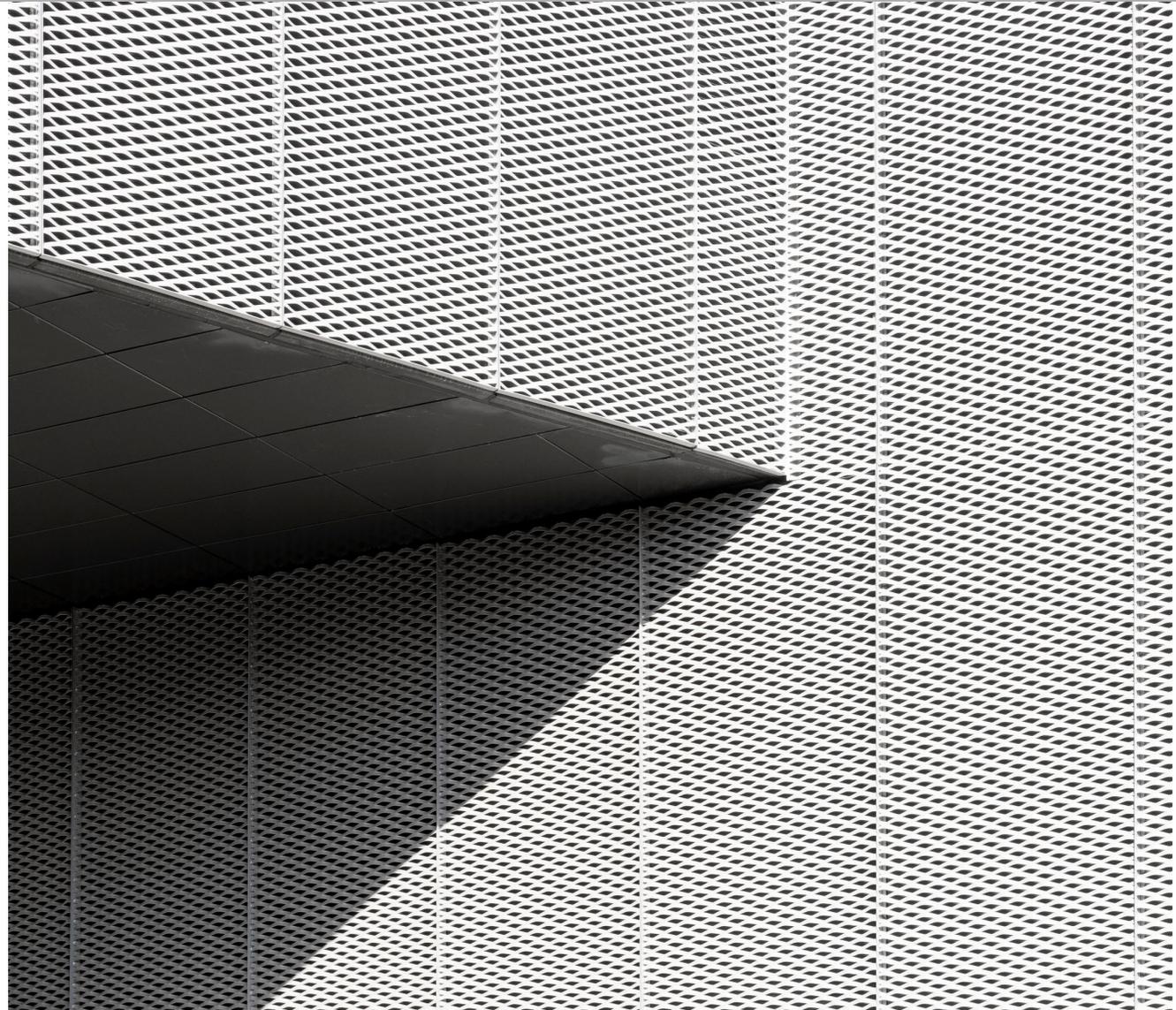


# Comparing Medicare Advantage and FFS Medicare Across Race and Ethnicity

July 2023

**ATI Advisory**



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# About This Work

**Background:** Better Medicare Alliance engaged ATI Advisory to analyze racial and ethnic differences among Medicare Advantage and FFS Medicare enrollees, as well as their personal health care costs and care experience.

→ Understanding differences in Medicare beneficiary experiences by race and ethnicity can help policymakers and business leaders identify opportunities for health equity and continual improvement across both pathways to Medicare coverage.

- **Data Sources:** ATI used the following data sources for this work:
- **Medicare Current Beneficiary Survey (MCBS):** This survey of ~14,000 beneficiaries per year provides detailed demographic and care experience data which can be explored by race, ethnicity, and program. Years 2017 – 2020 were pooled together to ensure sufficient sample size among beneficiaries of color.
    - Race and ethnicity data is self-reported.
  - **Master Beneficiary Summary File (MBSF):** The September 2022 MBSF provides data on program enrollment by race, ethnicity, and county. This information was combined with other county-level data:
    - Social Vulnerability Index (CDC)
    - Natural Hazard Risk (FEMA)
    - Community Resilience Index (FEMA)
- **Statistical Significance:** Comparisons between Medicare Advantage and FFS Medicare that are statistically significant at a p-value of 0.05 are marked with an asterisk (\*).

