



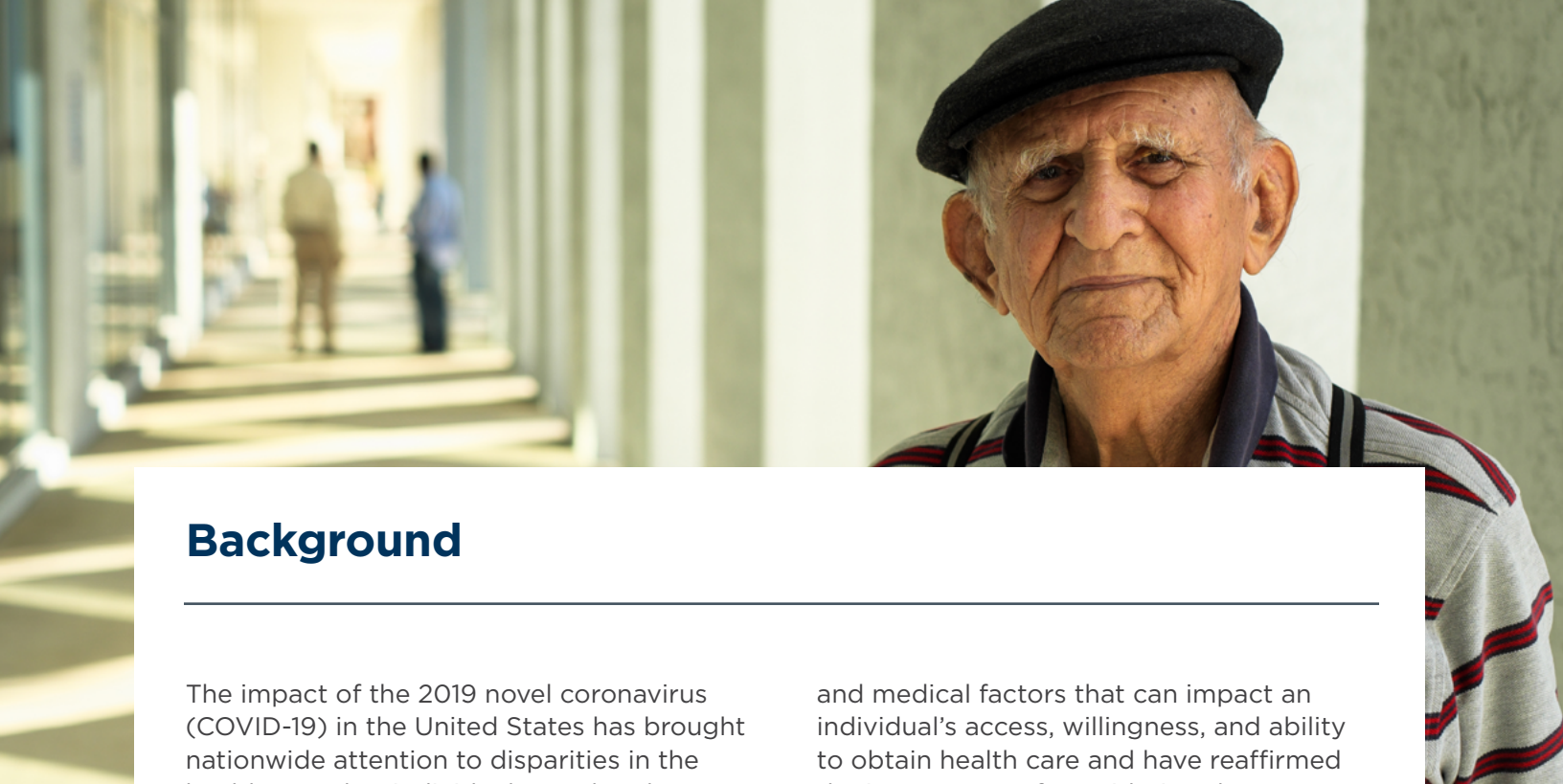
DATA BRIEF

Medicare Advantage Offers High Quality Care And Cost Protections To Racially And Ethnically Diverse Beneficiaries

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Analysis by ATI Advisory for:

BETTER MEDICARE
ALLIANCE



Background

The impact of the 2019 novel coronavirus (COVID-19) in the United States has brought nationwide attention to disparities in the health care that individuals need and receive – and in particular, differences in the health and health care experiences of racial and ethnic populations. At the height of the pandemic, racial and ethnic minority groups were at greater risk of getting sick and dying of COVID-19.¹ Early vaccination rates were also lower among racial and ethnic groups.² At the same time, older adults had a uniquely high risk of requiring hospitalization and dying because of COVID-19.³ As a result, racially and ethnically diverse Medicare beneficiaries were among the most vulnerable during the pandemic that swept through the United States beginning in February 2020.

Preventing, treating, and vaccinating against COVID-19 has required attention to the individual, population, and geographic characteristics that impact a beneficiary's experience of the disease. For example, the COVID-19 vaccine rollout has needed to address vaccine access and hesitancy concerns of Black, Latinx, and Native American individuals.⁴ These experiences have illuminated the social, economic,

and medical factors that can impact an individual's access, willingness, and ability to obtain health care and have reaffirmed the importance of considering those factors to fully meet the needs of diverse beneficiaries.

This analysis is the second in a series of data briefs prepared by ATI Advisory for Better Medicare Alliance (BMA) during 2021, using the Medicare Current Beneficiary Survey (MCBS) that offers a profile of the Medicare population. This current brief provides a detailed look at the Medicare Advantage (MA) and Traditional Fee-For-Service (FFS) Medicare enrollment, health, and experiences of Black, Latinx, other diverse and white Medicare beneficiaries. It demonstrates that Medicare Advantage cares for a more diverse, lower-income population of individuals with greater clinical complexity who receive more preventive services and experience less cost burden compared to Traditional FFS Medicare beneficiaries. These insights contribute to important discussion among policymakers as they seek to integrate lessons learned from the COVID-19 response and assess how to best address the needs of diverse Medicare beneficiaries going forward.

