

Positive Outcomes for High-Need, High-Cost Beneficiaries in Medicare Advantage Compared to Traditional FFS Medicare

BETTER MEDICARE
ALLIANCE

Center for Innovation
in Medicare Advantage

Fact Sheet December 2020

Key Takeaways:

- Medicare Advantage outperforms Traditional FFS Medicare in improving outcomes for high-need, high-cost beneficiaries.
- Medicare Advantage beneficiaries see more outpatient clinical visits, better performance on timely post-hospital discharge physician visits, and lower rates of avoidable hospitalizations, particularly for the frail elderly, the under age 65 disabled, and those with complex chronic conditions.
- Medicare Advantage performed significantly better on preventive screenings for beneficiaries with complex chronic conditions and frail elderly.
- Prescription drug costs in Medicare Advantage were 41% lower than Traditional FFS Medicare despite having a similar number of unique medications.
- Medicare Advantage's use of care management and focus on preventive services, primary care, and outpatient visits, results in improved outcomes for high-need, high-cost beneficiaries.
- [The full report can be seen here.](#)

Introduction

Better Medicare Alliance's Center for Innovation in Medicare Advantage commissioned Avalere Health to conduct a large-scale independent analysis to assess whether care management in Medicare Advantage has an impact on performance in utilization, outcomes and cost for high-need, high-cost beneficiaries in Medicare Advantage as compared to Traditional Fee-For-Service (FFS) Medicare.

Matched beneficiaries were categorized based on their health status with three populations designated as high-need, high-cost: (1) under age 65 disabled; (2) frail elderly; and (3) beneficiaries with major complex chronic conditions.

Study Findings

Despite having more beneficiaries with social risk factors, Medicare Advantage demonstrated better performance on a range of quality measures, with higher rates of preventive screenings, greater use of outpatient clinical visits, higher primary care costs, greater use of post hospital discharge follow-up visits, lower avoidable hospital admissions, less use of low-value prescription drugs, lower prescription drug costs, and lower overall costs in Medicare Advantage-Prescription Drug (MA-PD) plans.

The study included evaluation of 23 quality measures used by the Centers for Medicare and Medicare Services in the Star Ratings System. Medicare Advantage performed similarly or better on all preventive screening quality measures, with several of the measures, being significantly better for high-need, high-cost beneficiaries.

Findings include 74 percent of the major complex chronic Medicare Advantage population receiving a pneumonia vaccine as compared to 49 percent of similar beneficiaries in Traditional FFS Medicare --a 52 percent higher rate. 86 percent of the under age 65 disabled beneficiaries received a depression screening compared to 67 percent of similar beneficiaries in Traditional FFS Medicare. Medicare Advantage beneficiaries also had a higher rate of outpatient clinical visits and higher primary care costs, suggesting higher utilization of primary care. Major complex chronic Medicare Advantage beneficiaries' primary care costs were 41 percent higher than those in Traditional FFS Medicare.

Medicare Advantage beneficiaries experience lower rates of avoidable hospitalizations, with 17 percent lower rate of hospitalizations and 23 percent lower costs compared to those in Traditional FFS Medicare. The rate of clinical visits within 14 days of hospital discharge were substantially higher in Medicare Advantage, with 74 percent of frail elderly Medicare Advantage beneficiaries having such a physician visit compared to 52 percent of similar Traditional FFS Medicare beneficiaries-- a higher rate of 42 percent.

Medicare Advantage also achieved 41 percent lower prescription drug costs, even though there were similar numbers of unique medications. The cost savings were even lower, at 44 percent, for Medicare Advantage beneficiaries with major complex chronic conditions. Findings also showed lower utilization of high-risk medications and fewer instances of concurrent opioid and benzodiazepine use.

The lower prescription drug costs drove combined costs for MA-PD plans to be 15 percent lower in Medicare Advantage.

Read the full report and sign up for alerts at www.bettermedicarealliance.org