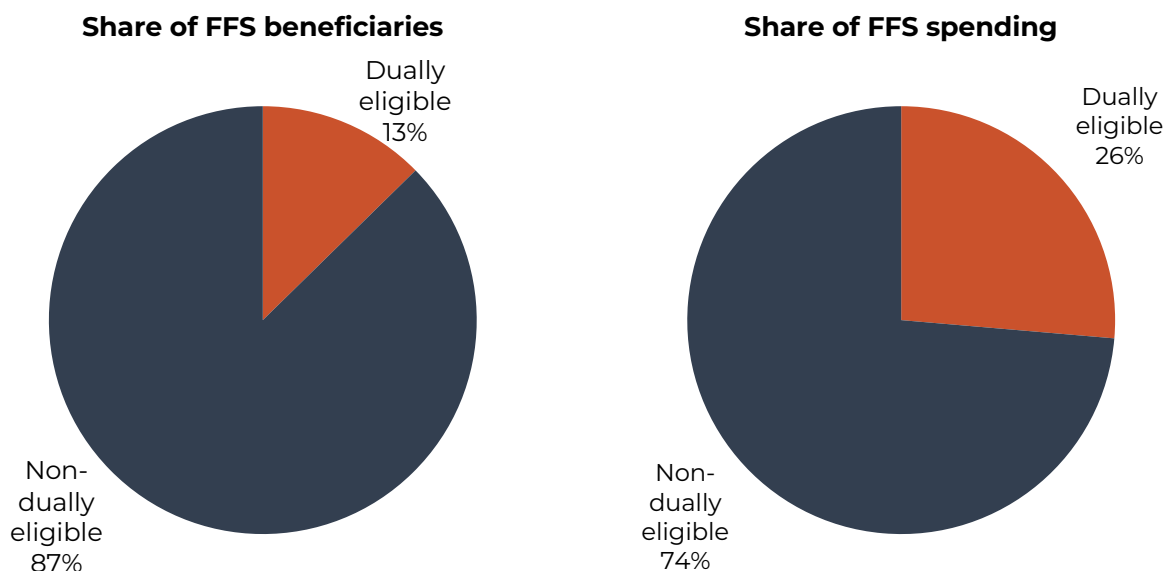


## **Dually eligible beneficiaries**



**Chart 4-1** Dually eligible beneficiaries accounted for a disproportionate share of Medicare spending, 2022



**Note:** FFS (fee-for-service). “Dually 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 some reported data is expected.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2022.

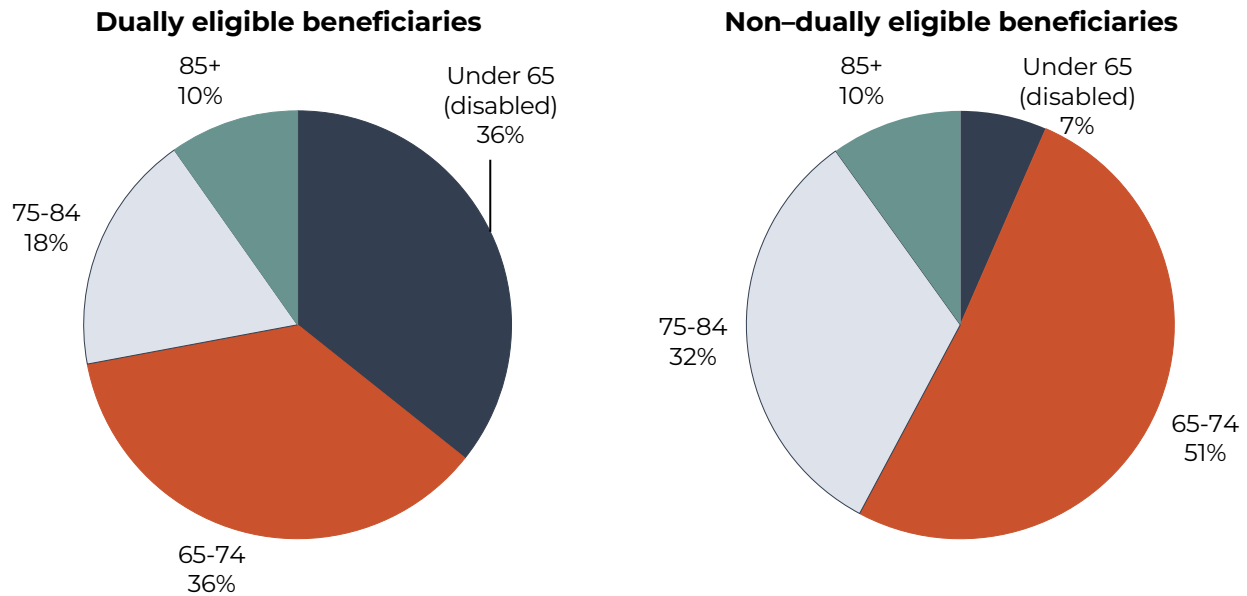
> Dually eligible beneficiaries are those who qualify for both Medicare and Medicaid. Medicaid is a joint federal and state program designed to help people with low incomes obtain the health care they need.