¹ <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>

² <https://aspe.hhs.gov/system/files/pdf/265511/vaccination-disparities-brief.pdf>

³ See <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/older-adults.html>

⁴ <https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus/covid19-vaccines-and-people-of-color>

Overview and Implications

Nearly 50 percent of Black and 53 percent of Latinx Medicare beneficiaries choose Medicare Advantage. Across all races and ethnicities studied, Medicare Advantage enrolls a lower-income population than Traditional FFS Medicare, to whom Medicare Advantage offers greater cost protections when compared with Traditional FFS Medicare. In 2018, Latinx beneficiaries spent \$1,113 less out-of-pocket when enrolled in Medicare Advantage as compared to Traditional FFS Medicare, Black beneficiaries spent \$1,270 less, and white beneficiaries spent \$1,574 less.⁵ In addition to these cost savings, Medicare Advantage outperforms Traditional FFS Medicare in its provision of preventive services to Black, Latinx, and white beneficiaries, and its beneficiaries report having a usual source of care at high rates. This strong performance with respect to routine care is particularly important considering that Black and Latinx Medicare

Advantage beneficiaries also rank highly on several social risk factors indicating high incidence of negative social determinants of health (SDOH).

The findings of this report demonstrate differences experienced by racially and ethnically diverse beneficiaries enrolled in Medicare Advantage and Traditional FFS Medicare and reaffirm the importance of evaluating racial and ethnic differences in health care. As has become particularly salient during the COVID-19 pandemic, cultural competence and health literacy awareness are critical for health plans and programs to meet the needs of all beneficiaries most appropriately. Medicare Advantage has demonstrated meaningful progress in closing the gap between, and among, racial and ethnic minorities. Policymakers may consider using Medicare Advantage's experience as a guide for future improvements for Medicare beneficiaries.

⁵ Out-of-pocket spending in this brief includes inpatient, outpatient, prescription, home health, hospice, institutional, and dental charges, as well as beneficiary premium.



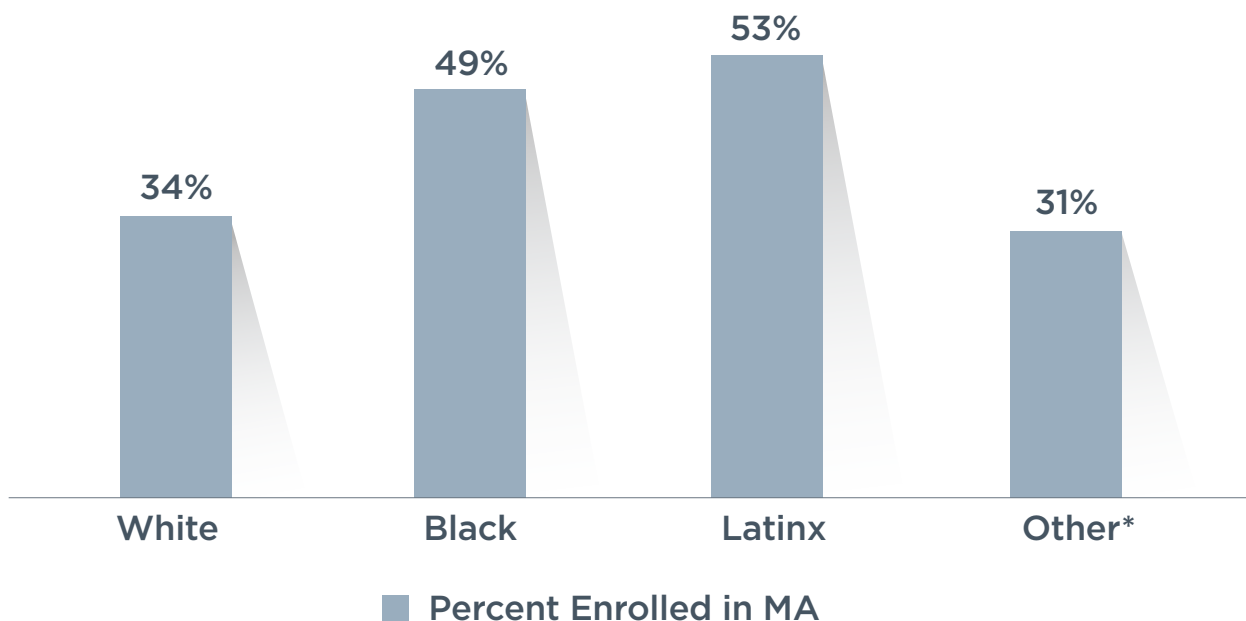


Findings⁶

Black and Latinx Beneficiaries Enroll in Medicare Advantage at High Rates

Black and Latinx Medicare beneficiaries are more likely to enroll in Medicare Advantage than white and other racially and ethnically diverse beneficiaries. As **Figure 1** shows, 49 percent of Black beneficiaries and 53 percent of Latinx beneficiaries enroll in Medicare Advantage, compared with 31 percent and 34 percent of other minority⁷ beneficiaries and white beneficiaries, respectively.

Figure 1 Percentage of Medicare Beneficiaries Enrolled in Medicare Advantage by Race or Ethnicity



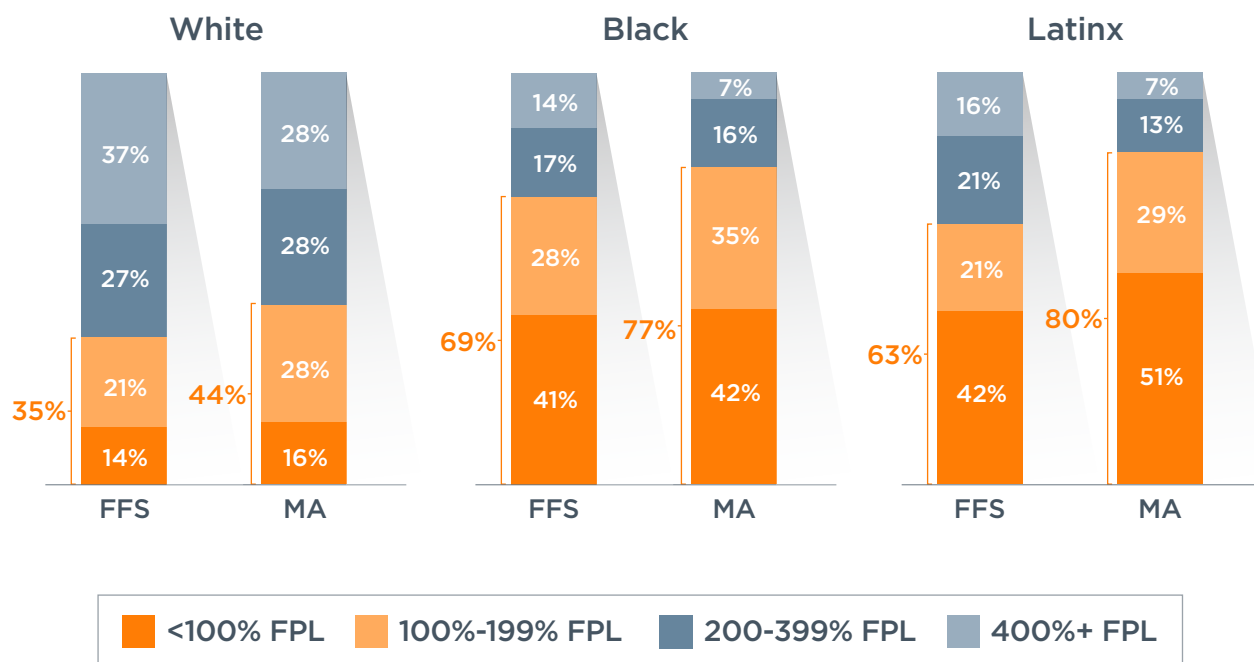
⁶ Figures 1 - 3 in this brief include all Medicare beneficiaries surveyed as part of the MCBS. Subsequent figures and findings exclude facility residents because the facility sample size becomes too small when cross-tabbing program enrollment, race/ethnicity, and other characteristics (e.g., outcomes), and these survey responses artificially influence results.

