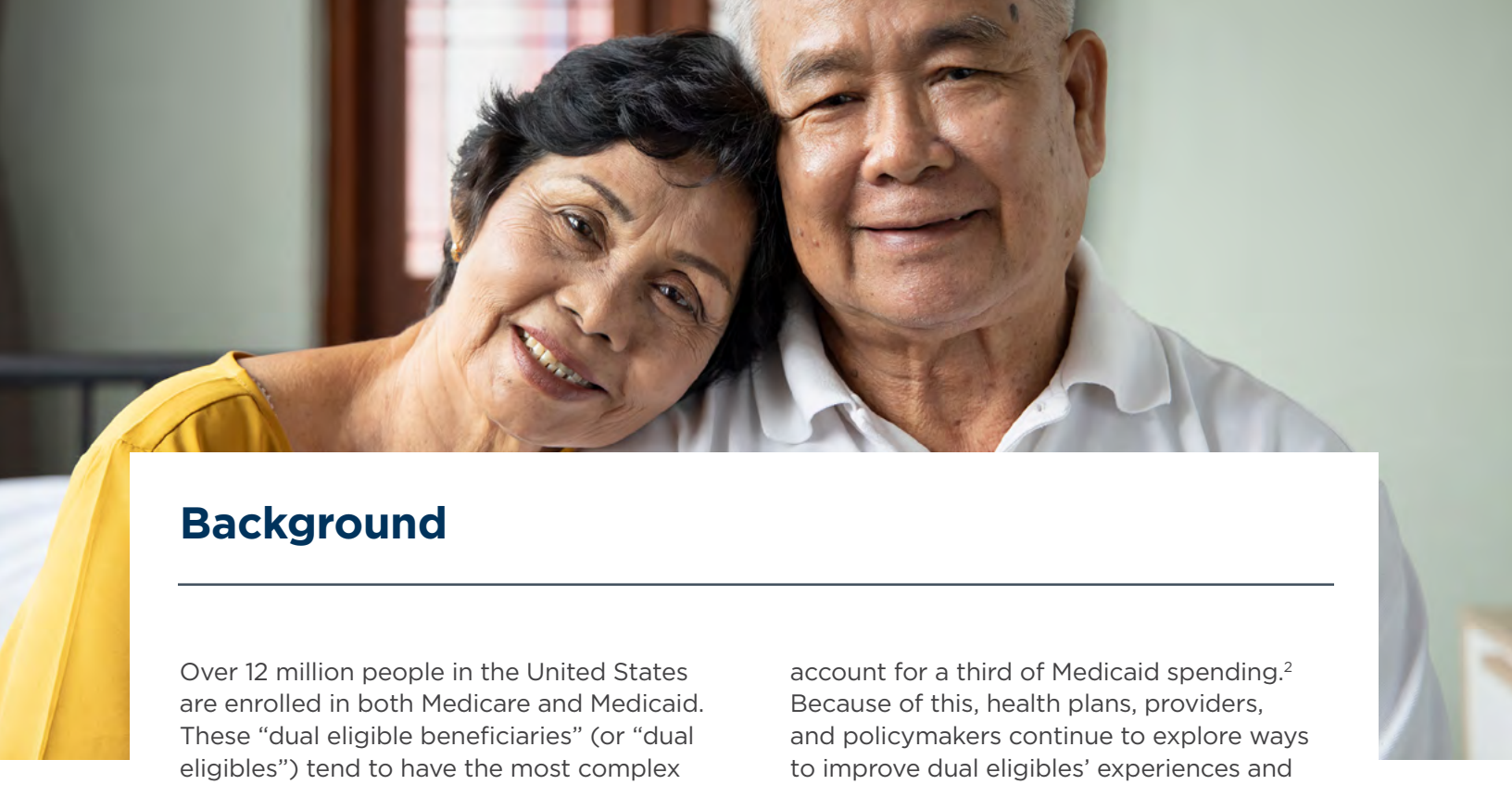
DATA BRIEF

Dual Eligible Beneficiaries Receive Better Access To Care And Cost Protections When Enrolled In Medicare Advantage

DECEMBER 2021

Analysis by ATI Advisory for:

BETTER MEDICARE ALLIANCE



Background

Over 12 million people in the United States are enrolled in both Medicare and Medicaid. These "dual eligible beneficiaries" (or "dual eligibles") tend to have the most complex medical, functional, and social needs of the Medicare population. By definition, dual eligible beneficiaries are low-income, with incomes near or below the federal poverty level. Most qualify for Medicare due to age, but nearly 40 percent of dual eligible beneficiaries were under the age of 65 in 2021 and eligible due to a disability or end-stage renal disease.[1]

The medical, functional, and social complexity dual eligibles experience is exacerbated by the fragmentation created by Medicare and Medicaid. The two programs were not designed to work together, and the result often is an uncoordinated experience with misaligned incentives. These individual and system level complexities contribute to high levels of spending. While dual eligible beneficiaries represent just 20 percent of the Medicare population, they make up 34 percent of Medicare spending. Similarly, they make up 15 percent of the Medicaid population but account for a third of Medicaid spending.[2] Because of this, health plans, providers, and policymakers continue to explore ways to improve dual eligibles' experiences and outcomes. The Medicare Advantage program is at the center of much of this focus. In this context, it is important to understand how Medicare Advantage plans are serving this population.

This analysis is the fourth in a series of data briefs prepared by ATI Advisory for Better Medicare Alliance during 2021. Using the 2018 Medicare Current Beneficiary Survey (MCBS) and Cost Supplement File, ATI Advisory examined how Medicare coverage arrangements relate to demographics, outcomes, and spending in the dual eligible population. This analysis builds on previous research that dual eligible beneficiaries are more likely to enroll in Medicare Advantage and finds that Medicare Advantage outperformed Fee-for-Service (FFS) Medicare in access to care and cost protections in 2018. Collectively, these findings suggest that Medicare Advantage has a meaningful impact on the experiences of dual eligible beneficiaries

[1] ATI Analysis of 2021 Q1 Master Beneficiary Summary File.
[2] Medicare-Medicaid Coordination Office. People Dually Eligible for Medicare and Medicaid. CMS. March 2020.

Overview and Implications

Regardless of enrollment in Medicare Advantage or FFS Medicare, dual eligible beneficiaries are more likely than the Medicare-only population to experience numerous negative health and social markers.

