



# Medicare Advantage Demographics Report, 2015

## ISSUE BRIEF

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### KEY TAKEAWAYS



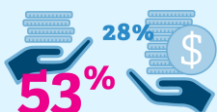
Medicare Advantage plans enrolled 48 percent of Hispanic and 38 percent of African-American Medicare beneficiaries.



Fifty-seven percent of Medicare beneficiaries with Medicare Advantage coverage in 2015 were female.



Medicare Advantage plans had a higher percentage of beneficiaries age 75 years and older: 38 percent compared to 34 percent for Medicare fee-for service (FFS).



Fifty-three percent of Medicare Advantage had annual incomes<sup>1</sup> of less than \$30,000 and 28 percent had annual incomes of \$50,000 or more, compared to 46 percent and 37 percent of Medicare FFS beneficiaries, respectively.

## Background

More older Americans than ever pick Medicare Advantage for their health coverage. Medicare Advantage is an option within Medicare that provides the same benefits as traditional Medicare, but includes additional services and coverage like prescription drugs, vision, hearing, dental, and wellness care. This year, the number of beneficiaries who chose Medicare Advantage because of its better services, better care, and better value totaled more than 20 million nationwide.

Medicare Advantage is a program that provides affordable, high-quality coverage to all seniors. In fact, new data from the Medicare Current Beneficiary Survey (MCBS), which is produced by the Centers for Medicaid & Medicare Services (CMS), showed that Medicare Advantage plans continued to be a vital source of coverage for low-income beneficiaries and diverse populations in 2015—the most recent year available currently. Here are key findings:

## Who are the Populations MA Serves?

According to CMS enrollment data, 32 percent of all Medicare beneficiaries were enrolled in Medicare Advantage plans in 2015<sup>2</sup>. MCBS survey estimates revealed that 48 percent of Hispanic Medicare beneficiaries and 38 percent of African-American Medicare beneficiaries were Medicare Advantage plan members.

Medicare Advantage had a higher overall share of diverse populations (30 percent) compared to Medicare FFS (23 percent).

- Medicare Advantage had a higher share of Hispanic beneficiaries: 13 percent of Medicare Advantage enrollees were Hispanic compared to only 7 percent of Medicare FFS beneficiaries.
- The proportion of African American enrollees in Medicare Advantage and Medicare FFS was similar: 11 percent and 9 percent, respectively.

## Incomes

Medicare Advantage plans represent a larger share of low-income beneficiaries and a smaller share of higher-income beneficiaries. Fifty-three percent of Medicare beneficiaries with Medicare Advantage coverage had annual incomes of less than \$30,000. Approximately 28 percent of MA beneficiaries had annual incomes of \$50,000 or more. By comparison, 46 percent of Medicare FFS beneficiaries had incomes of less than \$30,000 and approximately 37 percent had incomes of \$50,000 or more, for the year 2015.

## Age

Medicare Advantage plans had a higher percentage of beneficiaries age 75 years and older: 38 percent compared to 34 percent for Medicare FFS.

## Gender

Fifty-seven percent of Medicare beneficiaries with Medicare Advantage coverage were women. By comparison, women accounted for 54 percent of Medicare FFS beneficiaries.

## Limitations

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 Jan. 1, 2015<sup>3</sup>. All of the statistics include data on Medicare beneficiaries in the 50 states, the District of Columbia, and Puerto Rico. The Medicare Advantage and Medicaid categories selected and used were current as of June 2015. The MCBS survey defines the category “Medicare Advantage” to include other Medicare capitated plans (i.e., Cost plans, Medicare-Medicaid plans, and Program for the All-Inclusive Care of the Elderly or PACE plans).

## Comparison of Medicare Advantage and Fee-For-Service Medicare

Nationwide, almost a third of all Medicare beneficiaries (32 percent) chose Medicare Advantage plans in 2015. The 2015 MCBS survey also estimates that fifty-three percent of Medicare beneficiaries with Medicare Advantage coverage had incomes of less than \$30,000 compared to 46 percent of Medicare FFS beneficiaries. Additionally, only 28 percent of Medicare Advantage enrollees had incomes of \$50,000 or more, compared with 37 percent of Medicare FFS beneficiaries (Table 1).