> Dually eligible beneficiaries account for a disproportionate share of FFS Medicare expenditures. Although they were 13 percent of the FFS Medicare population in 2022, they represented 26 percent of aggregate FFS Medicare spending.

> On average, FFS Medicare per capita spending is more than twice as high for dually eligible beneficiaries compared with non-dually eligible beneficiaries: In 2022, \$28,699 was spent per dually eligible beneficiary and \$11,619 was spent per non-dually eligible beneficiary (data not shown).

> In 2022, average total spending—which includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending across all payers—for dually eligible beneficiaries was \$44,463 per beneficiary, more than twice the amount for other Medicare beneficiaries (data not shown).

**Chart 4-2** Dually eligible beneficiaries were more likely than non-dually eligible beneficiaries to be under age 65 and have a disability, 2022

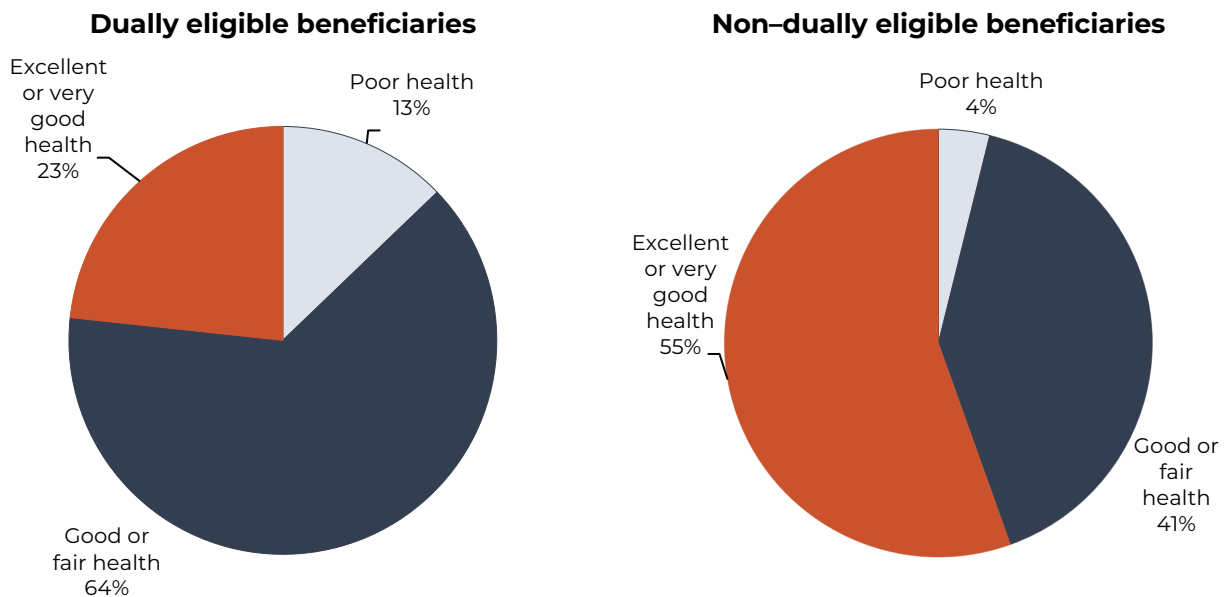


**Note:** Beneficiaries who are under age 65 generally qualify for Medicare because of disability. Once beneficiaries with disabilities reach age 65, they are counted as aged beneficiaries. “Dually eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for 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 some reported data is expected.