⁷ "Other" includes individuals who identify as a race other than white, Black, or Latinx, such as Asian, American Indian, or Alaskan Native. In most instances, sample sizes were too small to analyze this subset of Medicare beneficiaries for purposes of the variables assessed as part of this data brief.

A Greater Percentage of Individuals Choosing Medicare Advantage Are Low Income

Across all racial and ethnic groups, beneficiaries enrolled in Medicare Advantage are more likely to be lower income than Traditional FFS Medicare beneficiaries (**Figure 2**). Among white beneficiaries enrolled in Medicare Advantage, 44 percent live on less than 200 percent of the federal poverty level (FPL)⁸ compared with 35 percent of those enrolled in Traditional FFS Medicare. Among Black beneficiaries enrolled in Medicare Advantage, 77 percent of individuals live on less than 200 percent FPL compared with 69 percent enrolled in Traditional FFS Medicare. Among Latinx beneficiaries, 80 percent enrolled in Medicare Advantage live on less than 200 percent FPL compared with 63 percent in Traditional FFS Medicare.

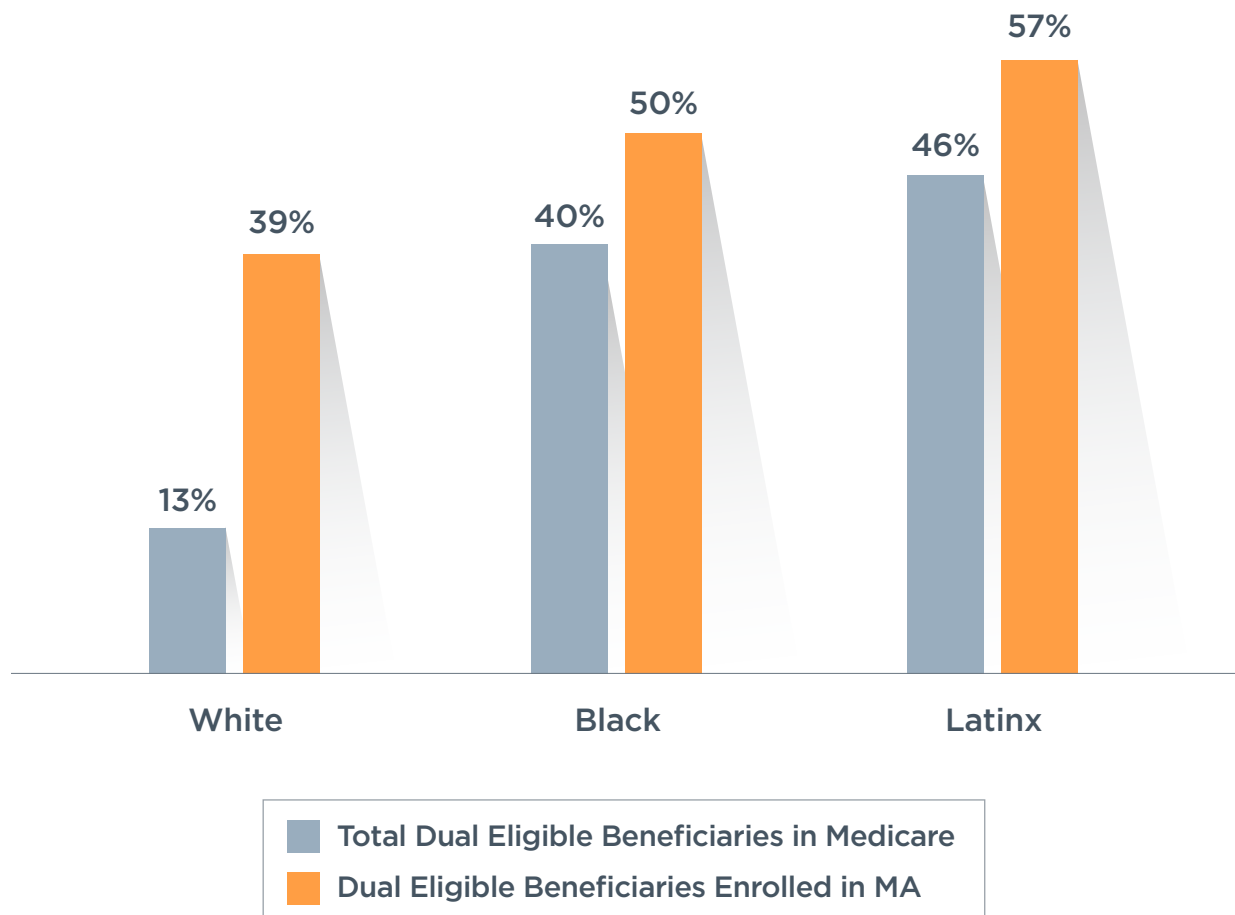
Figure 2 Percentage of Medicare Beneficiaries at Each Income Level by Race or Ethnicity and Program Enrollment



⁸ In 2018, 200 percent of the federal poverty level (FPL) for an adult over 65 was \$24,086.

Medicare Advantage beneficiaries are also more likely than beneficiaries in Traditional FFS Medicare to be dually eligible for enrollment in both Medicare and Medicaid. Dual eligible enrollment not only indicates low socioeconomic status, but beneficiaries are also more likely to have complex medical conditions and functional limitations. Among all Medicare beneficiaries, 40 percent of Black beneficiaries and 46 percent of Latinx beneficiaries are dually eligible for Medicaid (**Figure 3**). This compares with 13 percent of white Medicare beneficiaries. Black and Latinx dual eligible beneficiaries enroll in Medicare Advantage at equal or higher rates than in Traditional FFS Medicare. Fifty percent of Black dual eligible beneficiaries and 57 percent of Latinx dual eligible beneficiaries are enrolled in Medicare Advantage compared with 39 percent of white dual eligible beneficiaries.

