

Key Takeaways

- Medicare Advantage outperforms FFS Medicare on a range of cost, utilization and outcome metrics in caring for individuals with one or more highly prevalent chronic conditions.
- Despite having a higher proportion of beneficiaries with clinical and social risk factors shown to drive utilization and cost, Medicare Advantage achieved better health outcomes than FFS Medicare.
- Medicare Advantage beneficiaries had significantly fewer hospitalizations and more preventive services and tests than FFS Medicare.
- For patients with diabetes, Medicare Advantage achieved significantly better health outcomes and cost savings.
- Dual eligible beneficiaries with chronic conditions experienced significantly better outcomes and cost savings.

Conclusion:

Medicare Advantage outperforms FFS Medicare in caring for individuals with chronic conditions. Policy makers should sustain and strengthen Medicare Advantage to ensure it is a strong and viable option within Medicare. This is particularly important as the number of seniors managing chronic conditions continues to grow.

Better Medicare Alliance (BMA) sponsored new research by Avalere Health: *Medicare Advantage Achieves Cost-Effective Care and Better Outcomes for Beneficiaries with Chronic Conditions Relative to Fee-for-Service Medicare.*

This new research provides a comparison of Medicare Advantage and Traditional Fee-For-Service (FFS) Medicare in caring for individuals with chronic conditions. Avalere analyzed a national sample of 1.6 million Medicare Advantage beneficiaries and 1.2 million FFS Medicare beneficiaries with one of three selected chronic conditions – hypertension, hyperlipidemia, and diabetes – and compared relative performance on a range of demographic, cost, utilization and quality metrics. Findings demonstrated that high-need and chronically ill beneficiaries in Medicare Advantage experience better quality outcomes at comparable or lower costs than FFS Medicare, despite having more clinical and social risk factors.

Key Research Findings:

While the Medicare Advantage and FFS Medicare study populations had similar demographic profiles, Medicare Advantage had a higher proportion of beneficiaries with **clinical and social risk factors** shown to affect outcomes and cost than FFS Medicare.

Compared to FFS Medicare, Medicare Advantage beneficiaries had:

64%	15%	57%	16%
Higher likelihood of enrolling in Medicare due to disability	Higher likelihood of being dual-eligible/low-income	Higher rate of serious mental illness	Higher rate of alcohol/drug/substance abuse

Despite a higher proportion of risk factors, Medicare Advantage **beneficiaries with chronic conditions** experienced lower utilization of high-cost services, higher rates of preventive tests and screenings, and better outcomes.

Compared to FFS Medicare, Medicare Advantage achieved:

23%	Fewer inpatient hospital stays	13%	Higher rate of LDL testing
33%	Fewer emergency room visits	5%	Higher rate of breast cancer screening
29%	Lower rate of potentially avoidable hospitalizations		

For two high-need cohorts of the study population – those with **diabetes** and those **dually eligible for Medicare and Medicaid** – Medicare Advantage achieved significantly better health outcomes and overall lower costs than FFS Medicare.

For diabetics, Medicare Advantage achieved:

52%	Lower rate of any complication
73%	Lower rate of serious complications
6%	Lower average per-beneficiary costs

For duals, Medicare Advantage achieved:

49%	Fewer potentially avoidable hospitalizations
17%	Lower average per-beneficiary costs