**Table 1: Income Range<sup>4</sup> of Medicare Beneficiaries by Coverage Type, 2015**

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	9.2%	8.8%	8.9%
\$10,000 to \$19,999	24.4%	22.1%	22.8%
\$20,000 to \$29,999	19.2%	14.7%	16.2%
\$30,000 to \$39,999	12.0%	10.6%	11.1%
\$40,000 to \$49,999	7.7%	7.0%	7.2%
\$50,000 or More	27.5%	36.9%	33.7%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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.

Enrollment among diverse populations was higher in Medicare Advantage compared with Medicare FFS. Nationwide, 30 percent of Medicare Advantage enrollees came from diverse populations compared with 23 percent for Medicare FFS. While the proportion of African Americans and Asians enrolled in Medicare Advantage plans and Medicare FFS were largely similar, Medicare Advantage had a higher proportion of Hispanic beneficiaries: 13 percent compared to 7 percent for Medicare FFS (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: 57 percent for Medicare Advantage and 54 percent for Medicare FFS (Table 3). There were differences in age distribution among beneficiaries enrolled in Medicare Advantage and Medicare FFS. Medicare Advantage plans had a higher percentage (38 percent) of beneficiaries age 75 years and older compared with 34 percent for Medicare FFS. The proportion of beneficiaries younger than 65 years was higher in Medicare FFS, 17 percent versus 14 percent for Medicare Advantage (Table 3). Please note that Medicare beneficiaries younger than 65 years receive Medicare due to their disability and subsequent receipt of Social Security Disability Insurance for more than 24 months or due to the diagnosis of End-Stage Renal Disease.

Table 2: Race and Ethnicity of Medicare Beneficiaries, by Coverage Type, 2015

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Reported Race			
African American	11.4%	9.4%	10.1%
Asian	2.4%	2.1%	2.2%
White	79.5%	82.3%	81.4%
Other	6.6%	6.2%	6.3%
Reported Ethnicity			
Hispanic or Latino origin	13.3%	7.3%	9.3%
Not Hispanic or Latino origin	86.7%	92.7%	90.7%
Share of Diverse Populations			
White, Not Hispanic or Latino	70.0%	77.0%	74.6%
Diverse Populations	30.0%	23.0%	25.4%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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, 2015

Category	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
<b>Gender</b>			
Female	56.9%	53.8%	54.9%
Male	43.1%	46.2%	45.1%
<b>Age Group</b>			
Younger than 65 years	13.8%	17.1%	16.0%
65-74 years	47.9%	48.4%	48.2%
75-84 years	27.6%	24.4%	25.5%
85 years and over	10.6%	10.1%	10.3%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting age and gender. 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.

## Dually Eligible Medicare Beneficiaries

The MCBS survey data estimate that nationwide 35 percent of all non-institutionalized dually eligible Medicare beneficiaries were enrolled in Medicare Advantage in 2015.

Comparisons of dually eligible Medicare beneficiaries showed that more enrollees from diverse populations were enrolling in Medicare Advantage (56 percent). In comparison, the share of diverse populations among dually eligible Medicare FFS beneficiaries was 47 percent. Twenty-five percent of Medicare Advantage dually eligible enrollees were African American, and 23 percent were of Hispanic origin (Table 4).

Table 4: Race and Ethnicity of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2015

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
<b>Reported Race</b>			
African American	24.7%	19.0%	21.0%
Asian	4.7%	5.0%	4.9%
White	59.5%	65.0%	63.1%
Other	11.1%	11.0%	11.1%
<b>Reported Ethnicity</b>			
Hispanic or Latino origin	22.6%	16.2%	18.4%
Not Hispanic or Latino origin	77.4%	83.8%	81.6%
<b>Share of Diverse Populations</b>			
White, Not Hispanic or Latino	44.1%	53.1%	50.0%
Diverse Populations	55.9%	46.9%	50.0%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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.