Figure 3 Dual Eligible Beneficiaries by Race or Ethnicity and Their Enrollment in Medicare Advantage

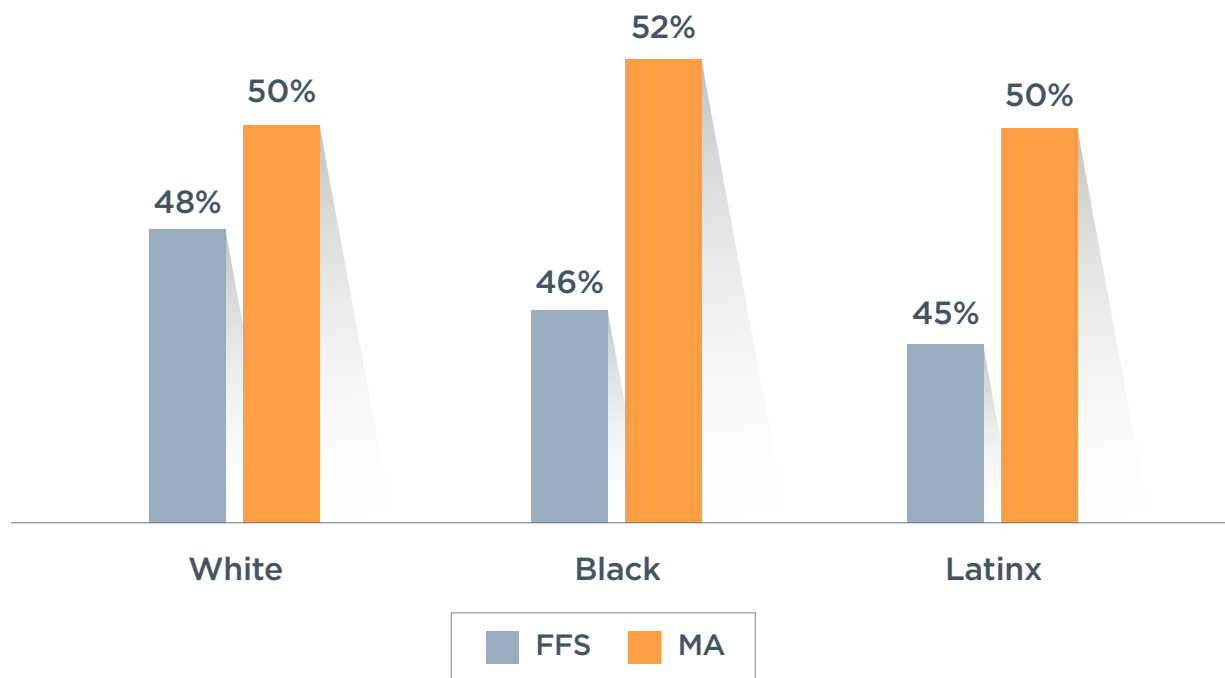


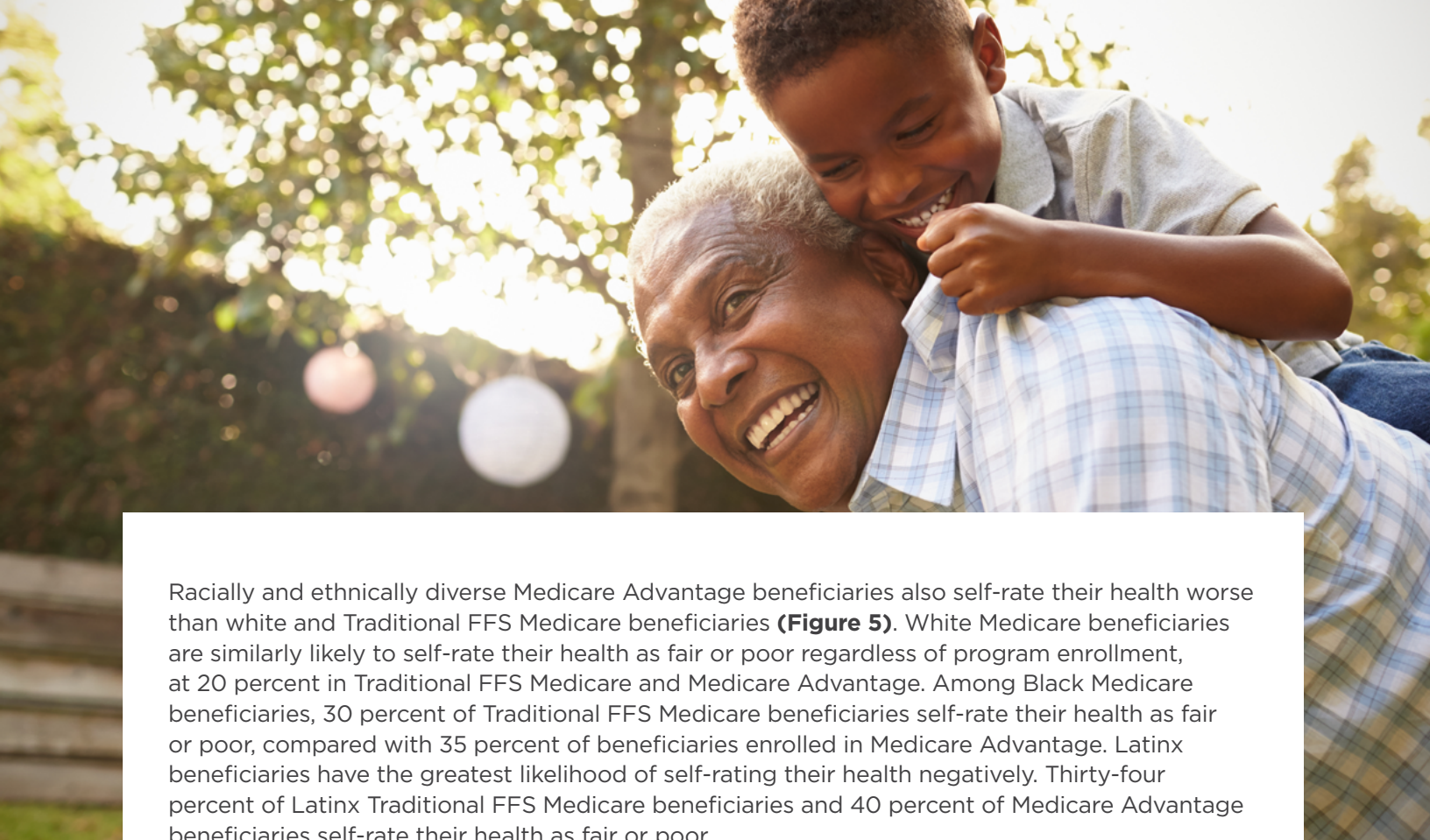


Medicare Advantage Beneficiaries of All Races and Ethnicities Are More Medically Complex Than Those in Traditional FFS Medicare

