Medicare Advantage Means Higher-Quality Care

What Is Medicare Advantage? Medicare Advantage (MA) is an option that enables seniors and individuals with disabilities to buy Medicare coverage through a health plan company, rather than through the government.

More than 17.5 million Americans - 30% of those eligible for Medicare - choose an MA plan because of the higher-quality care and additional benefits these plans provide.

What Does the Research Show? Peer-reviewed research shows MA plans are more effective than fee-for-service (also called “traditional”) Medicare at addressing critical issues, such as reducing preventable hospital readmissions, increasing primary care visits, and managing chronic illnesses.

How Satisfied Are MA Members? Those enrolled in MA plans are highly satisfied with the program. A 2016 Morning Consult survey found 90 percent of MA members are satisfied with their plans, 91 percent are satisfied with their preventive care coverage, and 90 percent are satisfied with MA benefits and choice of provider.

Medicare Advantage Plans Achieve Better Outcomes

Peer-reviewed research demonstrates that MA plans are better at detecting and treating chronic disease early, which improves members’ health status and prevents unnecessary hospital admissions. For example, a study published in Health Affairs found that MA members have lower incidence of emergency services, fewer hip and knee replacements, and higher rates of coronary bypass surgery in accordance with national guidelines when compared to those in traditional Medicare.

Other independent research also has found that MA plans provide better access to primary care, reduce unnecessary hospitalizations, and perform better on quality measures than traditional Medicare.

The Agency for Healthcare Research and Quality (AHRQ) found that MA enrollees have reduced length of hospital stays when compared to beneficiaries in traditional Medicare.

High Quality: By the Numbers

- Up to -20%
  - A study published in the American Journal of Managed Care (AJMC) found that Medicare Advantage plans had a readmission rate about 13 percent to 20 percent lower than in traditional Medicare.²

- -9%
  - A Health Affairs study found beneficiaries with diabetes in a Medicare Advantage special needs plan (SNP) had “nine percent lower hospital admission rates; [and] 19 percent fewer hospital days...compared to patients in traditional Medicare.”³

- 53%
  - Rates of annual preventive care visits are 53 percent for MA Health Maintenance Organization (HMO) enrollees, compared to 33 percent in traditional Medicare.⁴

- 7 out of 7
  - MA HMOs outperformed traditional Medicare in seven out of seven clinical quality measures related to breast cancer screening, diabetes monitoring, cholesterol testing, and vaccinations for influenza and pneumonia.⁵
Medicare Advantage Protects Against Unpredictable Out-of-Pocket Costs

All MA plans in 2016 offered an out-of-pocket maximum for beneficiary costs. These out-of-pocket maximums – which are not offered by traditional Medicare – help protect against catastrophic health care expenses that otherwise might threaten a person’s financial security.

MA plans also help reduce out-of-pocket costs by reducing premiums for Part B and Part D, and by limiting cost sharing for covered services, including primary care physician visits and inpatient hospital stays.

Medicare Advantage Plans Reduce Traditional Medicare Costs

MA even helps reduce costs in traditional Medicare. In addition to prior studies, new peer-reviewed research finds stronger evidence that MA plan practices “spillover” to the traditional Medicare program and yield, for instance, shorter hospital stays. In fact, in certain areas a 10-percentage-point increase in MA penetration is associated with a $154 drop in annual per capita costs for traditional Medicare.

This study also found, consistent with prior research, that accounting for cost efficiencies, the cost of the MA program on average is below that of traditional Medicare.

The MA Advantage – More Benefits and Services

Medicare Advantage provides the same benefits as traditional Medicare – and so much more. Extra benefits and services often include:

- Case management services
- Disease management programs
- Coordinated care programs
- Prescription drug management tools integrated with medical benefits
- Tools to address disparities in care for minorities
- Nurse help hotlines
- Enhanced coverage of home infusion, personal care, and durable medical equipment
- Vision, hearing, dental, and fitness benefits

America’s Health Insurance Plans