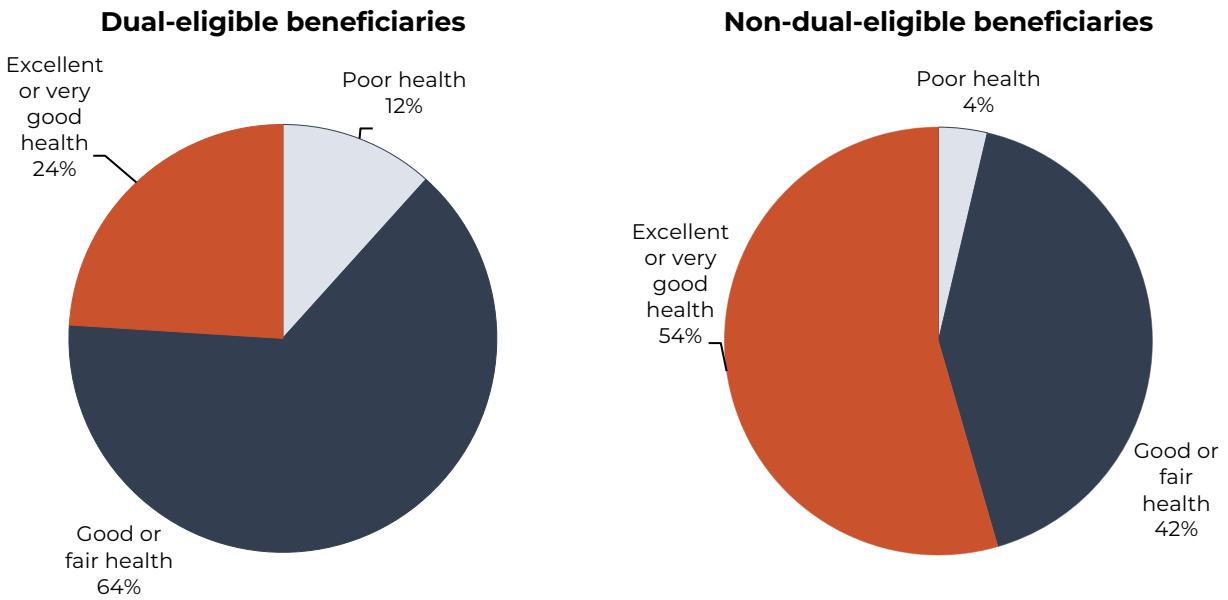


**Note:** Beneficiaries who are under age 65 generally qualify for Medicare because of disability. Once beneficiaries with disabilities reach age 65, they are counted as aged beneficiaries. "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Components do not sum to 100 percent due to rounding. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

**Source:** MedPAC analysis of CMS's Medicare Current Beneficiary Survey, 2021.

- > Disability is a pathway for individuals to become eligible for both Medicare and Medicaid benefits.
- > Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to be under age 65 and have a disability. In 2021, 37 percent of dual-eligible beneficiaries were under age 65 with a disability compared with 7 percent of the non-dual-eligible population.

**Chart 4-3** Dual-eligible beneficiaries were more likely than non-dual-eligible beneficiaries to report being in poor health, 2021



**Note:** “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2021.

- > Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to report being in poor health. In 2021, 12 percent of dual-eligible beneficiaries reported being in poor health compared with 4 percent of non-dual-eligible beneficiaries.
- > Over half of non-dual-eligible beneficiaries (54 percent) reported being in excellent or very good health in 2021. In comparison, less than one-quarter (24 percent) of dual-eligible beneficiaries reported being in excellent or very good health.