Compared to individuals enrolled in Medicare only, dual eligible beneficiaries are:

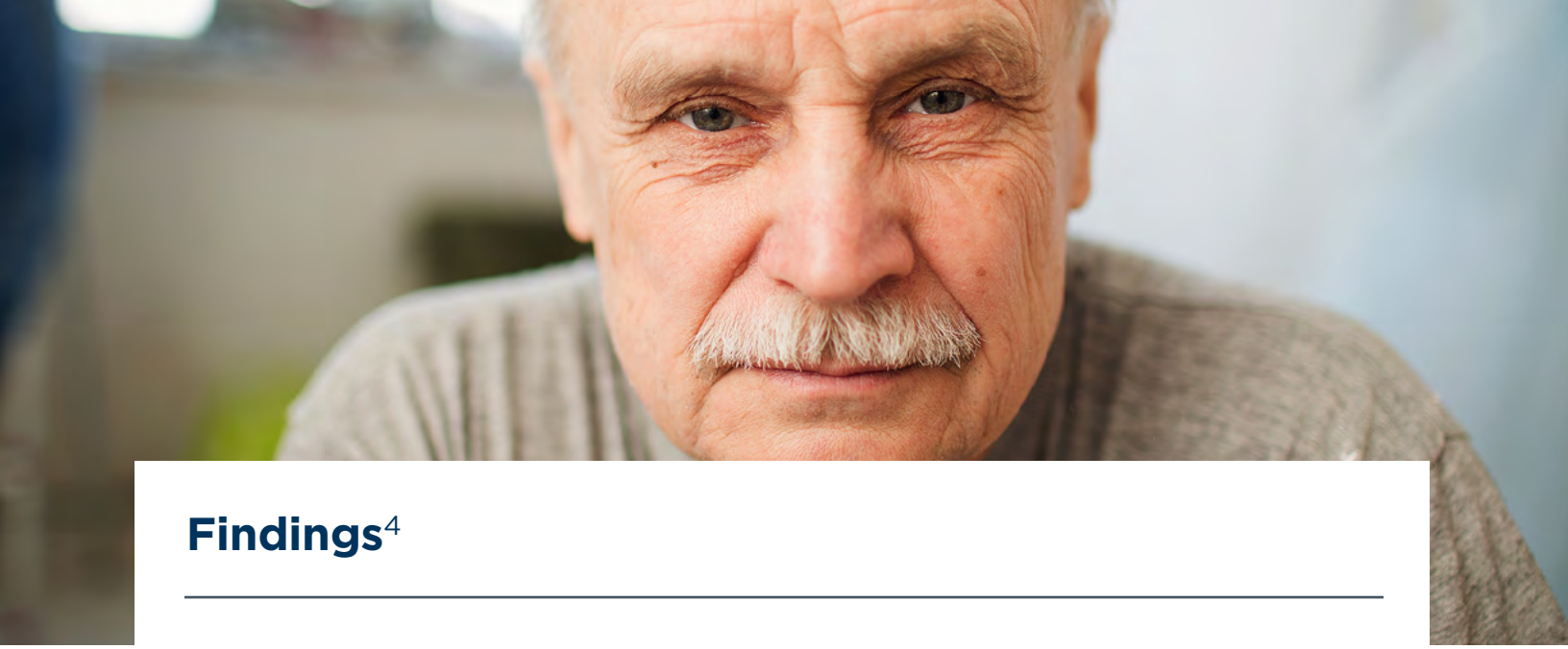
- More likely to be under the age of 65 (40 percent of dual eligible beneficiaries are under age 65 compared to 8 percent of Medicare-only beneficiaries)
- More likely to live in rural areas (11 percent compared to 9 percent)
- Less likely to be currently married (59 percent compared to 21 percent)
- Less likely to have a college degree (10 percent compared to 39 percent)
- Four times as likely to have high food insecurity needs (49 percent compared to 12 percent)
- Three times as likely to speak a language other than English at home (27 percent compared to 9 percent)
- Twice as likely to have depression (44 percent compared to 22 percent)
- Nearly three times as likely to have cognitive impairment (39 percent compared to 14 percent)

In 2018, dual eligible beneficiaries were more likely to enroll in Medicare Advantage than Medicare-only beneficiaries by 9 percentage points. This is likely influenced by Medicare Advantage plans that target the needs of dual eligible beneficiaries, for example, through dual-eligible Special Needs Plans (D-SNPs).[3] Furthermore, a low-income population may be particularly attracted to the supplemental benefits, low out-of-pocket costs, and reduced premiums offered by Medicare Advantage.

Dual eligible beneficiaries who enrolled in Medicare Advantage were more likely to be Black or Latinx and had higher rates of chronic conditions than dual eligible beneficiaries in FFS Medicare. Furthermore, dual eligible beneficiaries enrolled in Medicare Advantage Special Needs Plans (SNPs) or Medicare-Medicaid Plans (MMPs) were more likely to be Black or Latinx and experienced higher rates of chronic conditions than those in non-SNP Medicare Advantage plans. Medicare Advantage dual eligible beneficiaries were also more likely to report better access to care, such as receiving select preventative services and having a usual source of care and were more likely to pay lower premiums and have fewer out-of-pocket costs compared to their FFS Medicare counterparts. Dual eligible beneficiaries in FFS Medicare spent, on average, $435 on premiums in 2018 while dual eligible beneficiaries enrolled in Medicare Advantage spent $291. Annual out-of-pocket spending for dual eligible beneficiaries was $1,486 compared to $2,647 for FFS dual eligible beneficiaries. Collectively, these factors likely influence the high enrollment in Medicare Advantage.

This research contributes to important discussions among policymakers as they seek to understand the complex needs of dual eligible beneficiaries and aim to design meaningful programs. While there is opportunity for improvement, the data in this report demonstrate that Medicare Advantage closes gaps that exist in FFS Medicare.

[3] If they meet the eligibility criteria, Medicare beneficiaries have the option of enrolling in one of three Medicare Advantage SNP types, a chronic condition SNP (C-SNP), an institutional SNP (I-SNP), or a D-SNP if the plan is available in their service area. D-SNPs are Medicare Advantage plans specifically for dual eligible beneficiaries and offer varying degrees of integrated care.