## Age and Gender Distribution— Medicare Advantage Duals Compared with Medicare FFS Duals

While the proportions of dually eligible beneficiaries over 85 were similar across Medicare Advantage and Medicare FFS, differences were observed in other age categories. Medicare Advantage had more beneficiaries in the 75 to 84 (23 percent) and 65 to 74 age groups (32 percent) versus 16 percent and 27 percent for Medicare FFS, respectively (Table 5). Medicare FFS had a higher proportion of beneficiaries younger than 65 years (49 percent versus 36 percent for Medicare Advantage).

With respect to gender, Medicare Advantage and Medicare FFS both had more female beneficiaries at 63 percent and 59 percent, respectively (Table 5).

**Table 5: Age and Gender of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2015**

Category	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
<b>Gender</b>			
Female	62.6%	58.9%	60.2%
Male	37.4%	41.1%	39.8%
<b>Age Group</b>			
Younger than 65 years	36.3%	48.9%	44.6%
65-74 years	32.3%	26.9%	28.8%
75-84 years	23.3%	16.4%	18.8%
85 years and over	8.0%	7.8%	7.9%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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.

## Individuals with Disabilities Who Are Younger Than 65 Years

Medicare Advantage enrollees with disabilities and who were younger than 65 years of age were predominantly women at 56 percent while the majority of beneficiaries with disabilities and younger than 65 in Medicare FFS were men, 53 percent (Table 6).

**Table 6: Gender of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2015**

Gender	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Female	56.0%	47.4%	49.9%
Male	44.0%	52.6%	50.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (CMS).  
 Note: The percentages in this table may not sum to 100 percent due to rounding.

Twenty-one percent of Medicare FFS beneficiaries with disabilities and who were younger than 65 years had incomes of \$40,000 or more, while for Medicare Advantage this proportion was 11 percent (Table 7).

**Table 7: Income<sup>5</sup> Range of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2015**

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	20.0%	21.8%	21.3%
\$10,000 to \$19,999	43.1%	37.6%	39.2%
\$20,000 to \$29,999	17.8%	13.4%	14.7%
\$30,000 to \$39,999	7.9%	6.2%	6.7%
\$40,000 to \$49,999	2.4%	4.7%	4.0%
\$50,000 or More	8.8%	16.3%	14.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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 2015 Medicare Current Beneficiary Survey (MCBS) Access to Care files, maintained by the Centers for Medicare & Medicaid Services (CMS). We used SAS Enterprise Guide® 6.16 software to analyze the data.

Our analysis includes data on non-institutionalized beneficiaries in the 50 states, the District of Columbia, and Puerto Rico eligible for Medicare as of Jan. 1, 2015. June 2015 was the point in time for which beneficiary records were selected for inclusion.

It is worth noting that the MCBS survey field procedures, questionnaire structure, and data categorization in 2015 underwent significant changes compared to the MCBS surveys conducted in 2013 and prior. For example, the Income and Assets questionnaire section underwent a major redesign to improve the accuracy and level of detail of Medicare beneficiaries' reported income and assets. As a result, the income variable used in this report reflects the combined income of a Medicare beneficiary and a spouse as opposed to the individual income of a Medicare beneficiary used in our previous reports. For more details on changes in the MCBS methodology, please see *MCBS 2015 Methodology Report*<sup>7</sup>. Additionally, the changes in the MCBS data collection and categorization enabled the production of more precise point-in-time (as of June 2015) estimates, which was achieved by using the "ever enrolled" EEYRSWGT weights unlike the "continuously enrolled" CS1YRWGT weights used in the previous years' reports. As

a result, comparisons of the data from this report with the data from the previous years' reports may not be meaningful.