**Chart 4-4 Demographic differences between dual-eligible beneficiaries and non-dual-eligible beneficiaries, 2021**

Characteristics	Share of dual-eligible beneficiaries	Share of non-dual-eligible beneficiaries
<b>Sex</b>		
Male	39%	47%
Female	61	53
<b>Race/ethnicity</b>		
White, non-Hispanic	47	81
Black, non-Hispanic	23	8
Hispanic	22	6
Other	9	6
<b>Limitations in ADLs</b>		
No limitations in ADLs	48	77
Limitations in 1–2 ADLs	25	16
Limitations in 3–6 ADLs	27	7
<b>Residence</b>		
Urban	82	83
Rural	18	17
<b>Living arrangement</b>		
Institution	8	1
Alone	38	28
With spouse	13	50
With children, nonrelatives, others	41	20
<b>Education</b>		
No high school diploma	35	7
High school diploma only	32	23
Some college or more	33	69
<b>Income status</b>		
Below poverty	57	4
100–125% of poverty	19	4
125–150% of poverty	9	5
150–200% of poverty	9	12
200–400% of poverty	6	32
Over 400% of poverty	<1	43
<b>Supplemental insurance status</b>		
Medicare or Medicare/Medicaid only	32	8
Medicare managed care	59	41
Employer-sponsored insurance	2	25
Medigap	5	24
Medigap/employer	<1	1
Other*	2	1

**Note:** ADL (activity of daily living). “Dual-eligible beneficiaries” were eligible for both Medicare and Medicaid for at least one month during the year. “Urban” indicates beneficiaries living in metropolitan statistical areas (MSAs). “Rural” indicates beneficiaries living outside of MSAs. Totals may not sum to 100 percent due to rounding and exclusion of an “other” category. The Medicare Current Beneficiary Survey is a point-in-time survey of a sample of beneficiaries. Year-to-year data variation is expected.

\*Includes public programs such as the Department of Veterans Affairs and state-sponsored drug plans.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2021.

> Dual-eligible beneficiaries qualify for Medicaid due in part to low incomes. In 2021, 57 percent of dual-eligible beneficiaries lived below the poverty threshold, and 93 percent lived below 200 percent of the poverty threshold. Compared with non-dual-eligible beneficiaries, dual-eligible beneficiaries are more likely to be female, be Black or Hispanic, have greater limitations in activities of daily living, live in an institution, and lack a high school diploma. They are more likely to be enrolled in a Medicare managed care plan and less likely to have supplemental employer-sponsored or Medigap coverage.

**Chart 4-5 Differences in Medicare spending and service use between dual-eligible beneficiaries and non-dual-eligible beneficiaries, 2021**

Service	Dual-eligible beneficiaries	Non-dual-eligible beneficiaries
<b>Average FFS Medicare payment for all beneficiaries</b>		
Total Medicare FFS payments	\$29,328	\$10,907
Inpatient hospital	5,681	2,751
Physician <sup>a</sup>	3,476	3,001
Outpatient hospital	3,008	2,121
Home health	976	325
Skilled nursing facility <sup>b</sup>	1,368	405
Hospice	487	229
Prescribed medication <sup>c</sup>	14,233	1,921
<b>Share of FFS beneficiaries using service</b>		
Share using any type of service	96.8%	85.4%
Inpatient hospital	19.8	10.9
Physician <sup>a</sup>	91.0	82.9
Outpatient hospital	74.6	62.8
Home health	12.4	7.6
Skilled nursing facility <sup>b</sup>	6.4	2.8
Hospice	3.6	2.0
Prescribed medication <sup>c</sup>	91.6	57.4

**Note:** FFS (fee-for-service). Data in this analysis are restricted to beneficiaries in FFS Medicare. “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Spending totals derived from the Medicare Current Beneficiary Survey (MCBS) do not necessarily match estimates from CMS’s Office of the Actuary. Total payments do not equal the sum of line items due to omitted “other” category. The MCBS is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

<sup>a</sup>Includes a variety of medical services, equipment, and supplies.

<sup>b</sup>Individual short-term facility (usually skilled nursing facility) stays for the MCBS population.