→ See the [Detailed Methods](#) for more information and key definitions.

## KEY TAKEAWAYS

| Topic                                   | Takeaway   |
|---|--|
| <b><u>Demographics</u></b>              | Medicare Advantage enrollees are more likely than FFS Medicare enrollees to be Black or Latino. Among beneficiaries of color, Medicare Advantage enrollees are more likely to report low incomes. Reported education varied across race, ethnicity, and program. |
| <b><u>Geography and Environment</u></b> | Medicare Advantage enrollees are more likely to live in counties that are socially vulnerable than those in FFS Medicare.  |
| <b><u>Cost</u></b>                      | Across race and ethnicity, Medicare Advantage enrollees spend less on health care premiums and out of pocket costs than those in FFS Medicare.   |
| <b><u>Care Experience</u></b>           | Despite demographic and geographic differences, Medicare beneficiaries experience similar rates of chronic conditions and report similar care quality and access to care across race, ethnicity, and program.  |

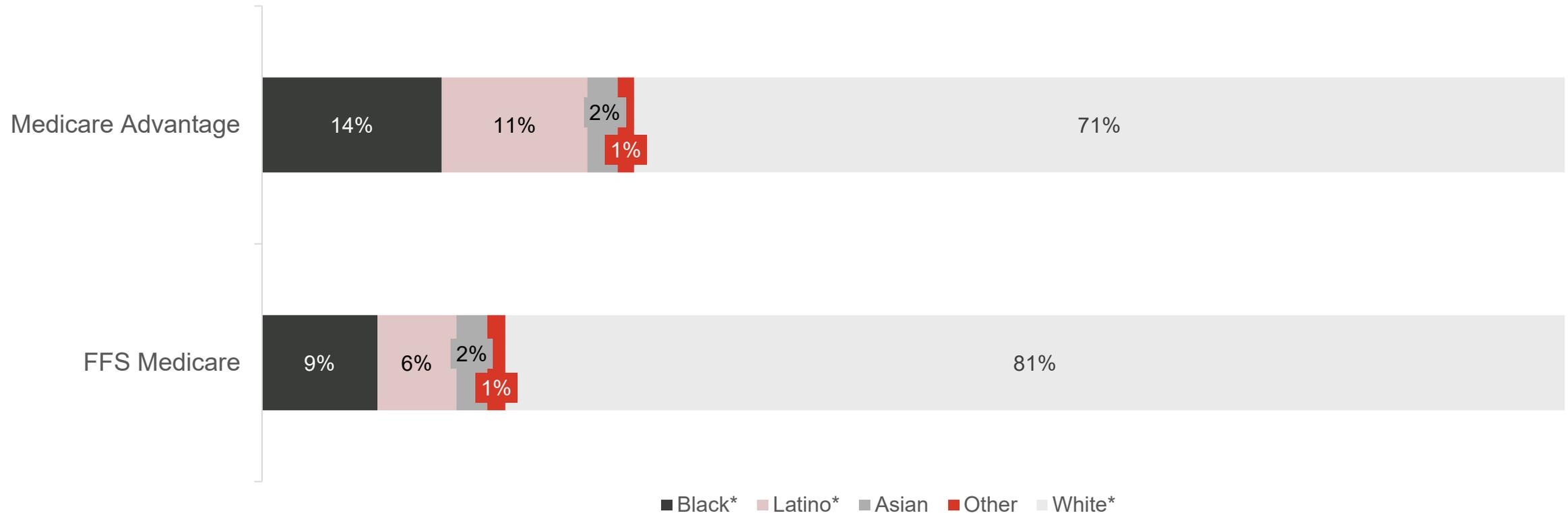
Among beneficiaries of color, Medicare Advantage enrollees are demographically and geographically different from those in FFS Medicare; while their care experiences are similar, enrollees in Medicare Advantage spend less on health care.

## → Who are Medicare Advantage enrollees and how do they differ from FFS Medicare enrollees?

| Diversity  | Data Findings  |
|--|--|
|  <p><b>Black and Latino</b> beneficiaries enroll in Medicare Advantage at high rates.</p>   | <ul style="list-style-type: none"><li>→ Latino beneficiaries are the most likely to enroll in Medicare Advantage, followed by Black and Asian beneficiaries.</li><li>→ In Medicare Advantage, 27% of enrollees are Black, Latino, or Asian compared to 17% of the FFS Medicare program.</li></ul>  |
| Socioeconomic Needs  | Data Findings  |
|  <p>Across race and ethnicity, a greater proportion of Medicare Advantage enrollees report <b>low incomes and low high school graduation rates</b> than those in FFS Medicare.</p> | <ul style="list-style-type: none"><li>→ Across race and ethnicity, a higher proportion of enrollees in Medicare Advantage report low incomes under 200% FPL compared to enrollees in FFS Medicare.</li><li>→ Among Latino and white beneficiaries, Medicare Advantage enrollees are less likely to report having graduated high school than those in FFS Medicare.</li><li>→ Black, Latino, and white Medicare Advantage enrollees are more likely to report food insecurity than those in FFS Medicare.</li></ul> |