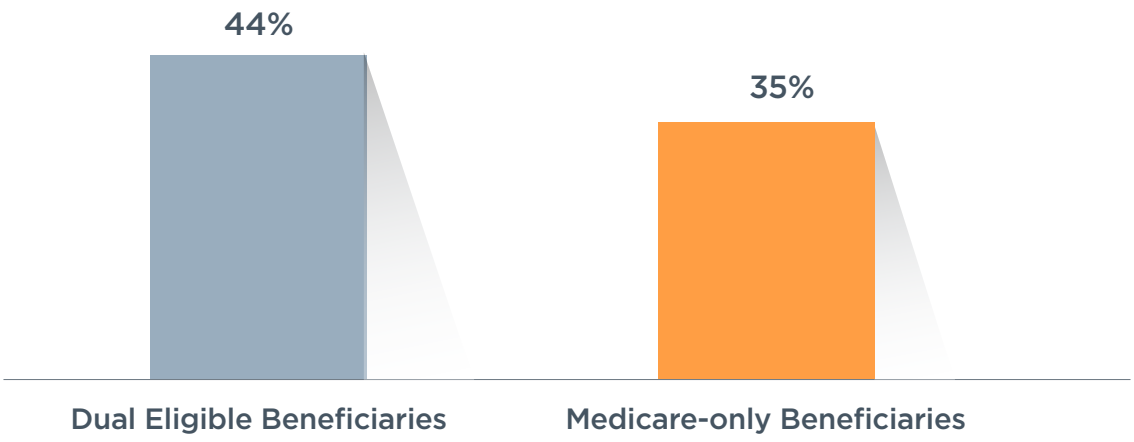
Findings[4]

1. DEMOGRAPHICS AND NEED

Demographics and Need: Dual Eligible Beneficiaries are More Likely to Enroll in Medicare Advantage

A greater proportion of Medicare Advantage beneficiaries, 23 percent, are dually eligible for Medicaid, compared to 17 percent of FFS Medicare beneficiaries (data not shown). Among all dual eligible beneficiaries, 44 percent elected to enroll in Medicare Advantage. This compares to 35 percent of Medicare-only beneficiaries **(Figure 1)**.

Figure 1 Percentage of beneficiaries who enroll in Medicare Advantage by dual status



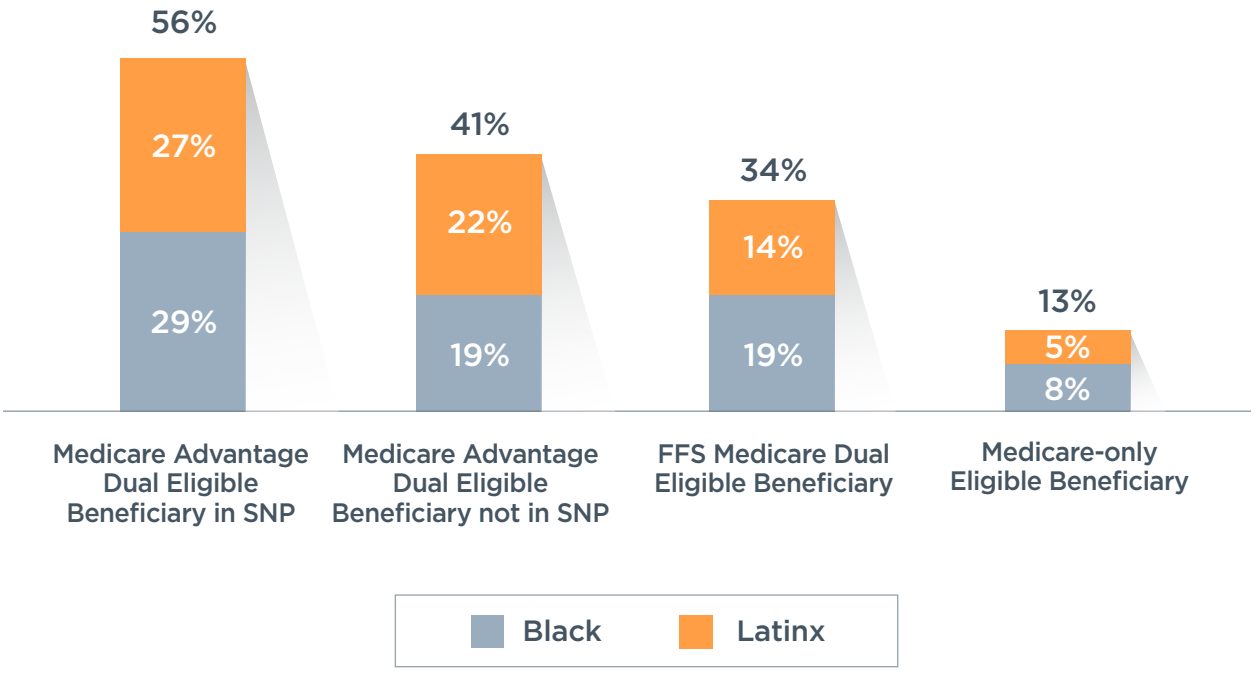
[4] All percent/prevalence findings in this brief are statistically significant at $p < 0.05$ unless otherwise noted.

Demographics and Need: Dual Eligible Beneficiaries, especially those in Medicare Advantage and Special Needs Plans, are More Racially and Ethnically Diverse than Medicare-only Eligible Beneficiaries

Dual eligible beneficiaries are more likely than Medicare-only beneficiaries to be Black or Latinx. Further, dual eligibles enrolled in Medicare Advantage are more likely to be Black or Latinx than those in FFS Medicare. Among dual eligibles enrolled in a Medicare Advantage SNP,[5] 56 percent are Black or Latinx compared to 41 percent of dual eligibles in a Medicare Advantage plan that is not a SNP and compared to 34 percent of dual eligible beneficiaries in FFS Medicare. Among Medicare-only beneficiaries, only 13 percent are Black or Latinx **(Figure 2)**.

Within dual eligible beneficiaries, Medicare Advantage serves a greater proportion of beneficiaries who speak a language other than English than FFS Medicare, 30 percent compared to 25 percent (data not shown).

