



*Center for Policy
and Research*

Medicare Advantage Demographics Report

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Executive Summary

New data from the Medicare Current Beneficiary Survey (MCBS) show that Medicare Advantage plans, Medicare's private comprehensive health plans, continued to be a vital source of coverage for low-income beneficiaries and racial/ethnic populations in 2012. Here are some key findings:

Race/Ethnicity

- MCBS survey estimates revealed that nationwide, 29 percent of all non-institutionalized Medicare beneficiaries were enrolled in Medicare Advantage plans. Of Hispanic Medicare beneficiaries, 44 percent were enrolled in Medicare Advantage plans. Of African-American Medicare beneficiaries, 30 percent were Medicare Advantage plan members.
- Medicare Advantage had a higher overall share of racial/ethnic populations compared to Medicare Fee-For-Service (FFS), 30 percent versus 23 percent. Medicare Advantage also had a higher share of Hispanic beneficiaries: 15 percent of Medicare Advantage enrollees were Hispanic compared to only 8 percent for Medicare FFS beneficiaries. The proportion of African Americans - 10 percent - was the same for Medicare Advantage and Medicare FFS.

Income

- Thirty-seven (37) percent of Medicare beneficiaries with Medicare Advantage coverage had incomes of less than \$20,000. Approximately 18 percent had incomes of \$50,000 or more. By comparison, 34 percent of Medicare FFS beneficiaries had incomes of less than \$20,000. Approximately 28 percent had incomes of more than \$50,000.

Age

- Medicare Advantage plans had a higher percentage of beneficiaries in the 65-84 age group: 77 percent compared to 71 percent for Medicare FFS.

Gender

- Fifty-five (55) percent of Medicare beneficiaries with Medicare Advantage coverage were women. By comparison, women accounted for 54 percent of Medicare FFS beneficiaries.

As with prior reports in this series, the statistics in this report were calculated from the MCBS Access to Care files. We analyzed a subset of records for non-institutionalized (aged and disabled) beneficiaries eligible for Medicare starting January 1, 2012. All of the statistics include data on Medicare beneficiaries in 50 states, the District of Columbia and Puerto Rico. For the Medicare Advantage and Medicaid categories, June 2012 (a midpoint of the year) was the point in time for which beneficiary records were selected for inclusion.

Comparison of Medicare Advantage and Fee-For-Service Medicare

Nationwide, 29 percent of all non-institutionalized Medicare beneficiaries chose Medicare Advantage plans in 2012. Thirty-seven (37) percent of Medicare beneficiaries with Medicare Advantage coverage had incomes of less than \$20,000 compared to 34 percent of Medicare FFS beneficiaries. Medicare Advantage enrollees had a higher share of individuals with incomes of less than \$30,000: 59 percent vs. 50 percent for Medicare FFS. Additionally, only 18 percent of Medicare Advantage enrollees had incomes of \$50,000 or more, compared with 28 percent of Medicare FFS beneficiaries (see Table 1).

Enrollment of racial and ethnic populations was higher in Medicare Advantage compared with Medicare FFS. Nationwide, 30 percent of beneficiaries in racial and ethnic populations were enrolled in MA compared with 23 percent in Medicare FFS. While the proportion of Asians enrolled in Medicare Advantage plans and Medicare FFS was similar, Medicare Advantage had a much higher proportion of Hispanic beneficiaries: 15 percent compared to 8 percent for Medicare FFS (see Table 2).

Age and Gender Distribution – Medicare Advantage Compared with Medicare FFS

The gender distribution of Medicare beneficiaries in Medicare Advantage and Medicare FFS was similar, with women making up the majority for both coverage types: 55% for Medicare Advantage and 54% for Medicare FFS (see Table 3). There were differences in age distribution of beneficiaries enrolled in Medicare Advantage and Medicare FFS. Medicare Advantage plans had a higher percentage (77 percent) of beneficiaries in the 65-84 age group compared with 71 percent for Medicare FFS. The proportion of beneficiaries younger than 65 years was higher in Medicare FFS (18 percent vs. 13 percent for Medicare

Table 1: Income Range of Medicare Beneficiaries, by Coverage Type, 2012

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	10.8%	12.5%	12.0%
\$10,000 - \$19,999	26.0%	21.1%	22.6%
\$20,000 - \$29,999	21.7%	16.7%	18.2%
\$30,000 - \$39,999	13.3%	12.2%	12.6%
\$40,000 - \$49,999	9.7%	9.8%	9.8%
\$50,000 or More	18.4%	27.6%	24.9%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting income. Responses of "do not know" or refusals to answer have been excluded from calculations. The percentages in this table may not sum to 100 percent due to rounding.