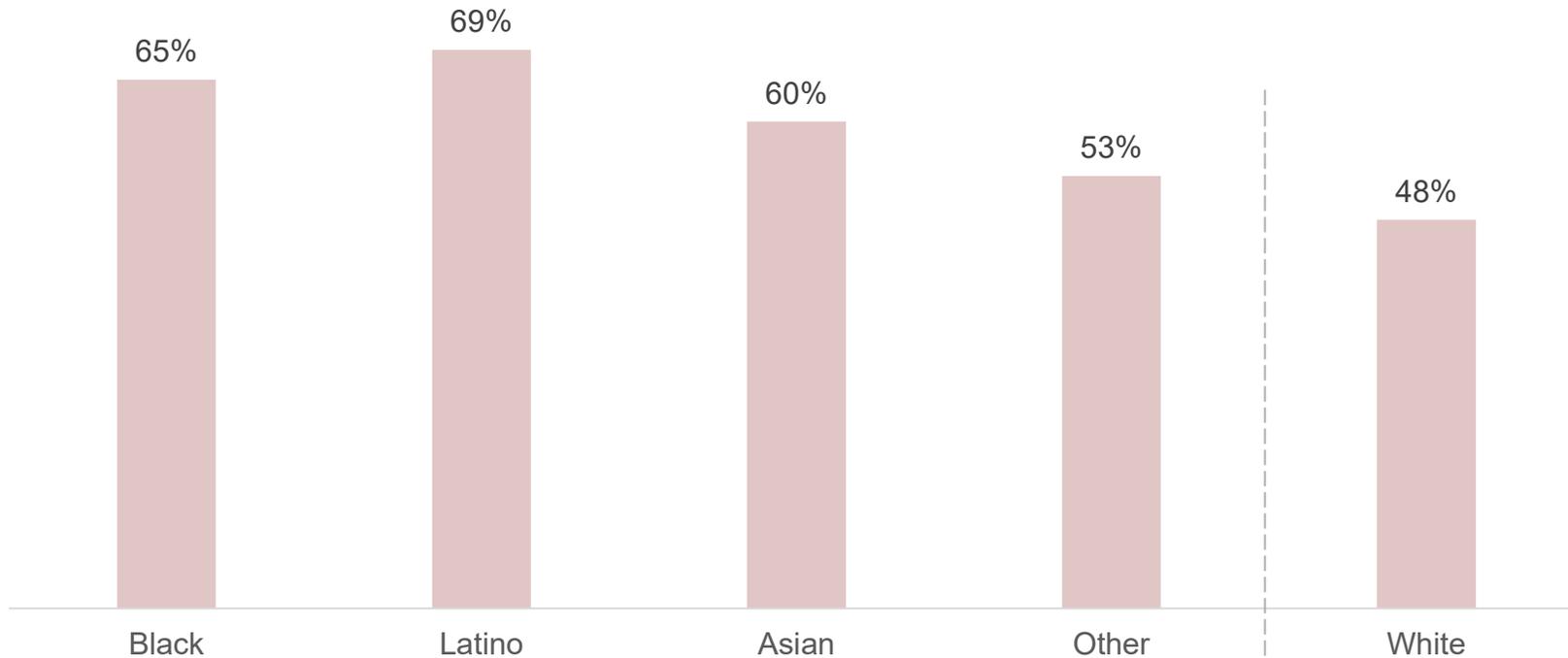
# A HIGHER PROPORTION OF MEDICARE ADVANTAGE ENROLLEES ARE BLACK AND LATINO COMPARED TO FFS MEDICARE ENROLLEES

## Race and Ethnicity of Medicare Beneficiaries by Program



# LATINO, BLACK, AND ASIAN MEDICARE BENEFICIARIES ARE MORE LIKELY TO ENROLL IN MEDICARE ADVANTAGE THAN WHITE BENEFICIARIES

## Medicare Advantage Penetration Rate by Race and Ethnicity



**Note:** Because beneficiaries must have both Medicare Part A and B to enroll in Medicare Advantage (Part C), this figure is limited to Medicare beneficiaries in both Parts A & B to establish the penetration of Medicare Advantage. The overall Medicare Advantage penetration rate for beneficiaries with both Parts A & B is 51%. The overall Medicare Advantage penetration rate for those with Part A, Part B, or both A & B, is 48%.