Figure 2 Black and Latinx beneficiaries by program

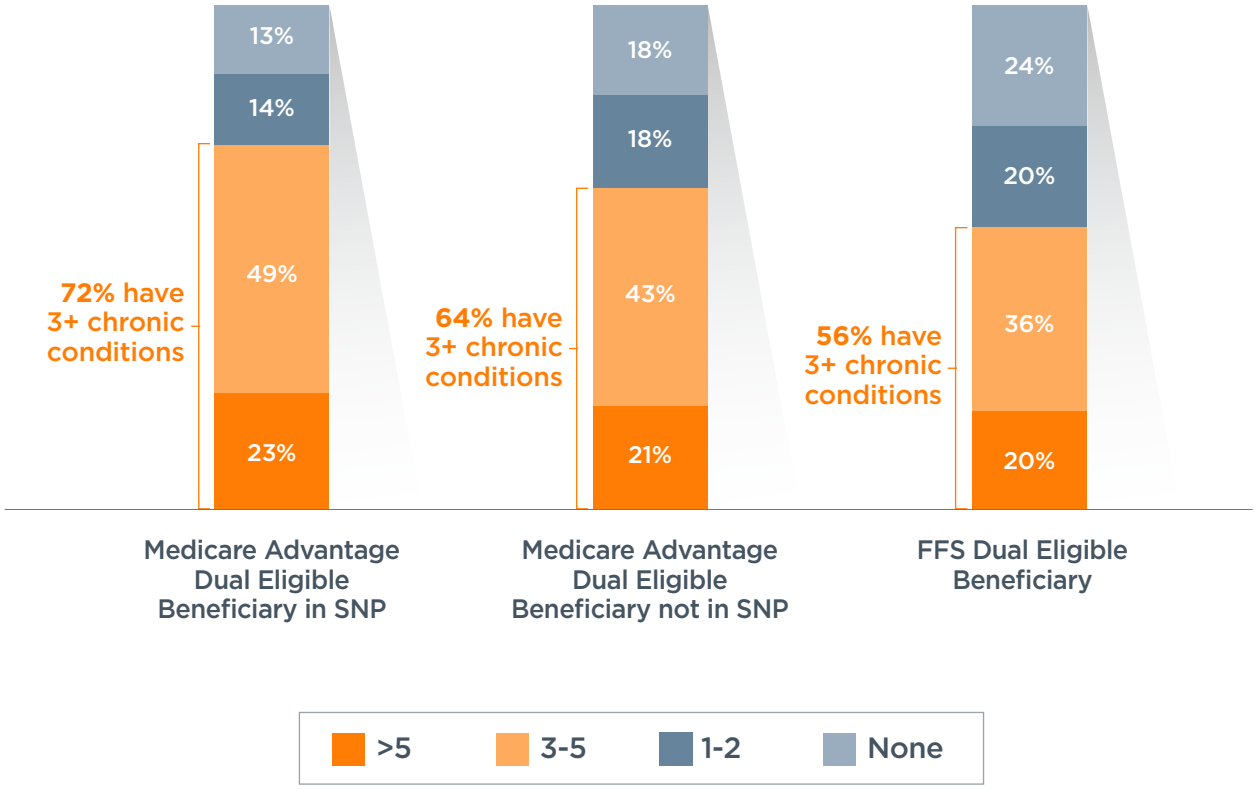


[5] Given the role of D-SNPs and other SNP types in serving dual eligibles, certain data in this report were evaluated separately for SNP and non-SNP Medicare Advantage enrollment where sample size was sufficient. Beneficiaries enrolled in Medicare Medicaid Plans (MMPs), D-SNPs, I-SNPs, and C-SNPs are included in SNP counts in this document.

Demographics and Need: Dual Eligible Beneficiaries in Medicare Advantage Report More Chronic Conditions and Higher Rates of Specific Conditions than Dual Eligible Beneficiaries in FFS Medicare

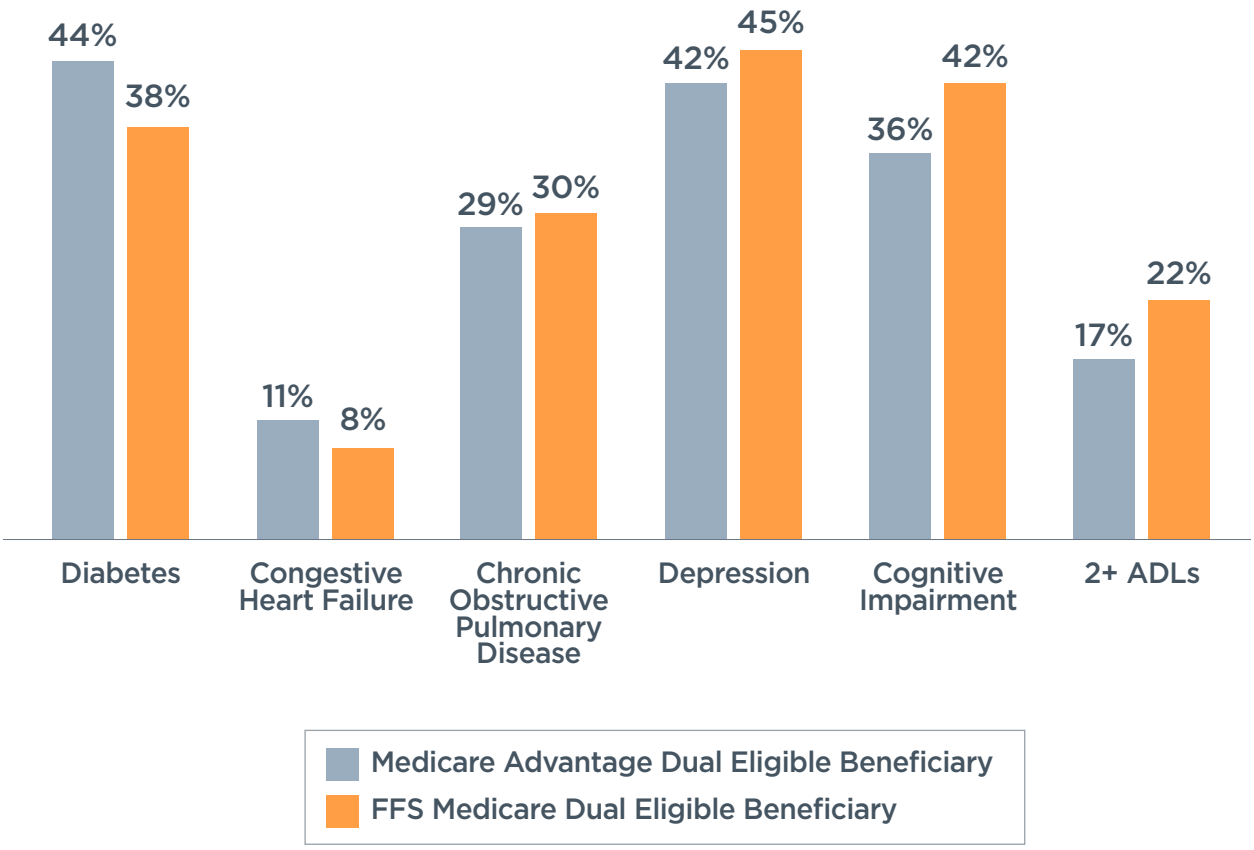
Within dual eligible beneficiaries, those in Medicare Advantage were more likely to report having a greater number of chronic conditions when compared to those in FFS Medicare. Over two in three dual eligible beneficiaries enrolled in any Medicare Advantage product reported having three or more chronic conditions, 12 percentage points higher than FFS Medicare beneficiaries (**Figure 3**; specific comparison not shown). Those enrolled in SNPs report the highest likelihood of having three or more chronic conditions, however, the difference between Medicare Advantage enrollees in a SNP and those who were not was not statistically significant.