A greater percentage of beneficiaries enrolled in Medicare Advantage report having more than three chronic conditions, compared with Traditional FFS Medicare beneficiaries (**Figure 4**). This difference is more pronounced among Black and Latinx beneficiaries. Between 50 percent and 52 percent of Black, white, and Latinx Medicare Advantage beneficiaries report more than three chronic conditions, compared with 45 percent to 48 percent of Traditional FFS Medicare beneficiaries.

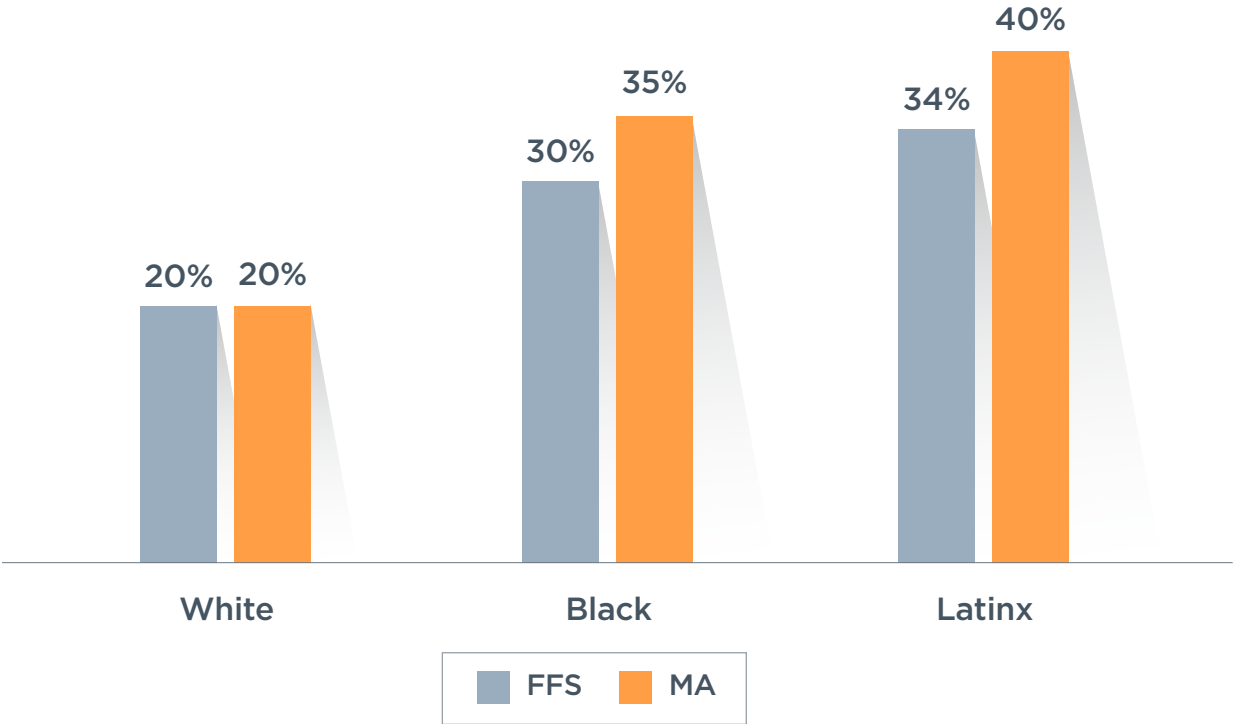
Figure 4 Percentage of Beneficiary Population Reporting More Than Three Chronic Conditions by Race or Ethnicity





Racially and ethnically diverse Medicare Advantage beneficiaries also self-rate their health worse than white and Traditional FFS Medicare beneficiaries **(Figure 5)**. White Medicare beneficiaries are similarly likely to self-rate their health as fair or poor regardless of program enrollment, at 20 percent in Traditional FFS Medicare and Medicare Advantage. Among Black Medicare beneficiaries, 30 percent of Traditional FFS Medicare beneficiaries self-rate their health as fair or poor, compared with 35 percent of beneficiaries enrolled in Medicare Advantage. Latinx beneficiaries have the greatest likelihood of self-rating their health negatively. Thirty-four percent of Latinx Traditional FFS Medicare beneficiaries and 40 percent of Medicare Advantage beneficiaries self-rate their health as fair or poor.

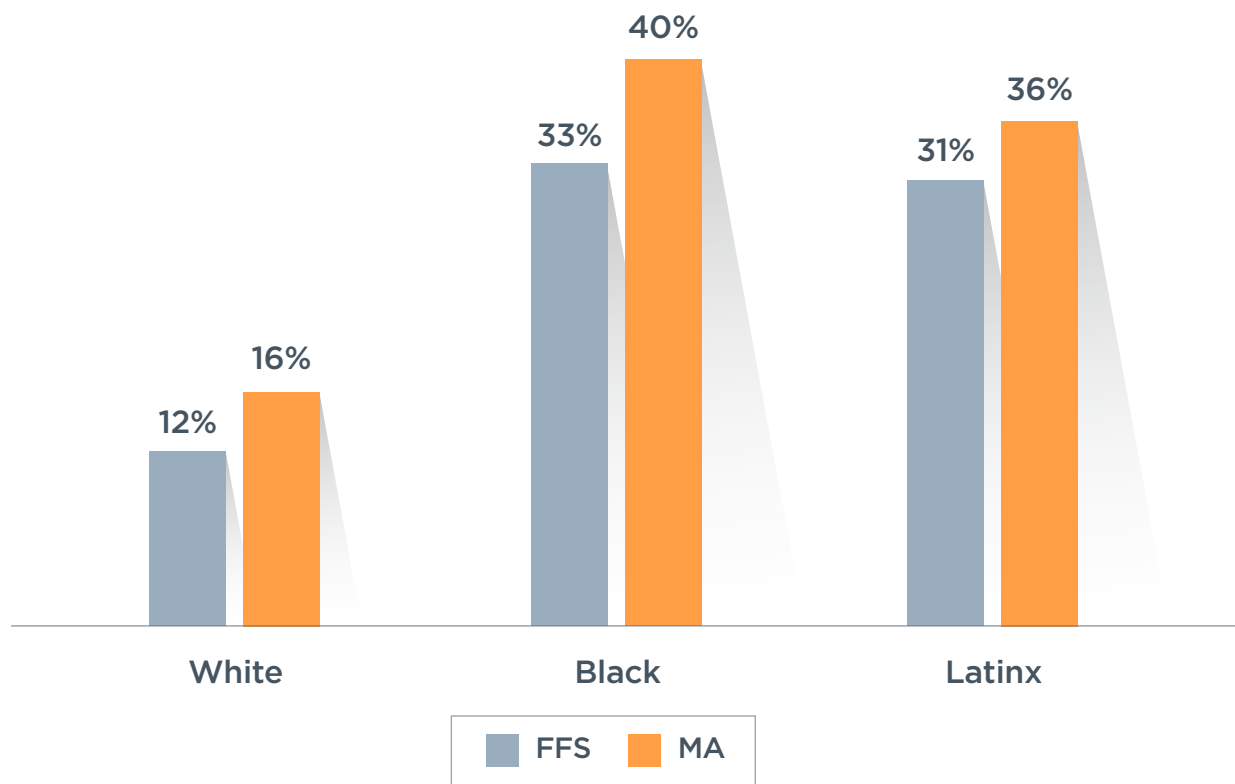
Figure 5 Percentage of Beneficiaries Self-Rating Their Health as Poor or Fair