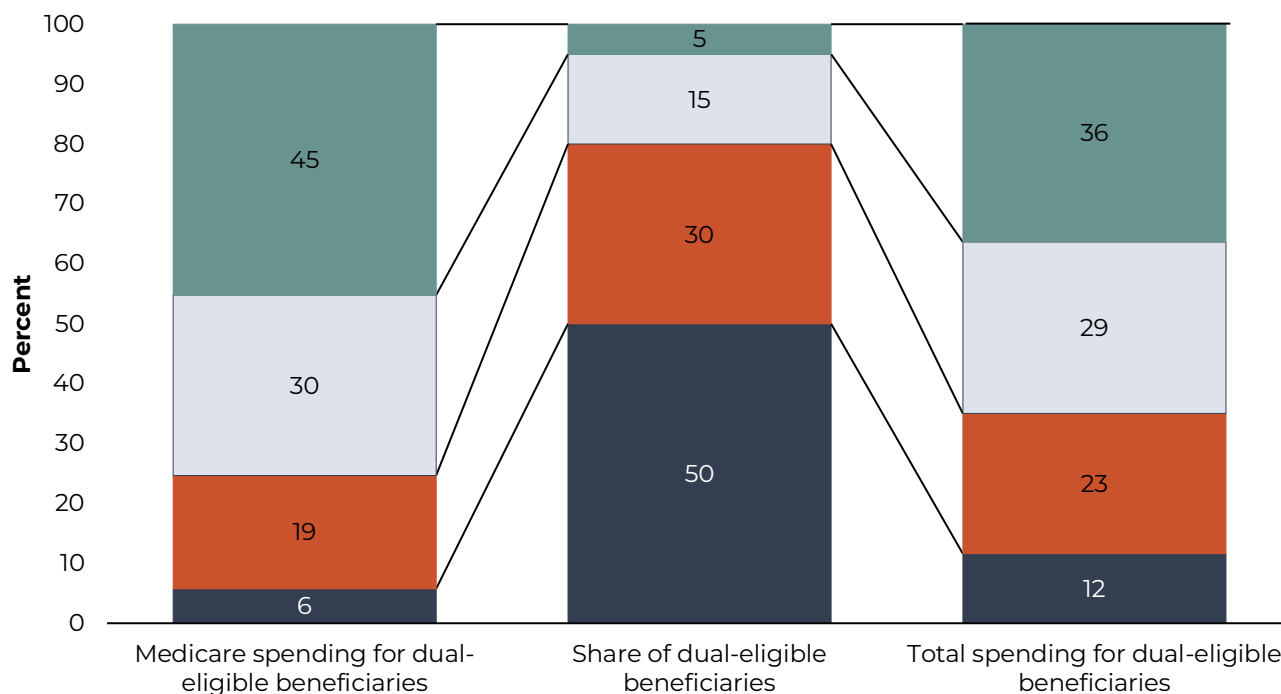
<sup>c</sup>Data from stand-alone prescription drug plans.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2021.

> In 2021, average per capita Medicare FFS spending for dual-eligible beneficiaries was more than twice that for non-dual-eligible beneficiaries—\$29,328 compared with \$10,907.

> For each type of service, average Medicare FFS per capita spending was higher for dual-eligible beneficiaries than for non-dual-eligible beneficiaries. Higher average per capita FFS spending for dual-eligible beneficiaries is a function of greater use of these services by dual-eligible beneficiaries compared with their non-dual-eligible counterparts. Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to use each type of Medicare-covered service.

**Chart 4-6 Both Medicare and total spending were concentrated among a small number of dual-eligible beneficiaries, 2021**



**Note:** “Total spending” includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending. Data in this analysis are restricted to beneficiaries in fee-for-service (FFS) Medicare. “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2021.

> Annual Medicare FFS and total spending on dual-eligible beneficiaries are concentrated among a small number of people. The costliest 5 percent of dual-eligible beneficiaries accounted for 45 percent of Medicare spending and 36 percent of total spending on dual-eligible beneficiaries in 2021. In contrast, the least costly 50 percent of dual-eligible beneficiaries accounted for only 6 percent of Medicare FFS spending and 12 percent of total spending on dual-eligible beneficiaries.

> On average, total spending (including Medicaid, Medigap, etc.) for dual-eligible beneficiaries in 2021 was more than twice that for non-dual-eligible beneficiaries—\$45,598 compared with \$18,142, respectively (data not shown).