Figure 3 Number of chronic conditions reported by dual eligible beneficiaries by program



Prevalence of specific conditions varies within the dual eligible population, with certain conditions more prevalent among those enrolled in Medicare Advantaged compared to FFS Medicare, and other conditions and frailty markers less prevalent. **(Figure 4)**.[6]

Figure 4 Percent of beneficiaries who report specific chronic conditions or 2+ Activities of Daily Living Limitations (ADLs) by program and dual status



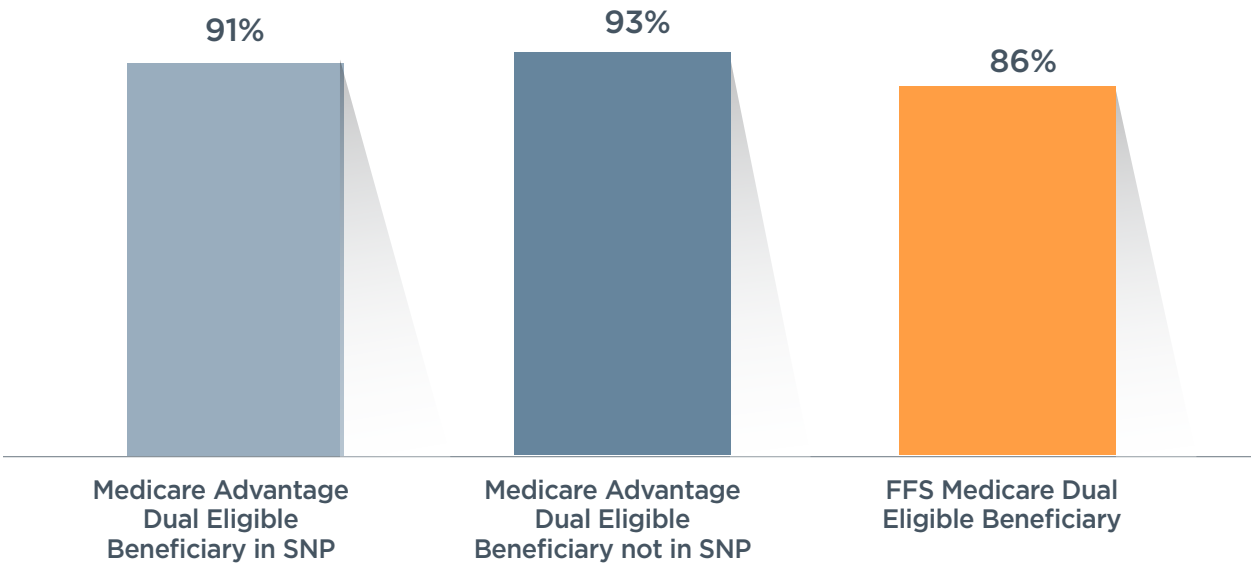
[6] The difference between rates for chronic obstructive pulmonary disease and depression are not statistically significant.

2. ACCESS TO CARE

Access to Care: Dual Eligible Beneficiaries in Medicare Advantage were More Likely to Have a Usual Source of Care

Ninety-one percent of dual eligible beneficiaries enrolled in Medicare Advantage reported having a usual source of health care compared to 86 percent of FFS Medicare-enrolled dual eligible beneficiaries (those in SNP and non-SNP Medicare Advantage plans were equally as likely to have a usual source of care, **Figure 5**). Furthermore, within dual eligible beneficiaries, Medicare Advantage beneficiaries reported less difficulty getting health care more than FFS Medicare beneficiaries, 11 percent and 15 percent respectively (data not shown).

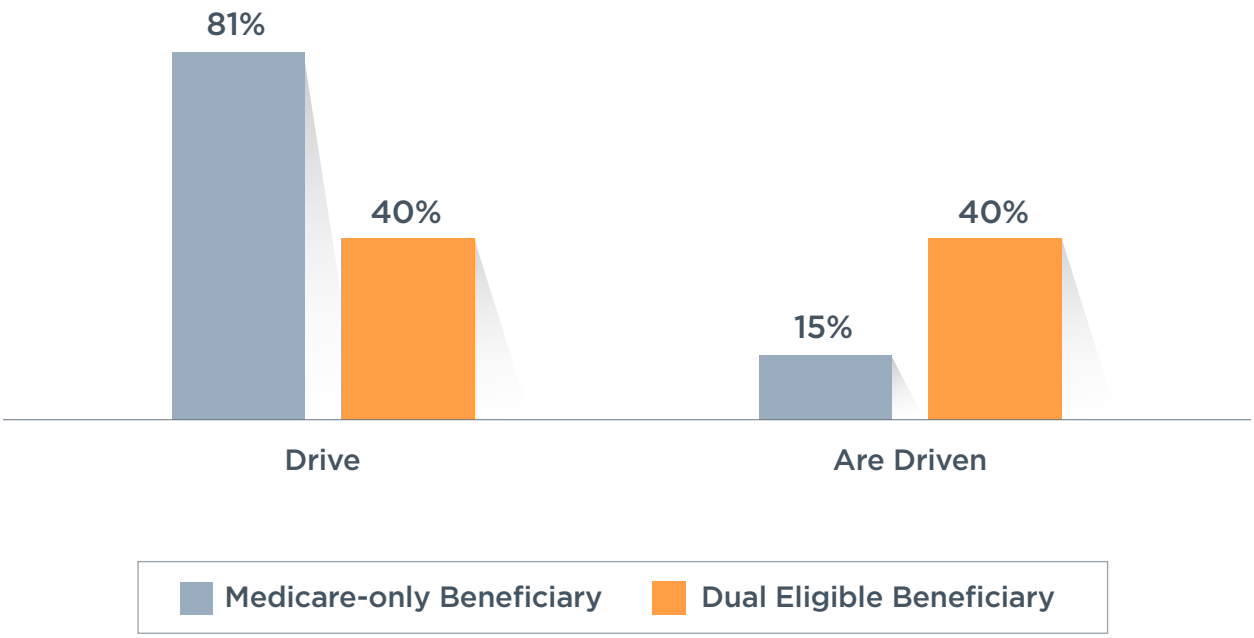
Figure 5 **Percent of dual eligible beneficiaries that reported having a usual source of care by program**