The current MCBS data format does not allow for the separation of beneficiaries enrolled in Medicare Advantage plans from beneficiaries enrolled in other Medicare capitated plans (i.e., Cost plans, Medicare-Medicaid plans, and Program for the All-Inclusive Care of the Elderly or PACE plans). Thus, the beneficiaries categorized as Medicare Advantage enrollees may include enrollees in non-Medicare Advantage capitated plans.

The original six race categories of beneficiaries provided in the MCBS dataset were re-grouped into four categories. The "Other" category for race distributions combines includes individuals who identified themselves as being Native Hawaiian or Pacific Islander, American Indian or Alaska Native, other race, or more than one race.

The original three urban/rural categories of beneficiaries provided in the MCBS dataset were re-grouped into two categories. The "Urban" category in our report includes individuals living in Metropolitan Statistical Areas (MSA), which are defined by the Office of Management and Budget as urban clusters with the population of 50,000 or more, while the "rural" category area all of the beneficiaries living outside of the MSAs.

As a general rule, all records in the MCBS dataset containing data values such as "unknown" or "refused" were dropped from the analyses.

## Appendix B: Additional Tables

Table B-1: Geographic Location of Medicare Beneficiaries, by Coverage Type, 2015

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	13.2%	24.5%	20.6%
Urban	86.8%	75.5%	79.4%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (CMS).

Note: Calculations based on the residence address of non-institutionalized Medicare beneficiaries. The percentages in this table may not sum to 100 percent due to rounding.

Table B-1 shows the distribution of Medicare Advantage enrollees and Medicare FFS beneficiaries by geographic location. For example, in 2015, 13 percent of Medicare Advantage enrollees lived in rural areas.

Table B-2: Geographic Location of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2015

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	12.4%	27.4%	22.2%
Urban	87.6%	72.6%	77.8%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (CMS).

Note: Calculations based on the residence address of non-institutionalized Medicare beneficiaries. The percentages in this table may not sum to 100 percent due to rounding.

Table B-2 shows the distribution of dually-eligible Medicare Advantage enrollees and dually eligible Medicare FFS beneficiaries by geographic location. For example, in 2015, 12 percent of dually eligible Medicare Advantage enrollees lived in rural areas.

Table B-3: Reported General Health (Compared to Others Same Age) of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2015

Reported General Health Level	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Excellent	3.7%	6.5%	5.6%
Very Good	8.0%	9.7%	9.2%
Good	27.3%	27.1%	27.2%
Fair	41.1%	33.3%	35.7%
Poor	19.9%	23.3%	22.3%

Source: Medicare Current Beneficiary Survey Access to Care files, 2015 (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.

Table B-3 shows the reported level of general health of Medicare Advantage enrollees and Medicare FFS beneficiaries with disability younger than 65 years. For example, in 2015, 61 percent of Medicare Advantage beneficiaries reported their level of general health as fair or poor.

## Endnotes

<sup>1</sup> The income represents a combined income of a beneficiary and a spouse.

<sup>2</sup> As of June 2015 (including institutionalized beneficiaries). See CMS Monthly Enrollment and Contract Summary 2015-06 Report (at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDENrolData/Monthly-Contract-and-Enrollment-Summary-Report-Items/Contract-Summary-2015-06.html>) and MA State/County Penetration 2015-06 Report (at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDENrolData/MA-State-County-Penetration-Items/MA-State-County-Penetration-2015-06.html>)

<sup>3</sup> The MCBS survey underwent significant changes in 2015 compared to previous years' surveys.

Comparisons of results in this report to those from the previous years' reports is therefore not recommended.

<sup>4</sup> The income represents a combined income of a beneficiary and a spouse.

<sup>5</sup> The income represents a combined income of a beneficiary and a spouse.

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<sup>7</sup> Centers for Medicare & Medicaid Services. Medicare Current Beneficiary Survey, 2015 | METHODOLOGY REPORT. Baltimore, MD: U.S. Department of Health and Human Services, 2018, accessible at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/Downloads/MCBS2015MethodReport508.pdf>.