Social Risk Factors Disproportionately Affect Black and Latinx Medicare Advantage Beneficiaries

Black and Latinx Medicare beneficiaries have higher rates of negative social determinants of health (SDOH) markers than white beneficiaries, with those enrolled in Medicare Advantage experiencing the highest rates.⁹ Black and Latinx Medicare Advantage beneficiaries report food insecurity 21 percent and 16 percent more frequently than Traditional FFS Medicare beneficiaries, respectively (**Figure 6**). Latinx Medicare Advantage beneficiaries are also 31 percent more likely to rent their home (versus owning one's home) compared with Latinx Traditional FFS Medicare beneficiaries (data not shown).

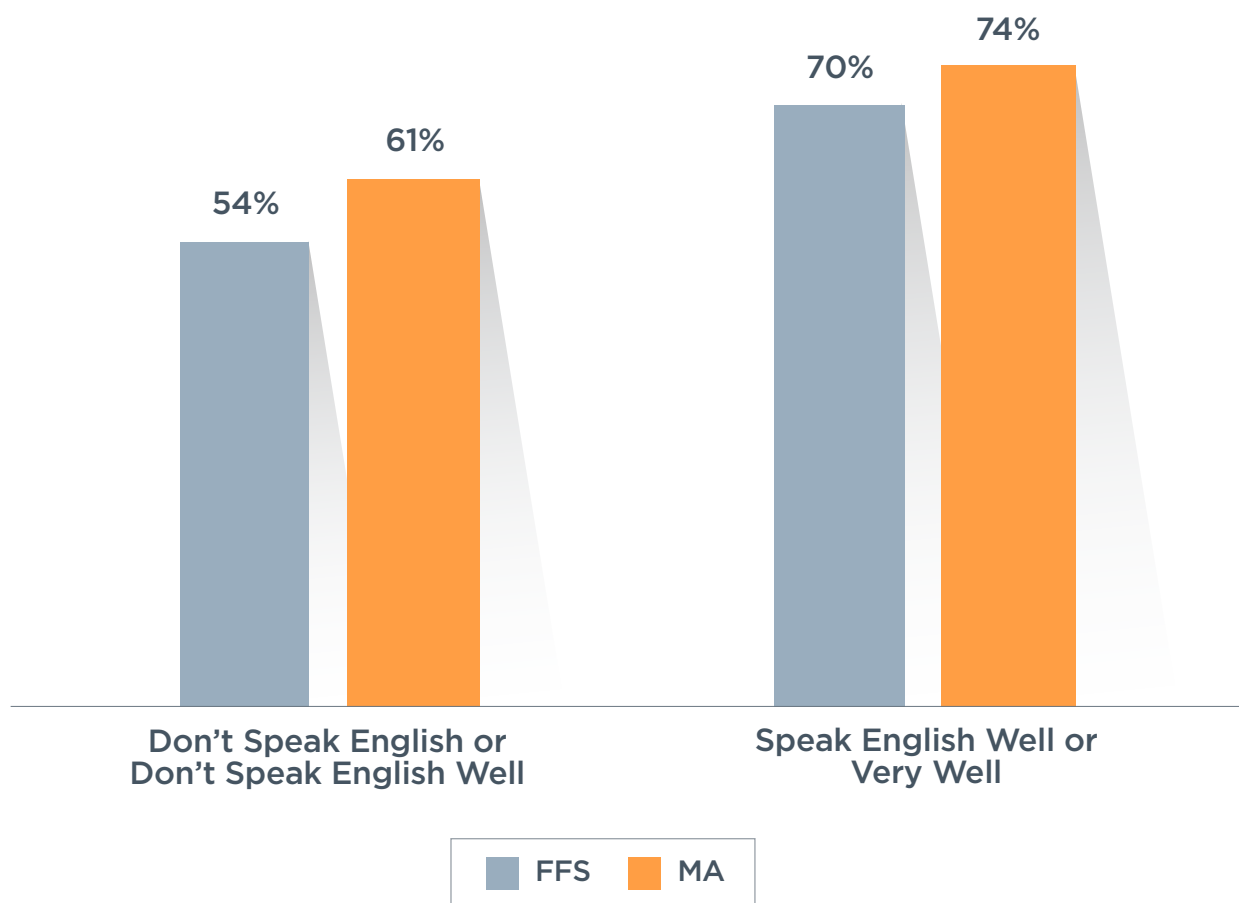
Figure 6 Percentage of Beneficiaries Reporting Food Insecurity by Race or Ethnicity



⁹ For a detailed analysis of SDOH in the Medicare population, see our September 2020 data brief, available at <https://bettermedicarealliance.org/publication/data-brief-social-risk-factors-are-high-among-low-income-medicare-beneficiaries-enrolled-in-medicare-advantage/>.