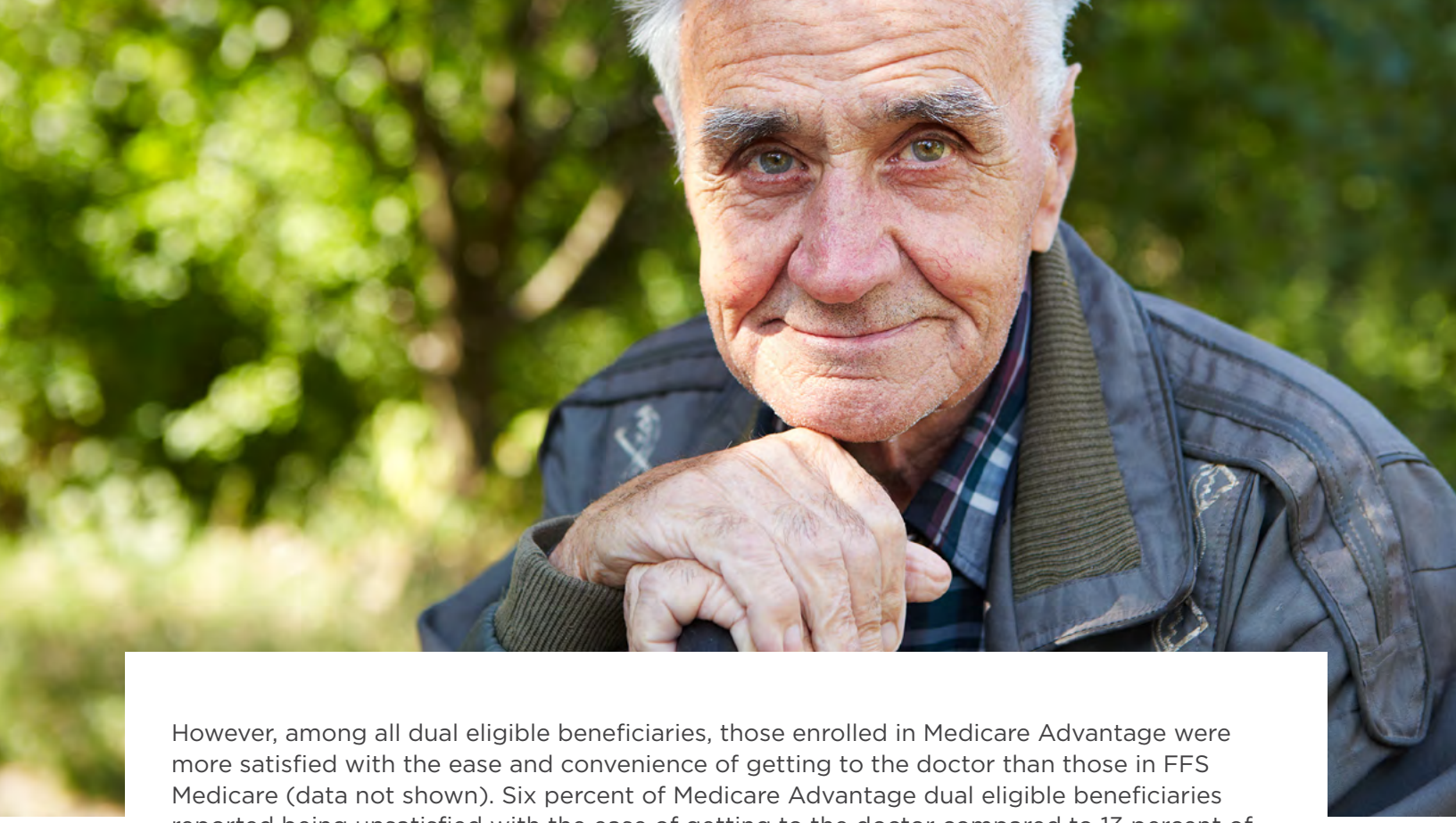


Access to Care: Dual Eligible Beneficiaries in Medicare Advantage are More Satisfied with Ease of Getting to Appointments Compared to FFS Medicare Dual Eligible Beneficiaries

Dual eligible beneficiaries often struggle with transportation, with 35 percent of dual eligible beneficiaries reporting difficulty getting places compared to 18 percent of Medicare-only eligible beneficiaries (data not shown). Furthermore, dual eligible beneficiaries are half as likely to drive themselves to the doctor as those enrolled in Medicare only, 40 percent compared to 81 percent. Many dual eligible beneficiaries who do not drive to the doctor are driven; forty percent of dual eligible beneficiaries are driven compared to 15 percent of Medicare-only eligible beneficiaries **(Figure 6)**.

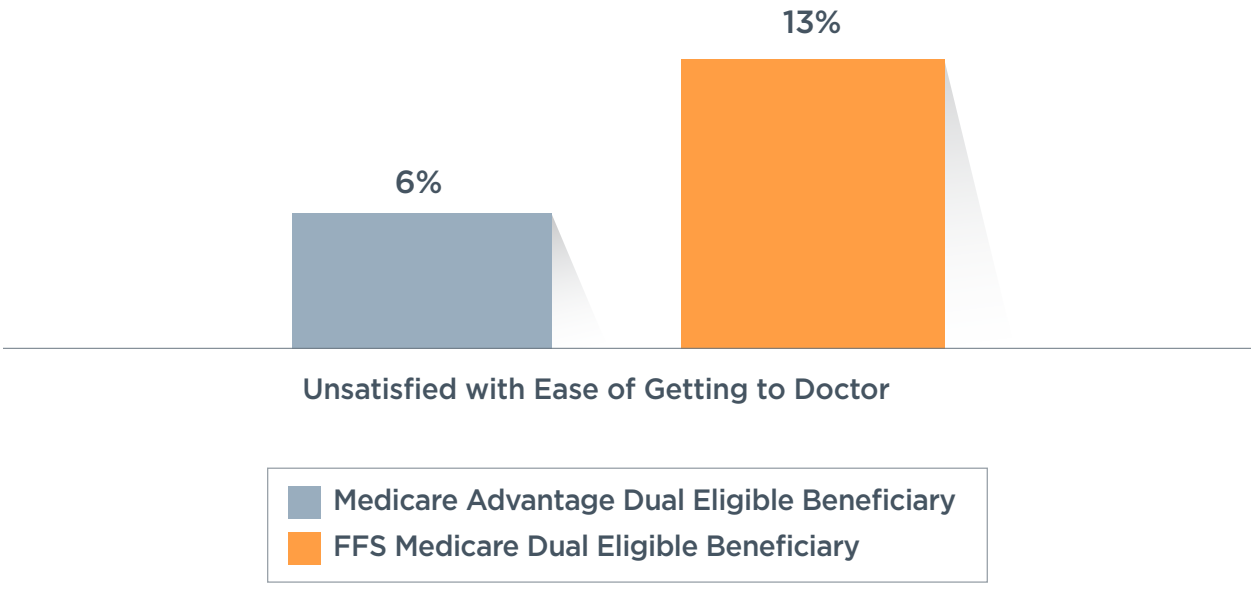
Figure 6 How a beneficiary reports getting to the doctor by dual eligible status





However, among all dual eligible beneficiaries, those enrolled in Medicare Advantage were more satisfied with the ease and convenience of getting to the doctor than those in FFS Medicare (data not shown). Six percent of Medicare Advantage dual eligible beneficiaries reported being unsatisfied with the ease of getting to the doctor compared to 13 percent of FFS Medicare dual eligible beneficiaries **(Figure 7)**. This trend remained even when the data were split into rural and urban cohorts (data not shown).