# ACROSS RACE AND ETHNICITY, A HIGHER PROPORTION OF MEDICARE ADVANTAGE ENROLLEES REPORT LOW INCOMES COMPARED TO ENROLLEES IN FFS MEDICARE

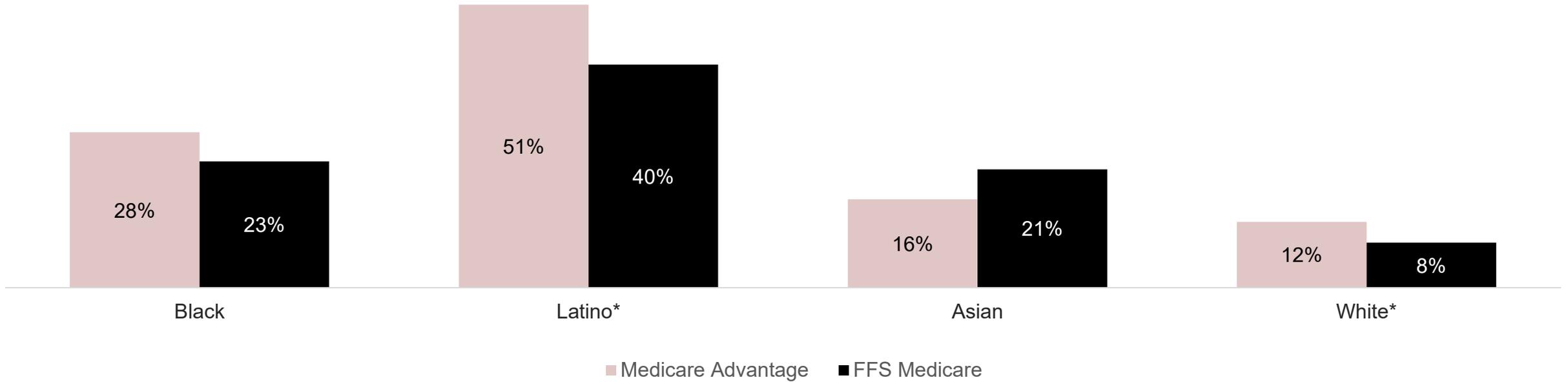
## Reported Income of Medicare Beneficiaries by Race, Ethnicity, and Program





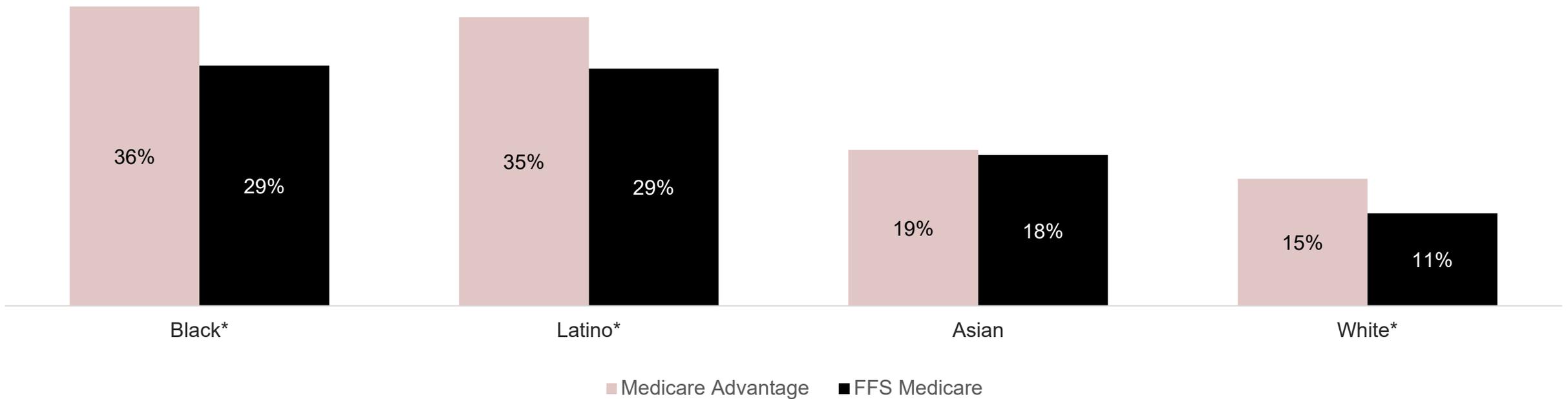
AMONG LATINO AND WHITE BENEFICIARIES, A HIGHER PROPORTION OF ENROLLEES IN MEDICARE ADVANTAGE REPORT NOT RECEIVING A HIGH SCHOOL DIPLOMA THAN THOSE IN FFS MEDICARE

Reported Rate of Medicare Beneficiaries Not Receiving a High School Diploma by Race, Ethnicity, and Program



# AMONG BLACK, LATINO, AND WHITE BENEFICIARIES, MEDICARE ADVANTAGE ENROLLEES REPORT HIGHER RATES OF FOOD INSECURITY THAN THOSE IN FFS MEDICARE