As another SDOH marker, Latinx beneficiaries enrolled in Medicare Advantage are more likely to have discomfort speaking English. Forty-five percent and 46 percent of Medicare Advantage Latinx beneficiaries report that they do not speak or read English well, respectively, compared with 34 percent and 33 percent of Traditional FFS Medicare beneficiaries (data not shown). This difference in comfort with English between Traditional FFS Medicare and Medicare Advantage beneficiaries, combined with the greater likelihood of Latinx individuals to be enrolled in Medicare Advantage, reflects the importance of health literacy efforts and culturally sensitive health care. To that end, Latinx Medicare Advantage beneficiaries who do not speak English well or at all are 15 percent more likely to report that Medicare is very easy or somewhat easy to understand, compared with Latinx beneficiaries enrolled in Traditional FFS Medicare (**Figure 7**).

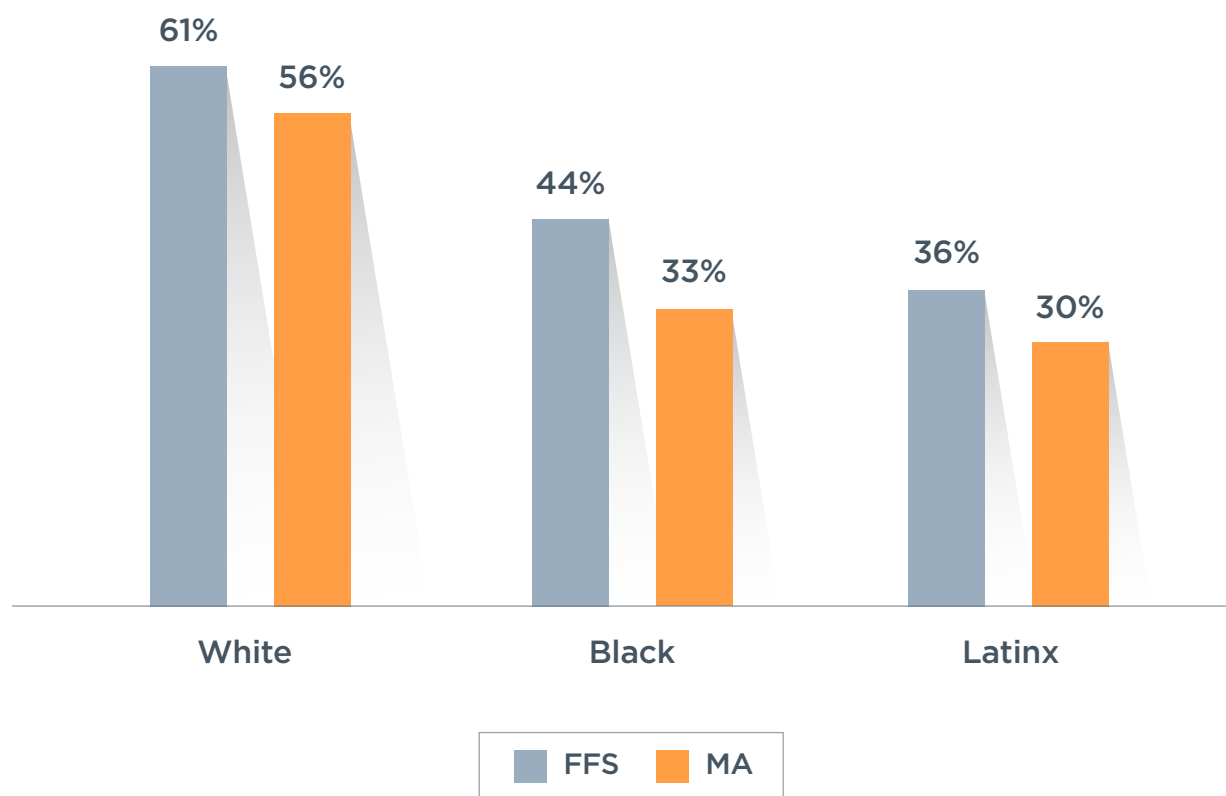
Figure 7 Percentage of Latinx Beneficiaries Who Report Medicare Is “Very Easy” or “Somewhat Easy” to Understand Based on English Language Level





Latinx and Black Medicare Advantage beneficiaries are also less likely to use internet frequently compared with Latinx and Black Traditional FFS Medicare beneficiaries or white Medicare beneficiaries (both Medicare Advantage and Traditional FFS Medicare beneficiaries). Thirty percent and 33 percent of Latinx and Black Medicare Advantage beneficiaries, respectively, report using the internet daily or weekly, compared with 36 percent and 44 percent of Traditional FFS Medicare beneficiaries (Figure 8).

Figure 8 Percentage of Beneficiaries with Frequent Internet Use (At Least Weekly) by Race or Ethnicity



Medicare Advantage Beneficiaries Are More Likely to Receive Routine Care

Medicare Advantage outperforms Traditional FFS Medicare with respect to the utilization of preventive services provided to beneficiaries and the likelihood of beneficiaries having a usual source of care. Black and Latinx Medicare Advantage beneficiaries were 12 percent and 22 percent more likely than Traditional FFS Medicare beneficiaries to report receiving a mammogram, respectively. Black and white Medicare Advantage beneficiaries were 8 percent and 3 percent more likely to report receiving a flu shot in the prior year than Traditional FFS Medicare beneficiaries **(Figure 9)**. Across all races and ethnicities, Medicare Advantage beneficiaries were between 1 percent and 3 percent more likely than Traditional FFS Medicare beneficiaries to report having their blood pressure checked in the prior year, and they were between 2 percent and 8 percent more likely to report having their cholesterol checked. In addition to reporting high likelihood of receiving preventive services, Medicare Advantage beneficiaries also report high likelihood of having a usual source of care.