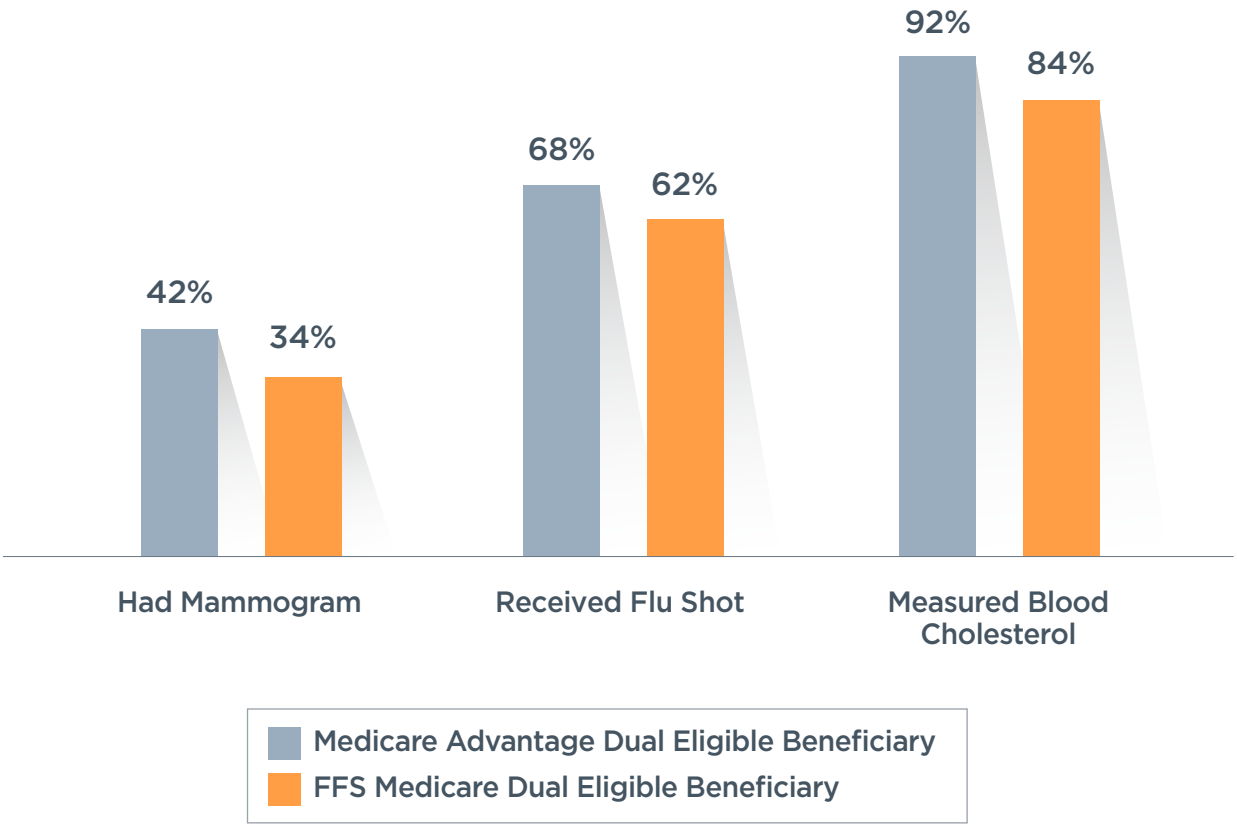
Figure 7 Dual eligible beneficiaries' reported ease of getting to the doctor by program



Access to Care: Dual Eligible Beneficiaries in Medicare Advantage were More Likely to Report Having Received Preventative Care Services

Across multiple preventive care services, dual eligibles in Medicare Advantage were more likely than those in FFS Medicare to report receiving care in the past year. A greater percentage of female Medicare Advantage dual eligible beneficaries, 42 percent, reported receiving a mammogram in the prior year compared to 34 percent of FFS Medicare beneficiaries. Dual eligible beneficiaries in Medicare Advantage were also more likely to receive a flu shot (68 percent versus 62 percent) or have their blood cholesterol measured (92 percent versus 84 percent) in the prior year compared to FFS Medicare beneficiaries **(Figure 8)**.

Figure 8 Percent of dual eligible beneficiaries who received a mammogram, flu shot, or had their blood cholesterol measured in the past year

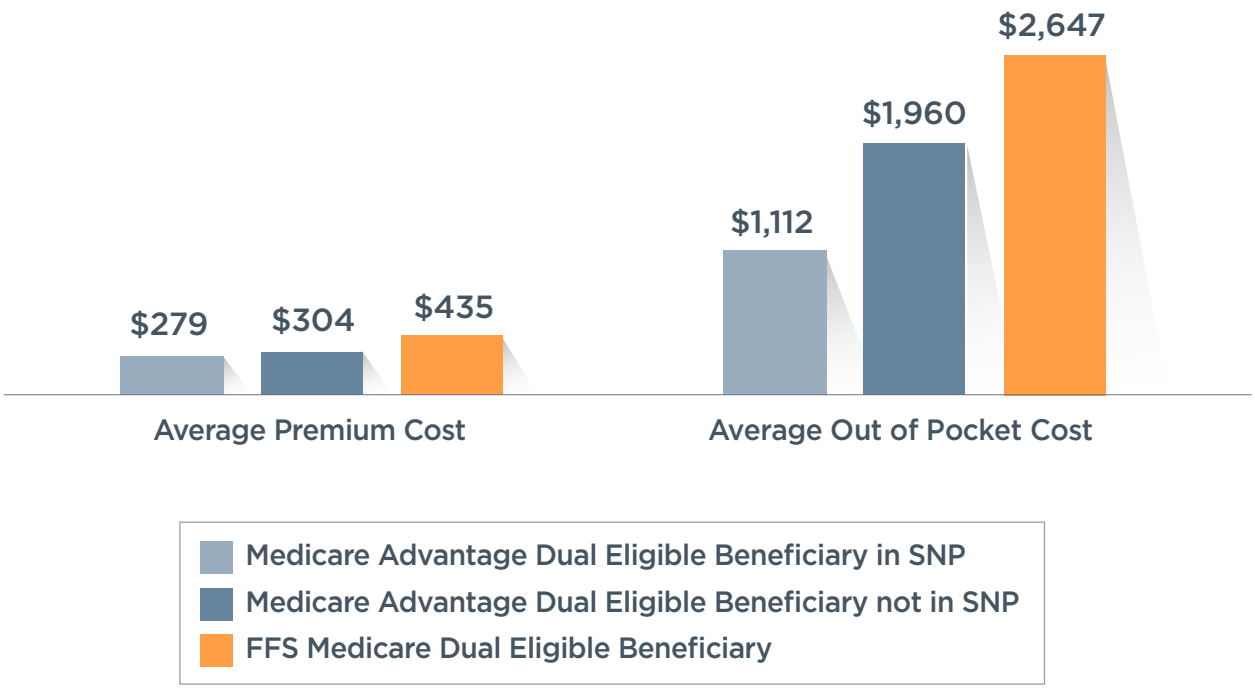


3. SPENDING

Spending: Dual Eligible Beneficiaries in Medicare Advantage Spend Less on Premiums and Out-of-Pocket Costs Than FFS Medicare Dual Eligible Beneficiaries