## Reported Food Insecurity of Medicare Beneficiaries by Race, Ethnicity, and Program



## → Where do Medicare Advantage enrollees live and how does that impact their health?

| Social Vulnerability <sup>1</sup>  | Data Findings  |
|--|--|
|  <p>Across race and ethnicity, Medicare Advantage enrollees are <b>more likely to live in socially vulnerable counties</b> than FFS Medicare enrollees.</p>  | <ul style="list-style-type: none"> <li>→ Medicare Advantage enrollees are 19% more likely than those in FFS Medicare to live in socially vulnerable counties.</li> <li>→ Race and ethnicity is a major indicator of whether a beneficiary lives in a socially vulnerable county; among beneficiaries of color, Medicare Advantage enrollees are 14% more likely than FFS Medicare enrollees to live in socially vulnerable counties.</li> </ul>  |
| Climate Change   | Data Findings  |
|  <p>Natural disasters and climate change impact individuals' health. A greater proportion of <b>Medicare Advantage enrollees live in counties at high risk for negative impacts of natural hazards than those in FFS Medicare.</b></p> | <ul style="list-style-type: none"> <li>→ Medicare Advantage enrollees are 20% more likely than those in FFS Medicare to live in counties at high risk for negative impacts of natural hazards, for example floods, wildfires, and droughts.<sup>2</sup></li> <li>→ Community resiliency<sup>3</sup> is a key part of mitigating the adverse health impacts of natural disasters. Across race and ethnicity, Medicare Advantage enrollees are five percentage points less likely than those in FFS Medicare to live in natural-disaster resilient communities.</li> </ul> |

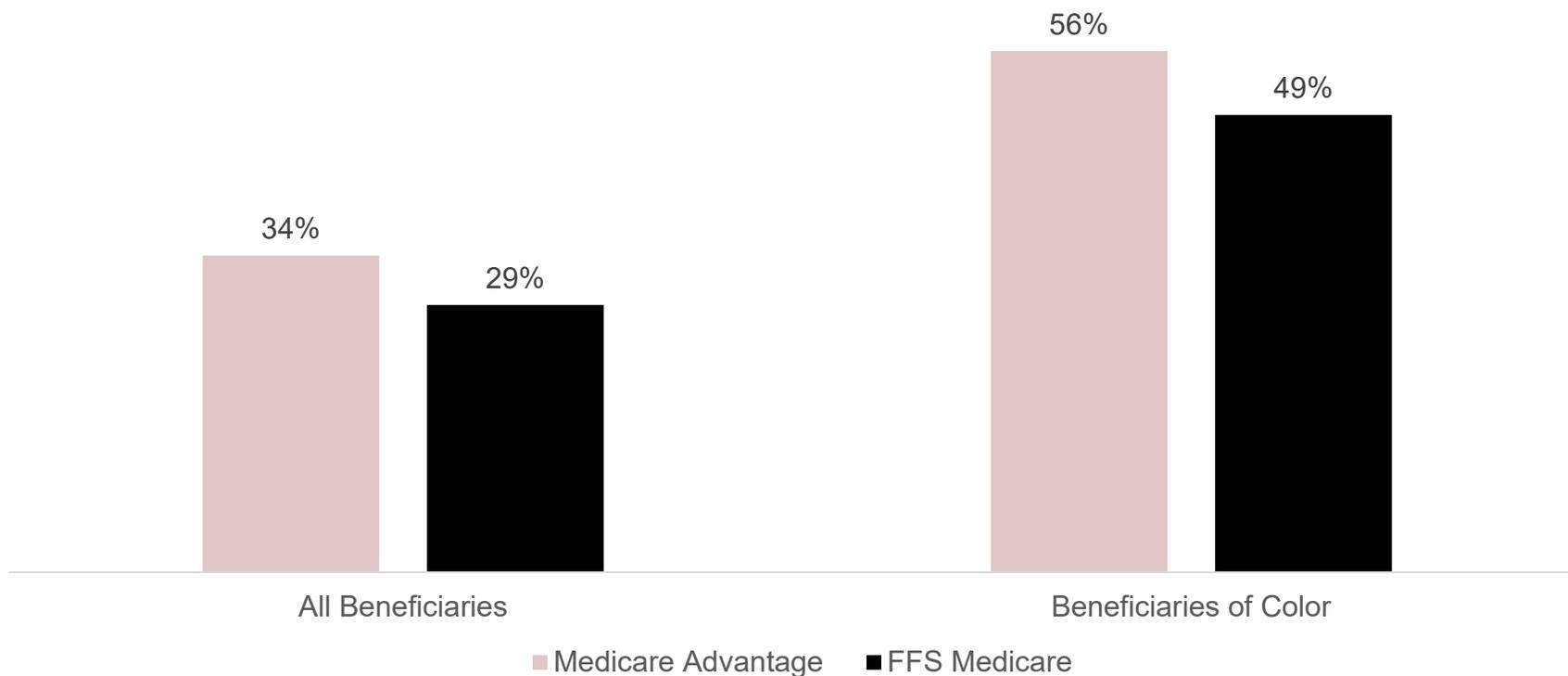
1. Social Vulnerability Index: estimates the potential negative impact of external stressors, like natural or human-caused disasters, on communities.