**Source:** MedPAC analysis of CMS's Medicare Current Beneficiary Survey, 2022.

- > Disability is a pathway for individuals to become eligible for both Medicare and Medicaid benefits.
- > Dually eligible beneficiaries are more likely than non-dually eligible beneficiaries to be under age 65 and have a disability. In 2022, 36 percent of dually eligible beneficiaries were under age 65 and had a disability compared with 7 percent of the non-dually eligible population.

**Chart 4-3** Dually eligible beneficiaries were more likely than non-dually eligible beneficiaries to report being in poor health, 2022



**Note:** “Dually 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 some reported data is expected.

**Source:** MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2022.

- > Dually eligible beneficiaries are more likely than non-dually eligible beneficiaries to report being in poor health. In 2022, 13 percent of dually eligible beneficiaries reported being in poor health compared with 4 percent of non-dually eligible beneficiaries.
- > Over half of non-dually eligible beneficiaries (55 percent) reported being in excellent or very good health in 2022. In comparison, less than one-quarter (23 percent) of dually eligible beneficiaries reported being in excellent or very good health.

**Chart 4-4 Demographic differences between dually eligible beneficiaries and non-dually eligible beneficiaries, 2022**

Characteristics	Share of dually eligible beneficiaries	Share of non-dually eligible beneficiaries
Sex		
Male	39%	47%
Female	61	53
Race/ethnicity		
White, non-Hispanic	46	81
Black, non-Hispanic	23	8
Hispanic	22	6
Other	9	6
Limitations in ADLs		
No limitations in ADLs	49	77
Limitations in 1–2 ADLs	25	16
Limitations in 3–6 ADLs	26	7
Residence		
Urban	80	84
Rural	20	16
Living arrangement		
Institution	8	1
Alone	36	28
With spouse	15	55
With children, nonrelatives, others	41	16
Education		
No high school diploma	35	7
High school diploma only	32	23
Some college or more	33	70
Income status		
Below poverty	56	4
100–125% of poverty	18	4
125–150% of poverty	9	5
150–200% of poverty	9	12
200–400% of poverty	7	32
Over 400% of poverty	<1	43
Supplemental insurance status		
Medicare or Medicare/Medicaid only	29	8
Medicare managed care	63	43
Employer-sponsored insurance	1	24
Medigap	4	24
Medigap/employer	<1	1
Other*	2	<1

**Note:** ADL (activity of daily living). “Dually eligible beneficiaries” are defined as beneficiaries who 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. Components may not sum to 100 percent due to rounding. The Medicare Current Beneficiary Survey is a point-in-time survey of a sample of beneficiaries; year-to-year variation in some data 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, 2022.

> Dually eligible beneficiaries qualify for Medicaid due in part to low incomes. In 2022, 56 percent of dually eligible beneficiaries lived below the poverty threshold, and 93 percent lived below 200 percent of the poverty threshold. Compared with non-dually eligible beneficiaries, dually 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 dually eligible beneficiaries and non-dually eligible beneficiaries, 2022**

Service	Dually eligible beneficiaries	Non-dually eligible beneficiaries
<b>Average FFS Medicare payments per capita</b>		
All covered services	\$26,538	\$15,538
Inpatient hospital	6,665	3,562
Physician and other noninstitutional Part B services*	3,981	3,887
Outpatient hospital and other institutional Part B services**	3,490	2,955
Home health	871	453
Skilled nursing facility	2,304	588
Hospice	703	332
Prescription drugs (Part D)	8,525	3,761
<b>Share of FFS beneficiaries using service</b>		
Share using any type of service	93.8%	98.5%
Inpatient hospital	20.8	13.6
Physician and other noninstitutional Part B services*	89.3	96.9
Outpatient hospital and other institutional Part B services**	73.9	78.3
Home health	11.6	8.6
Skilled nursing facility	9.4	3.3
Hospice	4.5	2.6
Prescription drugs (Part D)	89.1	94.3

**Note:** FFS (fee-for-service). Data in this analysis are restricted to beneficiaries in FFS Medicare who had Part A, Part B, and Part D coverage. "Dually eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Components may not sum to totals due to rounding.

\* Includes a variety of medical services, equipment, and supplies.

