

Demographics of Medicare Advantage Beneficiary Population

Fact Sheet March 2021

Key Facts

- Over 40% of Medicare beneficiaries are enrolled in Medicare Advantage.
- 33% of all Medicare Advantage beneficiaries identify as a racial minority.
- Almost half of all Medicare Advantage beneficiaries live on an annual income of less than \$24,500.
- 20% of Medicare Advantage beneficiaries are dually eligible for Medicare and Medicaid.
- 20% are enrolled as retirees through Employer Group Waiver Plans.

Medicare beneficiaries have the option of receiving their Medicare benefits either in Traditional Fee-for-Service (FFS) Medicare or in a Medicare Advantage plan. Beneficiaries have to make an active choice to be enrolled in Medicare Advantage while those in Traditional FFS Medicare may make an active choice or default into Traditional FFS Medicare by not making a choice. Medicare Advantage is a public-private partnership that offers integrated care with a focus on patient-centered primary care, early intervention and care coordination. Over 99 percent of Medicare beneficiaries have access to at least one Medicare Advantage plan, and 20 percent of enrollees are retirees through Employer Group Waiver Plans. Half of all beneficiaries choose a zero-premium plan, meaning they do not pay any additional premium. Beneficiaries in Medicare Advantage report annual savings of \$1,600.

Almost all beneficiaries in Medicare Advantage have access to additional supplemental benefits not available in Traditional FFS Medicare. The most common additional benefits are dental, vision, hearing, and wellness programs, with half of all health plans offering all four. Extra benefits may also include food and produce prescriptions, meals, and transportation services, some targeted to those with chronic conditions. Integrated care through a network of providers, care management, lower consumer cost sharing, and supplemental benefits enable Medicare Advantage to address beneficiary health needs at lower costs for the beneficiary.

Over 40 percent of the 62.7 million Medicare beneficiaries are enrolled in Medicare Advantage and the population in Medicare Advantage is diverse. Medicare Advantage has more beneficiaries who identify as a racial minority and live in an urban area compared to those in Traditional FFS Medicare. 33 percent of all Medicare Advantage beneficiaries identify as a racial minority, as compared to 16 percent in Traditional Medicare. 42 percent of Black seniors and almost half of Latinx seniors are in Medicare Advantage. 80 percent of beneficiaries live in a non-rural, urban/suburban area. While the average age of beneficiaries is almost 72, more than half of all Medicare Advantage beneficiaries are between the ages of 70 and 84.

Beneficiaries in Medicare Advantage have more social risk factors than those in Traditional FFS Medicare. These social risk factors include 19 percent of beneficiaries live in a neighborhood where the median household income is less than \$30,000, and 12 percent live in a neighborhood where 30 percent or more of the households are below the federal poverty level. Medicare Advantage beneficiaries are one and a half times more likely to be eligible for both Medicare and Medicaid. 51 percent of beneficiaries report completing high school, and almost half of all Medicare Advantage beneficiaries live on an annual income of less than \$24,500.

In addition to social risk factors, the average Medicare Advantage beneficiary has 4.5 chronic conditions, such as diabetes, hypertension, and chronic obstructive pulmonary disease.

While similar in their health status as those in Traditional FFS Service Medicare, beneficiaries in Medicare Advantage are older, more likely to be racial or ethnic minorities, low or modest income, and have social risk factors. Nonetheless, Medicare Advantage has been shown to achieve better outcomes, including fewer avoidable hospitalizations and higher rates of preventive services than those in Traditional FFS Medicare. The focus on care coordination, care management and primary care enables Medicare Advantage to provide better health outcomes and lower consumer costs for this increasing diverse population.