2. Natural Risk Index: the potential for negative impacts as a result of a natural hazard (FEMA).

3. Community Resiliency: the ability of a community to prepare for anticipated natural hazards, adapt to changing conditions, and withstand and recover rapidly from disruptions (FEMA).

# ACROSS RACE AND ETHNICITY, MEDICARE ADVANTAGE ENROLLEES ARE MORE LIKELY TO LIVE IN SOCIALLY VULNERABLE COUNTIES THAN THOSE IN FFS MEDICARE

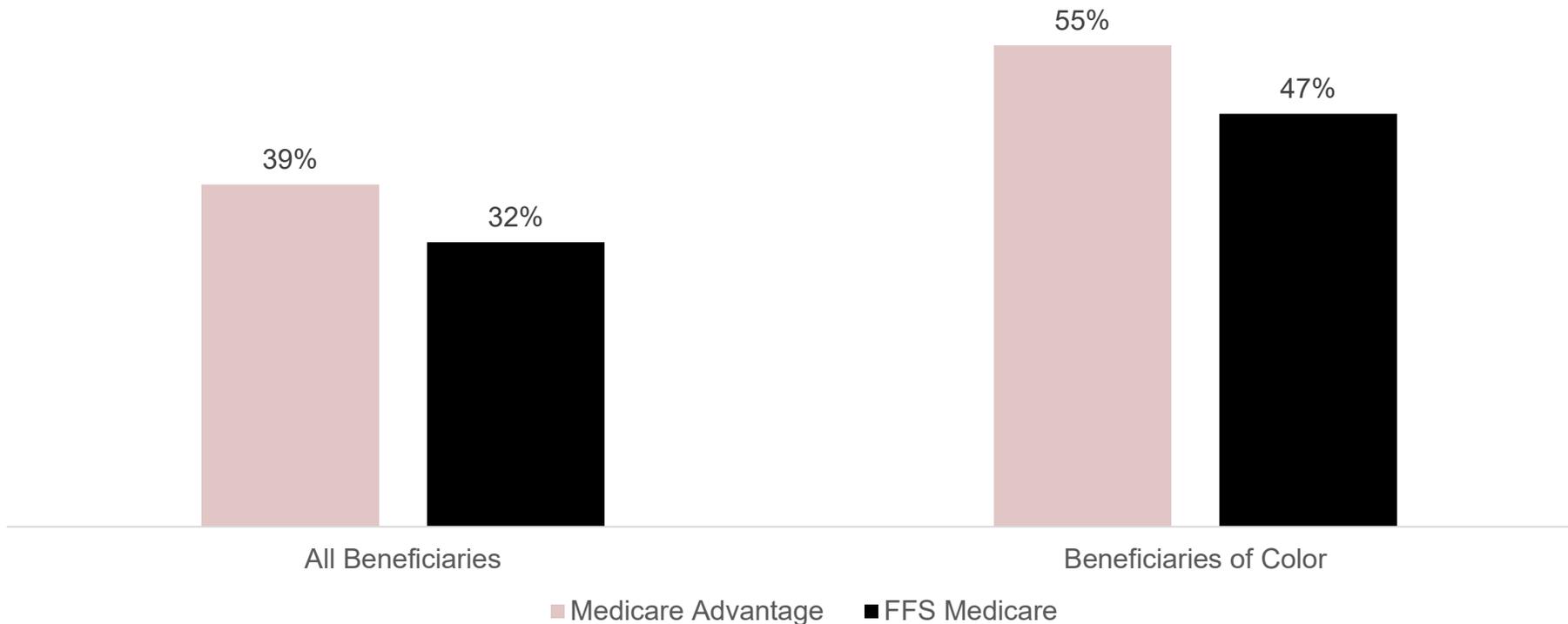
## Percent of Beneficiaries Living in Most Socially Vulnerable 25% of Counties, by Race, Ethnicity, and Program



→ **Social Vulnerability Index** is the potential negative effects on communities caused by external stresses on human health like disasters, or disease outbreaks.

