

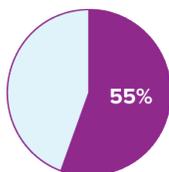
Medicare Advantage Demographics Report, 2016



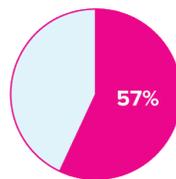
SUMMARY

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. The number of beneficiaries who in 2016 chose Medicare Advantage because of its better services, better care, and better value totaled more than 17 million nationwide.¹

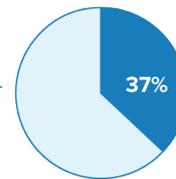
Medicare Advantage is a program that offers affordable, high-quality coverage to all seniors. In fact, new data from the Medicare Current Beneficiary Survey (MCBS), which is produced by the Centers for Medicaid & Medicare Services (CMS), showed that Medicare Advantage plans continued to be a vital source of coverage for low-income beneficiaries and diverse populations in 2016—the most recent year available currently. Here are key findings:



Medicare Advantage plans enrolled **55 percent of Hispanic and 39 percent of African-American Medicare beneficiaries.**



Fifty-seven percent of Medicare beneficiaries with Medicare Advantage coverage in 2016 **were female.**



Medicare Advantage plans had a higher percentage of beneficiaries age 75 years and older: 37 percent compared to 34 percent for Medicare fee-for-service (FFS).

Fifty-one percent of Medicare beneficiaries enrolled in Medicare Advantage had annual incomes² of less than \$30,000 and 29 percent had annual incomes of \$50,000 or more. By comparison, 44 percent of Medicare FFS beneficiaries had incomes² of less than \$30,000 and 38 percent had incomes of \$50,000 or more.

WHO ARE THE POPULATIONS MA SERVES

According to CMS enrollment data, 32 percent of all Medicare beneficiaries were enrolled in Medicare Advantage plans in 2016.³ MCBS survey estimates revealed that **55 percent of Hispanic Medicare beneficiaries and 39 percent of African-American Medicare beneficiaries were Medicare Advantage plan members.**

Medicare Advantage had a higher overall share of diverse populations (29 percent) compared to Medicare Fee-For-Service (21 percent).

- Medicare Advantage had a higher share of Hispanic beneficiaries: 14 percent of Medicare Advantage enrollees were Hispanic compared to only 6 percent of Medicare FFS beneficiaries.
- The proportion of African American enrollees in Medicare Advantage and Medicare FFS was similar: 12 percent and 10 percent, respectively.

INCOME

Medicare Advantage plans represent a larger share of low-income beneficiaries and a smaller share of higher-income beneficiaries. Fifty-one percent of Medicare beneficiaries with Medicare Advantage coverage had annual incomes of less than \$30,000. Approximately 29 percent of MA beneficiaries had annual incomes of \$50,000 or more. By comparison, 44 percent of Medicare FFS beneficiaries had incomes of less than \$30,000 and approximately 38 percent had incomes of \$50,000 or more, for the year 2016.

AGE

There were differences in the age distribution of Medicare beneficiaries: Medicare Advantage plans had a higher percentage of beneficiaries age 75 years and older: 37 percent compared to 34 percent for Medicare FFS, while Medicare FFS had a slightly higher share of beneficiaries younger than 65 years, 17 percent versus 14 percent for Medicare Advantage enrollees.

GENDER

Fifty-seven percent of Medicare beneficiaries with Medicare Advantage coverage were women. By comparison, women accounted for 53 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, 2016.⁴ 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 2016. 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 2016.³ The 2016 MCBS survey also estimates that 51 percent of Medicare beneficiaries with Medicare Advantage coverage had incomes of less than \$30,000 compared to 44 percent of Medicare FFS beneficiaries. Additionally, only 29 percent of Medicare Advantage enrollees had incomes of \$50,000 or more, compared with 38 percent of Medicare FFS beneficiaries (Table 1).

Table 1: Income Range¹ of Medicare Beneficiaries by Coverage Type, 2016

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	9.6%	9.3%	9.4%
\$10,000 to \$19,999	23.8%	20.1%	21.4%
\$20,000 to \$29,999	17.2%	14.3%	15.3%
\$30,000 to \$39,999	12.0%	10.6%	11.1%
\$40,000 to \$49,999	8.3%	8.1%	8.2%
\$50,000 or More	29.1%	37.5%	34.5%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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, 29 percent of Medicare Advantage enrollees came from diverse populations compared with 21 percent for Medicare FFS. Medicare Advantage had a higher proportion of Hispanic beneficiaries (14 percent compared to 6 percent for Medicare FFS) and African American beneficiaries (12 percent compared to 10 percent for Medicare FFS) [Table 2].

Table 2: Race and Ethnicity of Medicare Beneficiaries, by Coverage Type, 2016

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Reported Race			
African American	11.5%	9.7%	10.3%
Asian	2.3%	2.6%	2.5%
White	80.5%	82.7%	81.9%
Other	5.7%	5.0%	5.3%
Reported Ethnicity			
Hispanic or Latino origin	13.5%	6.1%	8.7%
Not Hispanic or Latino origin	86.5%	93.9%	91.3%
Share of Diverse Populations			
White, Not Hispanic or Latino	70.9%	78.6%	75.9%
Diverse Populations	29.1%	21.4%	24.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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.

AGE AND GENDER DISTRIBUTION – MEDICARE ADVANTAGE COMPARED WITH MEDICARE FFS

While women constituted the majority of beneficiaries for both Medicare Advantage and Medicare FFS, their share was higher in Medicare Advantage (57 percent) than in and for Medicare FFS (53 percent) [Table 3].