Dual eligible beneficiaries in FFS Medicare spent, on average, $435 on premiums annually while dual eligible beneficiaries enrolled in Medicare Advantage spent $291 (aggregate Medicare Advantage data not shown). Those enrolled in SNPs spent $279 annually on premiums, while those enrolled in non-SNP Medicare Advantage spent $304. Dual eligibles enrolled in Medicare Advantage also had lower out-of-pocket spending at $1,486 annually (specific data point not shown) compared to an annual average of $2,647 for FFS Medicare dual eligible beneficiaries, with those enrolled in SNPs spending the lowest, at $1,112 **(Figure 9)**.

Figure 9 Average annual premium and out-of-pocket costs for dual eligible beneficiaries by program

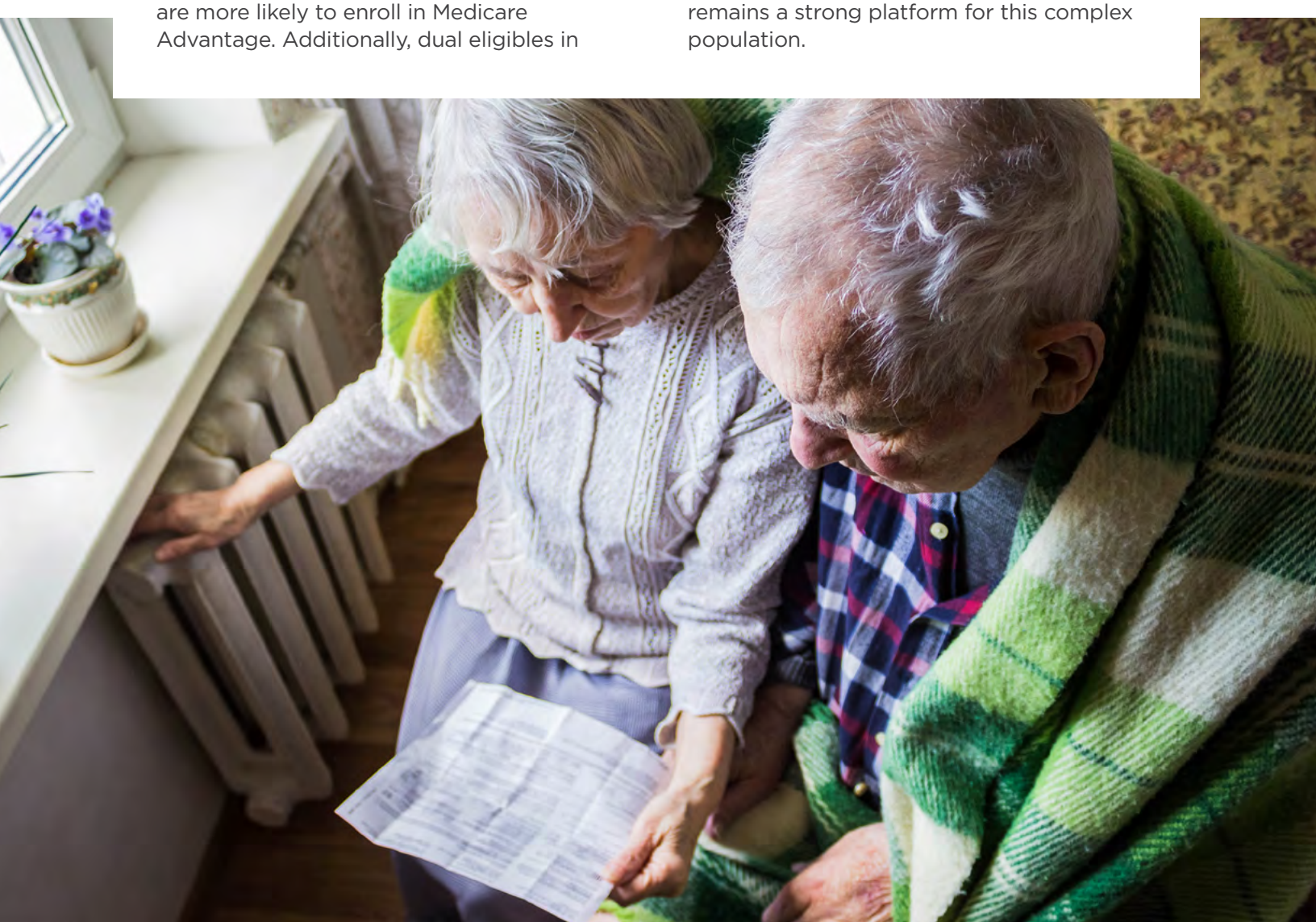


Conclusion and Looking Forward

This research demonstrates notable differences between dual eligible beneficiaries enrolled in Medicare Advantage and those in FFS Medicare. Dual eligible beneficiaries, who are low-income and more likely to be a member of a racial minority group, face high rates of chronic conditions and social needs such as food insecurity and lack of transportation. This population represents some of the most vulnerable members of the Medicare population. Providing quality health care that is responsive to these beneficiaries' complex needs should be a top priority.

As the data show, dual eligible beneficiaries are more likely to enroll in Medicare Advantage. Additionally, dual eligibles in Medicare Advantage appear to fare better with access to services and cost protections than dual eligibles in FFS Medicare. Nevertheless, opportunities for improvement remain.

Policymakers should ensure the Medicare Advantage program is able to continue providing critical cost protections, targeted and high-touch care models, and supplemental benefits that are particularly meaningful to medically, functionally, and socially complex beneficiaries. Importantly, policymakers should recognize the role of Medicare Advantage in serving dual eligible beneficiaries and ensure the program remains a strong platform for this complex population.



Methods

Using the 2018 Medicare Current Beneficiary Survey (MCBS) and Cost Supplement file, ATI Advisory examined how Medicare coverage arrangements affect dual eligible beneficiaries' access to care, utilization of benefits, and costs. Out-of-pocket spending and annual premium price data for those enrolled in FFS was collected through claims in the Cost Supplement file while cost data for those in Medicare Advantage comes from plan administrative data. These two sources may not be comparable.

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