# ACROSS RACE AND ETHNICITY, MEDICARE ADVANTAGE ENROLLEES ARE MORE LIKELY THAN FFS MEDICARE ENROLLEES TO LIVE IN COUNTIES AT HIGH RISK FOR NATURAL HAZARDS

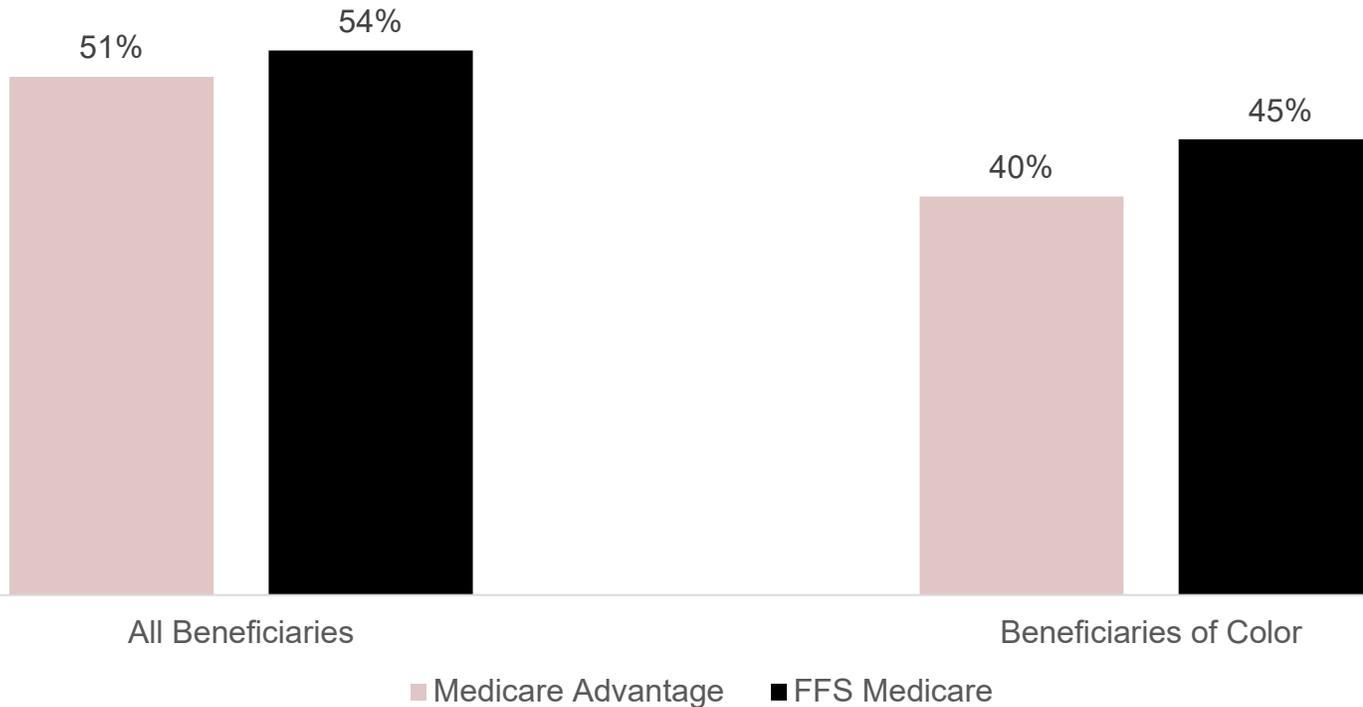
Percent of Beneficiaries Living in a County with a “Relatively High” or “Very High” Risk of Natural Hazards, by Race, Ethnicity, and Program



→ **National Risk Index** is defined as the potential for negative impacts as a result of a natural hazard.

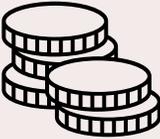
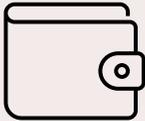
# ACROSS RACE AND ETHNICITY, MEDICARE ADVANTAGE ENROLLEES ARE LESS LIKELY THAN FFS MEDICARE ENROLLEES TO LIVE IN COUNTIES WITH HIGH COMMUNITY RESILIENCE

## Percent of Beneficiaries Living in a County with “Relatively High” or “Very High” Community Resilience, by Race, Ethnicity, and Program



→ **Community Resilience** is the ability of a community to prepare for anticipated natural hazards, adapt to changing conditions, and withstand and recover rapidly from disruptions.

→ How does spending on health care vary across race, ethnicity, and program?

| Health Care Spending <sup>1</sup>   | Data Findings   |
|---|---|
|  <p>Across race and ethnicity, Medicare beneficiaries enrolled in Medicare Advantage <b>spend less on their health care expenses</b> than those in FFS Medicare.</p>                     | <p>→ The difference between what the average Medicare Advantage enrollee and the average FFS Medicare enrollee spent on health care premiums and out-of-pocket health care spending in a year is largest among white beneficiaries, followed by Asian beneficiaries who spent \$1,607 less in Medicare Advantage, then Latino beneficiaries who spent \$1,334 less, and Black beneficiaries who spent \$1,153 less.</p> |
| Cost Burden <sup>2</sup>  | Data Findings   |
|  <p>Among Black, Latino, and white beneficiaries, those enrolled in Medicare Advantage <b>are less likely to be burdened by their health care costs</b> than those in FFS Medicare.</p> | <p>→ Differences in rates of cost burden between Medicare Advantage and FFS Medicare are most notable among Black and white enrollees, who are 70% and 74% respectively less likely to be cost burdened if enrolled in Medicare Advantage.</p>  |