There were differences in age distribution among beneficiaries enrolled in Medicare Advantage and Medicare FFS. Medicare Advantage plans had a somewhat higher percentage (37 percent) of beneficiaries age 75 years and older compared with 34 percent for Medicare FFS. The proportion of beneficiaries younger than 65 years was somewhat higher in Medicare FFS, 16 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 3: Age and Gender of Medicare Beneficiaries, by Coverage Type, 2016

Category	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Gender			
Female	56.8%	52.9%	54.3%
Male	43.2%	47.1%	45.7%
Age Group			
Younger than 65 years	13.7%	16.5%	15.5%
65–74 years	48.9%	49.3%	49.2%
75–84 years	27.3%	24.0%	25.2%
85 years and over	10.1%	10.2%	10.1%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 38 percent of all non-institutionalized dually eligible Medicare beneficiaries were enrolled in Medicare Advantage in 2016.

Comparisons of dually eligible Medicare beneficiaries showed that more enrollees from diverse populations were enrolling in Medicare Advantage (54 percent). In comparison, the share of diverse populations among dually eligible Medicare FFS beneficiaries was 47 percent. Twenty-three percent of Medicare Advantage dually eligible enrollees were African American and 27 percent were of Hispanic origin (Table 4).

Table 4: Race and Ethnicity of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2016

Race/Ethnicity	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Reported Race			
African American	22.8%	20.5%	21.4%
Asian	3.8%	5.7%	5.0%
White	64.7%	63.7%	64.1%
Other	8.8%	10.1%	9.6%
Reported Ethnicity			
Hispanic or Latino origin	26.9%	16.0%	20.2%
Not Hispanic or Latino origin	73.1%	84.0%	79.8%
Share of Diverse Populations			
White, Not Hispanic or Latino	45.8%	53.0%	50.2%
Diverse Populations	54.2%	47.0%	49.8%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 (22 percent) and 65 to 74 age groups (35 percent) versus 15 percent and 29 percent for Medicare FFS, respectively (Table 5). Medicare FFS had a higher proportion of beneficiaries younger than 65 years (48 percent versus 35 percent for Medicare Advantage). With respect to gender, Medicare Advantage and Medicare FFS both had more female beneficiaries at 63 percent and 60 percent, respectively (Table 5).

Table 5: Age and Gender of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2016

Category	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Gender			
Female	63.3%	60.1%	61.3%
Male	36.7%	39.9%	38.7%
Age Group			
Younger than 65 years	35.2%	48.2%	43.3%
65–74 years	34.7%	29.2%	31.3%
75–84 years	22.2%	14.7%	17.5%
85 years and over	7.9%	7.9%	7.9%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 younger than 65 years of age with disabilities were predominantly women at 56 percent, while for Medicare FFS the majority of disabled beneficiaries under 65 in were men, at 52 percent (Table 6).

Table 6: Gender of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2016

Category	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Gender			
Female	55.7%	47.9%	50.3%
Male	44.3%	52.1%	49.7%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 14 percent (Table 7).

Table 7: Income¹ Range of Medicare Beneficiaries with Disabilities Younger Than 65 Years, by Coverage Type, 2016

Income Range	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Less than \$10,000	18.8%	21.6%	20.8%
\$10,000 to \$19,999	41.8%	36.9%	38.4%
\$20,000 to \$29,999	16.5%	14.8%	15.3%
\$30,000 to \$39,999	8.8%	6.0%	6.9%
\$40,000 to \$49,999	4.7%	5.2%	5.0%
\$50,000 or More	9.4%	15.4%	13.5%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 2016 Medicare Current Beneficiary Survey (MCBS) Access to Care files, maintained by the Centers for Medicare & Medicaid Services (CMS). We used SAS Enterprise Guide® 6.1⁵ software to analyze the data.

Our analysis of the MCBS survey data includes data on non-institutionalized beneficiaries in the 50 states, the District of Columbia, and Puerto Rico eligible for Medicare as of Jan. 1, 2016. June 2016 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*.⁶ Additionally, the changes in the MCBS data collection and categorization enabled the production of more precise point-in-time (as of June 2016) 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, 2016

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	13.6%	24.1%	20.4%
Urban	86.4%	75.9%	79.6%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 2016, 14 percent of Medicare Advantage enrollees lived in rural areas.

Table B-2: Geographic Location of Dually Eligible Medicare Beneficiaries, by Coverage Type, 2016

Geographic Location	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Rural	12.2%	25.7%	20.6%
Urban	87.8%	74.3%	79.4%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 2016, 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, 2016

Reported General Health Level	Coverage Type		
	Medicare Advantage	Medicare FFS	All Medicare Beneficiaries
Excellent	4.5%	5.1%	4.9%
Very Good	9.2%	10.2%	9.9%
Good	27.4%	28.7%	28.3%
Fair	37.5%	35.2%	35.9%
Poor	21.4%	20.8%	21.0%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (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 2016, 27 percent of Medicare Advantage beneficiaries reported their level of general health as good.

Endnotes

1 Centers for Medicare & Medicaid Services. Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Contract Report - Monthly Summary Report (Data as of June 2016), accessed May 1, 2019 at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-Contract-and-Enrollment-Summary-Report-Items/Contract-Summary-2016-06.html>.

2 The income represents a combined income of a beneficiary and a spouse.

3 Centers for Medicare & Medicaid Services. MA State/County Penetration (Data as of June 2016), accessed April 17, 2019 at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-State-County-Penetration-Items/MA-State-County-Penetration-2016-06.html>.

4 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.

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6 Centers for Medicare & Medicaid Services. Medicare Current Beneficiary Survey, 2015 | METHODOLOGY REPORT. Baltimore, MD: U.S. Department of Health and Human Services, 2018, accessed April 17, 2019 at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/Downloads/MCBS2015MethodReport508.pdf>.