Table 2: Race and Ethnicity of Medicare Beneficiaries, by Coverage Type, 2012

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Reported Race			
African American	10.2%	9.7%	9.8%
Asian	2.3%	1.9%	2.1%
White	81.4%	82.8%	82.4%
Other	6.1%	5.6%	5.7%
Reported Ethnicity			
Hispanic or Latin origin	14.9%	7.7%	9.8%
Not Hispanic or Latin origin	85.1%	92.3%	90.2%
Share of Racial/Ethnic Populations			
White, Not Hispanic or Latino	70.2%	77.5%	75.4%
Racial/Ethnic Populations	29.8%	22.5%	24.6%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting race and ethnicity. Responses of "do not know" or refusals to answer have been excluded from calculations. The percentages in this table may not sum to 100 percent due to rounding.

Table 3: Age and Gender of Medicare Beneficiaries, by Coverage Type, 2012

Gender/Age Group	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Gender			
Female	55.2%	53.5%	54.0%
Male	44.8%	46.5%	46.0%
Age Group			
Younger than 65 years	12.9%	18.1%	16.6%
65-74 years	47.4%	44.3%	45.2%
75-84 years	29.4%	26.5%	27.3%
85 years and over	10.3%	11.1%	10.9%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on the CMS administrative data for non-institutionalized Medicare beneficiaries. The percentages in this table may not sum to 100 percent due to rounding.

Advantage (see Table 3). Please note that Medicare beneficiaries younger than 65 years receive Medicare due to disability and subsequent receipt of Social Security Disability Insurance for more than 24 months or due to a diagnosis of End-Stage Renal Disease.

Dual-Eligible Medicare Beneficiaries

Nationwide, 26 percent of all dual-eligible Medicare beneficiaries were enrolled in Medicare Advantage plans.

Comparisons of dual-eligible Medicare beneficiaries showed that of the Medicare Advantage dual-eligible enrollees, 57 percent represented racial or ethnic populations. In comparison, the share of racial and ethnic populations among dual-eligible Medicare FFS beneficiaries was 47 percent. Twenty-four (24) percent of Medicare Advantage dual-eligible enrollees were African American; 23 percent were of Hispanic origin (see Table 5).

Age and Gender Distribution – Medicare Advantage Duals Compared with Medicare FFS Duals

While the proportion of dual-eligible beneficiaries over 85 years of age was similar across Medicare Advantage and Medicare FFS, differences were observed in other age categories. Medicare Advantage had more dual-eligible beneficiaries in the 65-84 age group: 58 percent vs. 45 percent for Medicare FFS (see Table 6). Medicare FFS had a higher proportion of beneficiaries younger than 65 years with 46 percent, while Medicare Advantage had 33 percent.

Table 5: Race and Ethnicity of Dual-Eligible Medicare Beneficiaries, by Coverage Type, 2012

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Reported Race			
African American	23.8%	19.8%	20.8%
Asian	5.7%	4.4%	4.8%
White	60.5%	64.2%	63.2%
Other	10.0%	11.6%	11.2%
Reported Ethnicity			
Hispanic or Latin origin	22.5%	16.7%	18.2%
Not Hispanic or Latin origin	77.5%	83.3%	81.8%
Share of Racial/Ethnic Populations			
White, Not Hispanic or Latino	43.1%	52.7%	50.2%
Racial/Ethnic Populations	56.9%	47.3%	49.8%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries with Medicaid insurance reporting race and ethnicity. Responses of "do not know" or refusals to answer have been excluded from calculations. The percentages in this table may not sum to 100 percent due to rounding.

Table 6: Age and Gender of Dual-Eligible Medicare Beneficiaries, by Coverage Type, 2012

Gender/Age Group	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Gender			
Female	64.3%	61.9%	62.5%
Male	35.7%	38.1%	37.5%
Age Group			
Younger than 65 years	33.2%	46.3%	42.9%
65-74 years	37.3%	25.6%	28.6%
75-84 years	21.2%	19.5%	20.0%
85 years and over	8.4%	8.6%	8.6%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on the CMS administrative data for non-institutionalized Medicare beneficiaries. The percentages in this table may not sum to 100 percent due to rounding.

With respect to gender, Medicare Advantage had a slightly higher share of female dual-eligible beneficiaries: 64 percent compared to 62 percent for Medicare FFS (see Table 6).

Individuals with Disabilities Who Are Younger than 65 Years

Most Medicare Advantage enrollees with disabilities who were younger than 65 years of age were women (53 percent), while the majority of beneficiaries with disabilities who were younger than 65 in Medicare FFS were men - 52 percent (see Table 7).

Table 7: Gender of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2012

Gender	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Female	52.5%	47.8%	48.9%
Male	47.5%	52.2%	51.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: The percentages in this table may not sum to 100 percent due to rounding.

Sixty-two (62) percent of all Medicare beneficiaries with disabilities who were younger than 65 years had incomes of less than \$20,000, while for Medicare Advantage this proportion was 58 percent (see Table 8).

