

# Medicare Advantage Beneficiaries with Type 2 Diabetes Receive More Preventive Care and Cost-Effective Care Compared to Fee-for-Service Beneficiaries



*Avalere study suggests that Medicare Advantage has led to better patient outcomes for beneficiaries with prediabetes and diabetes, including lower rates of inpatient hospitalizations, fewer emergency department visits, and lower total medical spending as compared to similar beneficiaries enrolled in FFS Medicare*

Nearly one-third of people aged 65 and older have type 2 diabetes—a chronic condition that significantly worsens health status.<sup>1</sup> With half of eligible Medicare beneficiaries now enrolled in Medicare Advantage (MA), policymakers are focused on assessing the clinical impact of the MA model on chronic diseases, such as diabetes.<sup>2</sup>

MA can employ care coordination activities that may reduce acute events for patients with chronic conditions. Managed and coordinated care can steer patients toward the most appropriate setting or treatment, especially for conditions with evidence-based guidelines as highly protocolized as diabetes. Care management in MA can ensure patients are being screened and tested early and often, seeing providers when needed, and receiving appropriate preventive care. Care management is an important tool in understanding and explaining the differences in outcomes and medical spending between beneficiaries in MA and fee-for-service (FFS) Medicare.

This study conducted by Avalere examines differences in type 2 diabetes detection, treatment, outcomes, and spending between matched MA and FFS Medicare beneficiaries at three distinct phases:

- 1. prediabetes**, when a patient has a prediabetes diagnosis;
- 2. incident diabetes**, when a patient is first diagnosed with type 2 diabetes; and
- 3. chronic diabetes**, when a patient has had type 2 diabetes for more than one year.

Cohorts were created for each disease phase, comprised of matched groups of MA and FFS patients.

Comparing more than 20 outcomes across the three distinct phases of diabetes, the analysis provides policymakers with valuable insights on assessing the effectiveness of the MA model and understanding differences in service use and outcomes in MA compared to FFS Medicare. Below are some key findings:

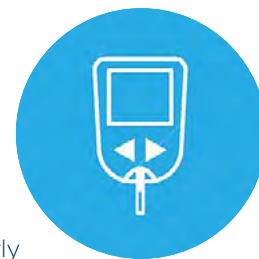
- **Among patients with prediabetes who developed type 2 diabetes, MA patients received a diagnosis earlier than FFS patients (relative to when they were diagnosed with prediabetes), and MA patients had a lower diabetes severity score at type 2 diabetes diagnosis than matched FFS patients.** On average, MA patients with prediabetes were diagnosed 142 days earlier than patients with prediabetes enrolled in FFS, and MA patients had a 21% lower diabetes severity score than matched FFS patients.
- **Among patients with incident diabetes, MA patients were more likely than matched FFS patients to fill prescriptions for medications to treat diabetes and related conditions within the first year of diagnosis.** In this study, within the first 9 months of diagnosis, MA patients filled a prescription for insulin more often than those enrolled in FFS (**46% in MA** vs. **35% in FFS**), and MA patients more frequently filled a prescription for an oral anti-diabetes medication (**42% in MA** vs. **33% in FFS**). Similarly high shares of MA and FFS patients filled prescriptions for blood pressure and cholesterol lowering medications.

**142**  
days earlier

<sup>1</sup> Diabetes Disparities in Medicare Fee-For-Service Beneficiaries. CMS. November 2021: <https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/Data-Snapshots-Diabetes.pdf>

<sup>2</sup> 2022 Medicare Trustees Report, Table IV.C1.—Private Health Plan Enrollment, p. 157. <https://www.cms.gov/files/document/2022-medicare-trustees-report.pdf>

- **Among patients with chronic diabetes, MA patients were more likely than matched FFS patients to receive preventive care, including diabetes-related office visits and testing for kidney disease.** For patients with chronic diabetes, a higher percentage of MA patients had an evaluation and management (E&M) visit with a diabetes diagnosis than FFS patients (**88% in MA** vs. **83% in FFS**).<sup>3</sup> In the same population, a higher percentage of MA patients received testing for microalbuminuria (a urine test to detect early signs of kidney damage) than FFS patients, and MA patients were less likely than FFS patients to require dialysis. Similarly high shares of MA and FFS patients with chronic diabetes visited primary care providers.
- **Among patients with prediabetes and diabetes,<sup>4</sup> MA patients had fewer emergency department visits and hospital admissions than matched FFS patients.** The rate of all-cause emergency department visits was lower among MA beneficiaries with diabetes relative to similar FFS beneficiaries (**23% in MA** vs. **25% in FFS**). For the diabetes cohorts, the percentage of patients with an inpatient hospitalization was slightly lower among MA patients compared to the matched FFS patients (**11% in MA** vs. **13% in FFS**).
- **Prediabetes and diabetes patients in MA had lower total medical spending compared to the matched sample of patients in FFS across all time periods.** For patients with chronic diabetes, average total medical spending per patient per year in MA was **\$2,244 less**. However, among patients with diabetes, MA patients had higher diabetes-related spending than FFS patients.
- **Among dual eligible patients with diabetes, MA patients were more likely than matched FFS patients to visit a primary care provider and fill prescriptions for diabetes medications.** For dual eligible patients with chronic diabetes, MA patients had, on average, **\$3,800 less** in total medical spending per patient per year compared to FFS patients.



Diabetes is a highly prevalent condition in the Medicare population, and evidence-based care for this condition includes early detection and continuous maintenance to avoid or limit disease progression and future adverse events. Findings from this study suggest that patterns of care delivered to patients with prediabetes and type 2 diabetes in **MA are more indicative of early detection and active care management for patients than those experienced by similar patients in FFS.** On average, for patients in MA as compared to matched patients in FFS, the study

provides evidence that **type 2 diabetes is diagnosed and treated earlier, more frequently monitored for complications, and that patients more often have claims for medications recommended for diabetes and related conditions.** In this study, for patients with MA compared to matched cohorts in FFS, preventive care (testing and filled prescriptions) was higher, and visits for acute care, such as emergency department visits and inpatient admissions, were lower, as was total medical spending. Although some of the differences between the matched cohorts were modest, the size of the affected population (people with type 2 diabetes in Medicare) indicates that even small differences at an individual patient level may translate to meaningful differences in population-level health outcomes and aggregate Medicare spending.

## Read the full study here

**Source:** Avalere Health. *Comparing Detection, Treatment, Outcomes, and Spending for Patients with Type 2 Diabetes Between Medicare Advantage and Fee-For-Service Medicare. January 2023.*

<sup>3</sup> All reported outcomes are averaged across the study period, unless otherwise noted; for the prediabetes cohort, the study period is 24 months and for the incident and chronic diabetes cohorts, the study period is 36 months.

<sup>4</sup> Patients with diabetes include patients with incident diabetes and patients with chronic diabetes.