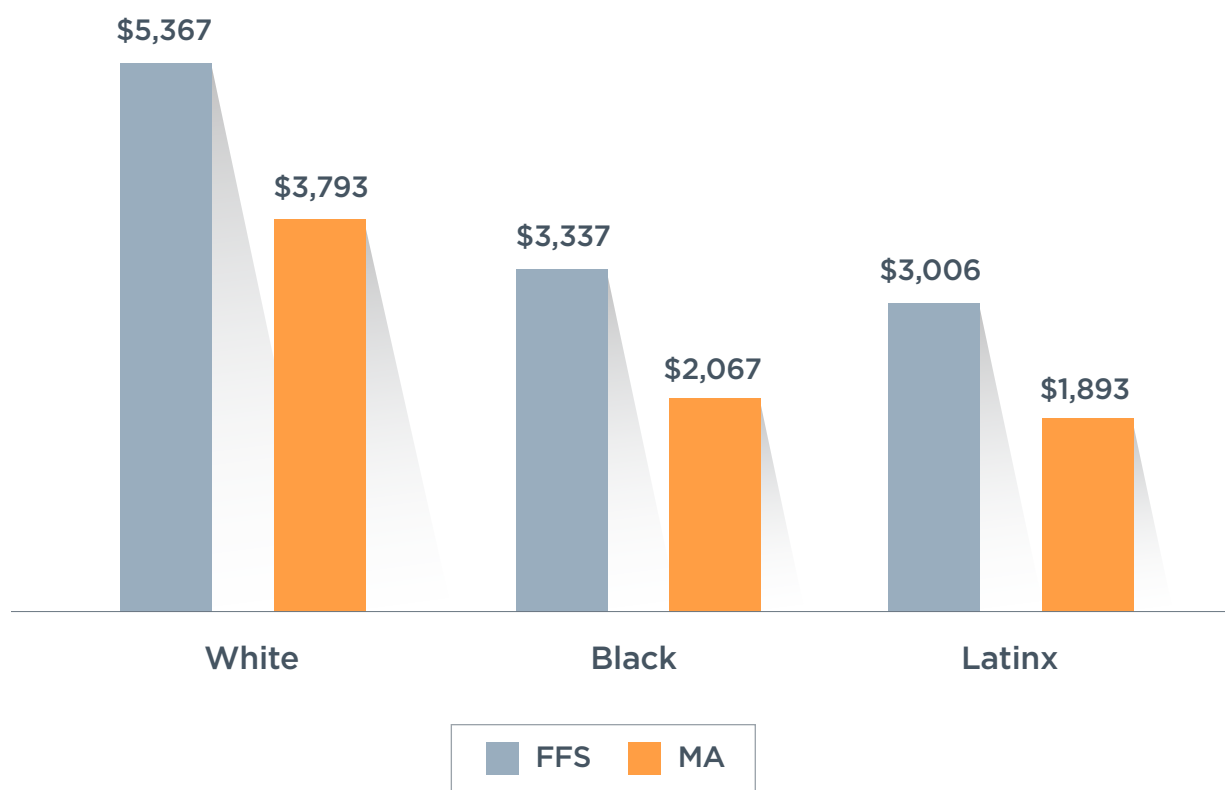
Figure 9 Utilization and Access to Routine Care for White, Black, and Latinx Beneficiaries

	White			Black			Latinx		
	FFS	MA	Difference	FFS	MA	Difference	FFS	MA	Difference
Mammogram	42%	42%	—	49%	55%	12%	41%	50%	22%
Flu Shot	72%	75%	4%	60%	66%	10%	68%	70%	3%
Blood Pressure	96%	97%	1%	95%	98%	3%	96%	98%	2%
Cholesterol	87%	89%	2%	90%	95%	6%	85%	92%	8%
Usual Source of Care	93%	95%	2%	90%	95%	6%	91%	92%	1%

Medicare Advantage Beneficiaries of All Races and Ethnicities Spend Less Out-of-Pocket than Traditional FFS Medicare Beneficiaries

As previously reported in our March 2021 data brief,¹⁰ Medicare Advantage offers substantial financial protections to Medicare beneficiaries. On average, beneficiaries enrolled in Medicare Advantage spend less out-of-pocket than those in Traditional FFS Medicare. Latinx beneficiaries spend \$1,113 less when enrolled in Medicare Advantage compared with Traditional FFS Medicare, Black beneficiaries spend \$1,270 less, and white beneficiaries spend \$1,574 less (**Figure 10**).

Figure 10 Average Out-of-Pocket Spending + Premium Spending for Traditional FFS Medicare Beneficiaries and Medicare Advantage by Race or Ethnicity



NOTE: Average Out-of-Pocket Spending + Premium Spending has been calculated for each race/ethnicity exclusively. Weighted averages are applied to each racial/ethnic group when calculating total Average Out-of-Pocket + Premium Spending. As a result, Out-of-Pocket + Premium spending in this data brief and the 2021 Q1 data brief cannot be directly compared.

¹⁰ Better Medicare Alliance. (March 2021). Medicare Advantage Outperforms Traditional Medicare on Cost Protections for Low- and Modest-Income Populations, available at https://bettermedicarealliance.org/wp-content/uploads/2020/04/BMA_Modest_LowIncome_Report.pdf.

Differences in out-of-pocket spending remain true even when controlling for whether an individual receives the added financial assistance and cost protections of Medicaid based on their dual eligibility status. Among individuals who are not dually eligible for Medicaid, Latinx Medicare Advantage beneficiaries spend \$829 less out-of-pocket than Traditional FFS Medicare beneficiaries, Black beneficiaries spend \$1,656 less, and white beneficiaries spend \$1,636 less (data not shown). Of those individuals dually eligible for enrollment in Medicare and Medicaid, Latinx, Black, and white Medicare Advantage beneficiaries spend \$660, \$484, and \$72 less than Traditional FFS Medicare beneficiaries, respectively (data not shown).



Conclusion and Looking Forward

This report demonstrates notable differences in the health care enrollment, access, and service experiences of Black, Latinx, and white Medicare beneficiaries. The COVID-19 pandemic has exposed longstanding inequities and vulnerabilities experienced by racially and ethnically diverse Medicare beneficiaries, and there remains room for improvement in addressing racial and ethnic disparities in access to care in both the Medicare Advantage and Traditional FFS Medicare programs.

Our research suggests Medicare Advantage is better positioned than Traditional FFS Medicare to address gaps in care racially and ethnically diverse individuals experience. As the data show, Black and Latinx beneficiaries are likely to enroll in Medicare Advantage and these beneficiaries are likely to be more socioeconomically

disadvantaged than minority beneficiaries in Traditional FFS Medicare. Our research also finds they are more likely to receive important preventive services and spend considerably less out-of-pocket on health care than racially and ethnically diverse beneficiaries in Traditional FFS Medicare.

Policymakers should ensure the Medicare Advantage program is able to continue providing critical cost protections, managed care delivery models, and supplemental benefits that are particularly meaningful to medically and socially complex beneficiaries. Importantly, policymakers should recognize the role of Medicare Advantage in serving racially and ethnically diverse beneficiaries and ensure the program remains a strong platform for improving Medicare beneficiaries' access to affordable preventive services.



Methods

Using the 2018 Medicare Current Beneficiary Survey (MCBS) and Cost Supplement file, ATI Advisory examined how Medicare coverage arrangements affect beneficiaries' access to care, utilization of benefits, and out-of-pocket costs. Due to sample size concerns, analyses generally were limited to individuals living in the community and comparisons were limited to white, Black, and Latinx beneficiaries.

Full Report Methods:

https://atiadvisory.com/wp-content/uploads/2020/12/2018-MCBS-Analysis_Research-Methods_December-2020.pdf