Table 8: Income Range of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2012

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	20.3%	27.8%	26.1%
\$10,000 - \$19,999	37.5%	35.9%	36.3%
\$20,000 - \$29,999	22.9%	14.3%	16.3%
\$30,000 - \$39,999	8.5%	6.7%	7.1%
\$40,000 - \$49,999	3.5%	4.2%	4.0%
\$50,000 or More	7.4%	11.2%	10.3%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting income. Responses of "do not know" or refusals to answer have been excluded from calculations. The percentages in this table may not sum to 100 percent due to rounding.

Appendix A: Methodology

Data for this study came from the 2012 Medicare Current Beneficiary Survey (MCBS) Access to Care files, maintained by the Centers for Medicare & Medicaid Services (CMS). We used SAS Enterprise Guide® 6.1¹ software to analyze the data.

Our analysis includes the data on non-institutionalized beneficiaries in 50 states, District of Columbia and Puerto Rico eligible for Medicare as of January 1, 2012. For the determination of a Medicare Advantage and Medicaid coverage, June 2012 was the point in time for which beneficiary records were selected for inclusion. A Medicare Advantage beneficiary was defined as being a member of a cost HMO or risk HMO and did not include healthcare prepayment plans or employer PDPs.

It is worth noting that interviews for the Access to Care files occur once a year, while the MCBS Cost and Use files are based on responses to interviews that are conducted three times annually. Hence, the MCBS Access to Care files are more likely to be influenced by beneficiaries' gaps in coverage, and would therefore tend to show fewer beneficiaries with supplemental coverage than the MCBS Cost and Use files.

The “other public insurance” category contains beneficiaries with supplemental health benefits through military or veterans' coverage, such as TRICARE or Veterans Affairs healthcare.

The original six race categories of beneficiaries provided in the MCBS dataset were re-grouped

into four categories. Due to the low number of beneficiaries in several categories in the MCBS survey sample, the “Other” category for race distributions combines individuals who identified themselves as being Native Hawaiian or Pacific Islander, American Indian or Alaska Native, other race, or more than one race.

Some of the income statistics in this report markedly differ from those found in previous years' reports. The source of this difference is the improper coding of the income variables in the MCBS data files in previous years by the MCBS survey research team that led to widespread undercounting of Medicare beneficiaries with higher incomes.

Unlike in previous years, in the 2012 report we calculated percentages for race and ethnicity separately, which allowed us to better represent the experience of Hispanic beneficiaries.

As a general rule, all records in the MCBS dataset containing data values such as “unknown” or “refused” were dropped from our analysis.

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Appendix B: Detailed Tables

Table B-1 shows the distribution of Medicare Advantage enrollees and Medicare Fee-For-Service beneficiaries by geographic location. For example, in 2012, 13.6 percent of Medicare Advantage enrollees lived in rural areas.

Table B-1: Geographic Location of Medicare Beneficiaries, by Coverage Type, 2012

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	13.6%	26.8%	23.0%
Urban	86.4%	73.2%	77.0%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
Note: The percentages in this table may not sum to 100 percent due to rounding.

Table B-2 shows the distribution of dual-eligible Medicare Advantage enrollees and dual-eligible Medicare Fee-For-Service beneficiaries by geographic location. For example, in 2012, 13.2 percent of dual-eligible Medicare Advantage enrollees lived in rural areas.

Table B-2: Geographic Location of Dual-Eligible Medicare Beneficiaries, by Coverage Type, 2012

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	13.2%	30.4%	26.0%
Urban	86.8%	69.6%	74.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
Note: The percentages in this table may not sum to 100 percent due to rounding.

Table B-3 shows the reported level of general health of Medicare Advantage enrollees and Medicare Fee-For-Service beneficiaries with disability younger than 65 years. For example, in 2012, 5.3 percent of Medicare Fee-For-Service beneficiaries reported their level of general health as excellent.

Table B-3: Reported General Health (Compared to Others Same Age) of Medicare Beneficiaries with Disabilities Younger than 65 Years, by Coverage Type, 2012

Reported General Health Level	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Excellent	3.3%	5.3%	4.8%
Very Good	8.4%	10.3%	9.9%
Good	28.4%	25.6%	26.2%
Fair	38.7%	31.5%	33.2%
Poor	21.3%	27.3%	25.9%

Source: Medicare Current Beneficiary Survey Access to Care files, 2012 (CMS).
Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting health status. Responses of "do not know" or refusals to answer have been excluded from calculations. The percentages in this table may not sum to 100 percent due to rounding.

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For further information, please contact Aparna Higgins, Senior Vice President, Private Market Innovations and Director of AHIP's Center for Policy and Research, at **202-778-3200** or visit www.ahip.org/research.

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