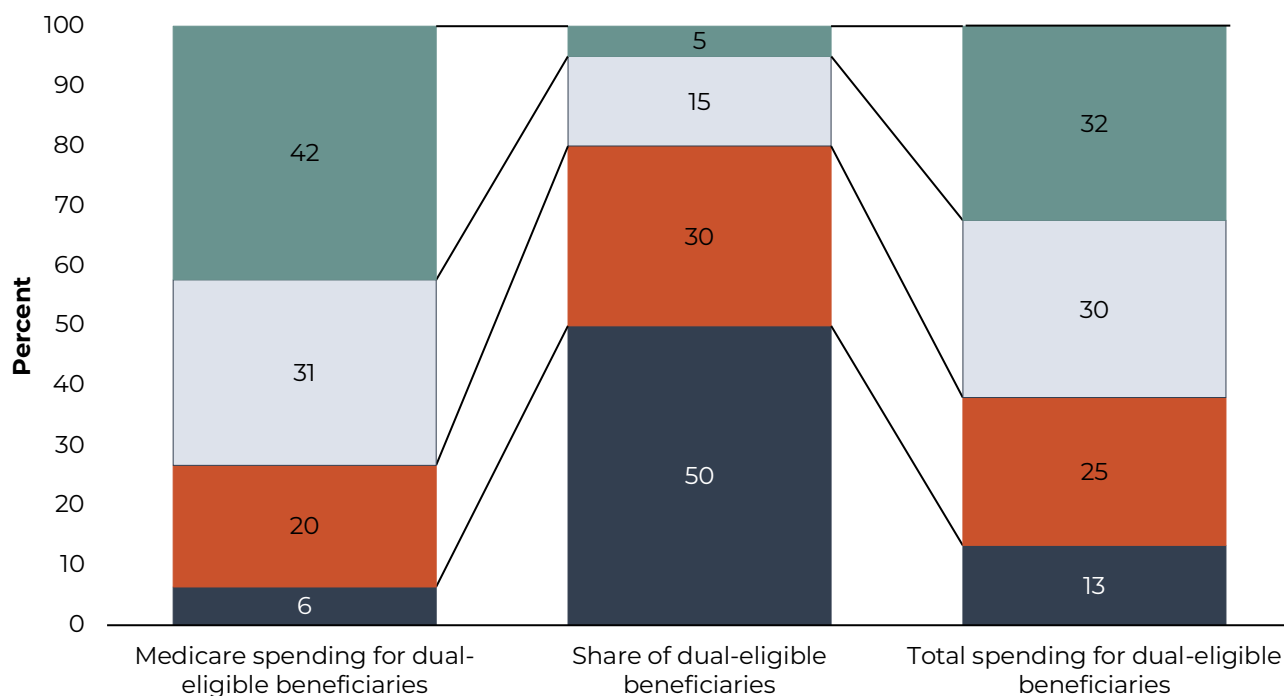
\*\* Includes dialysis facilities, ambulatory surgical centers, and clinics; does not include Part B-covered home health.

**Source:** MedPAC analysis of CMS's Medicare Beneficiary Summary File, 2022.

> In 2022, among beneficiaries who had Part A, Part B, and Part D coverage, average per capita FFS Medicare spending for dually eligible beneficiaries was about 70 percent higher than that for non-dually eligible beneficiaries—\$26,538 compared with \$15,538.

> For each type of service, average FFS Medicare per capita spending was higher for dually eligible beneficiaries than for non-dually eligible beneficiaries. Dually eligible beneficiaries are more likely than non-dually eligible beneficiaries to use Part A-covered services such as inpatient hospital and skilled nursing facility services but are slightly less likely to use Part B-covered services and Part D-covered prescription drugs.

**Chart 4-6 Both Medicare and total spending were concentrated among a small number of dually eligible beneficiaries, 2022**



**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. “Dually eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Components may not sum to totals 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 some reported data is expected.

**Source:** MedPAC analysis of CMS's Medicare Current Beneficiary Survey, 2022.

> Annual FFS Medicare and total spending on dually eligible beneficiaries is concentrated among a small number of people. The costliest 5 percent of dually eligible beneficiaries accounted for 42 percent of Medicare spending and 32 percent of total spending on dually eligible beneficiaries in 2022. In contrast, the least costly 50 percent of dually eligible beneficiaries accounted for only 6 percent of FFS Medicare spending and 13 percent of total spending on dually eligible beneficiaries.

> On average, total spending (including Medicaid, Medigap, etc.) for dually eligible beneficiaries in 2022 was more than twice that for non-dually eligible beneficiaries—\$44,463 compared with \$19,362, respectively (data not shown).