# ACROSS RACE AND ETHNICITY, MEDICARE ADVANTAGE ENROLLEES SPEND LESS ON THEIR HEALTH CARE THAN THOSE IN FFS MEDICARE

## Annual Premium and Out of Pocket Health Care Spending of Medicare Beneficiaries by Race, Ethnicity, and Program



### Percent Differences in Health Care Spending Between Medicare Advantage Enrollees and Those in FFS Medicare

| Black | Latino | Asian | White |
|-------|--------|-------|-------|
| 36%   | 41%    | 41%   | 33%   |

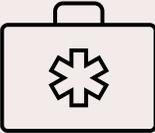


# AMONG BLACK, LATINO, AND WHITE BENEFICIARIES, MEDICARE ADVANTAGE ENROLLEES ARE LESS LIKELY TO BE BURDENED BY HEALTH CARE COSTS THAN THOSE IN FFS MEDICARE

## Cost Burden Among Medicare Beneficiaries by Race, Ethnicity, and Program

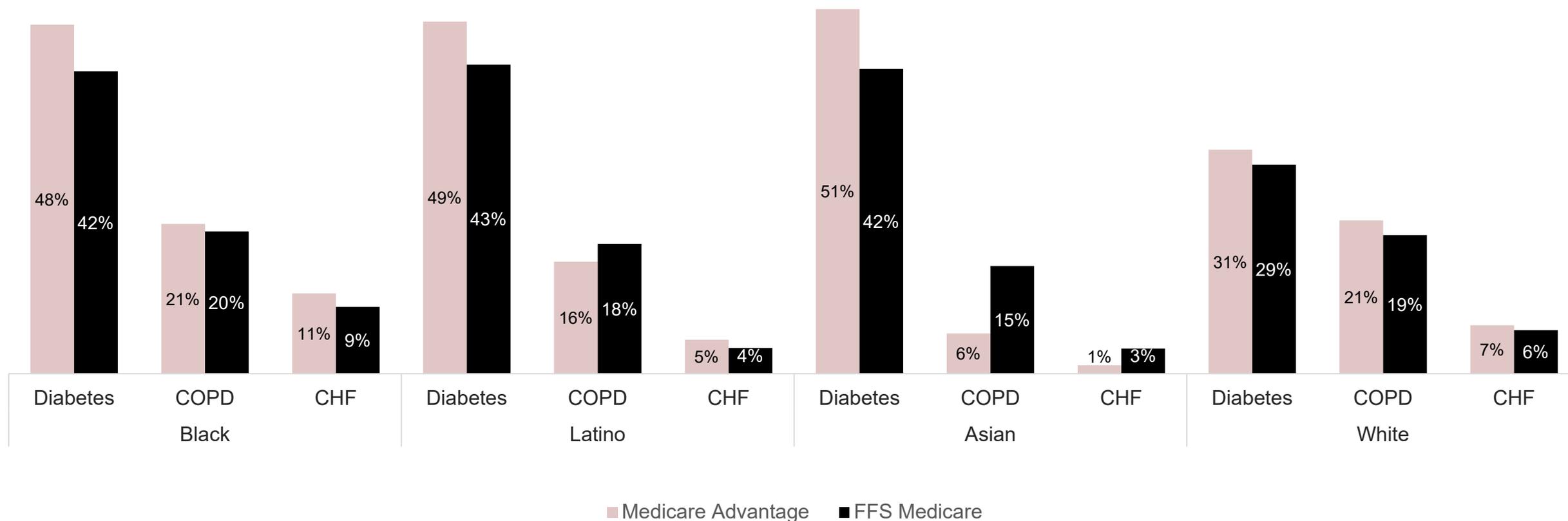


→ How do Medicare Advantage and FFS Medicare serve enrollees with similar health care needs?

| Preventative Care  | Data Findings   |
|--|---|
|  <p>Across race and ethnicity, Medicare Advantage enrollees report <b>receiving preventative care at similar or higher rates</b> to FFS Medicare enrollees.</p> | <ul style="list-style-type: none"> <li>→ Among Black and white beneficiaries, Medicare Advantage enrollees are more likely to report having a usual source of care than those in FFS Medicare.</li> <li>→ Black, Latino, and white Medicare Advantage enrollees are more likely to report having their blood pressure checked in the past year than those in FFS Medicare.</li> </ul> |
| Care Quality   | Data Findings   |
|  <p>Despite social and economic differences between enrollees in the two programs, reported <b>care quality is similar</b>.</p>                                | <p>Across race, ethnicity, and program, Medicare beneficiaries report similar levels of:</p> <ul style="list-style-type: none"> <li>→ Being able to understand Medicare</li> <li>→ Satisfaction with health care quality</li> <li>→ Satisfaction with the ease of getting to the doctor</li> </ul>  |

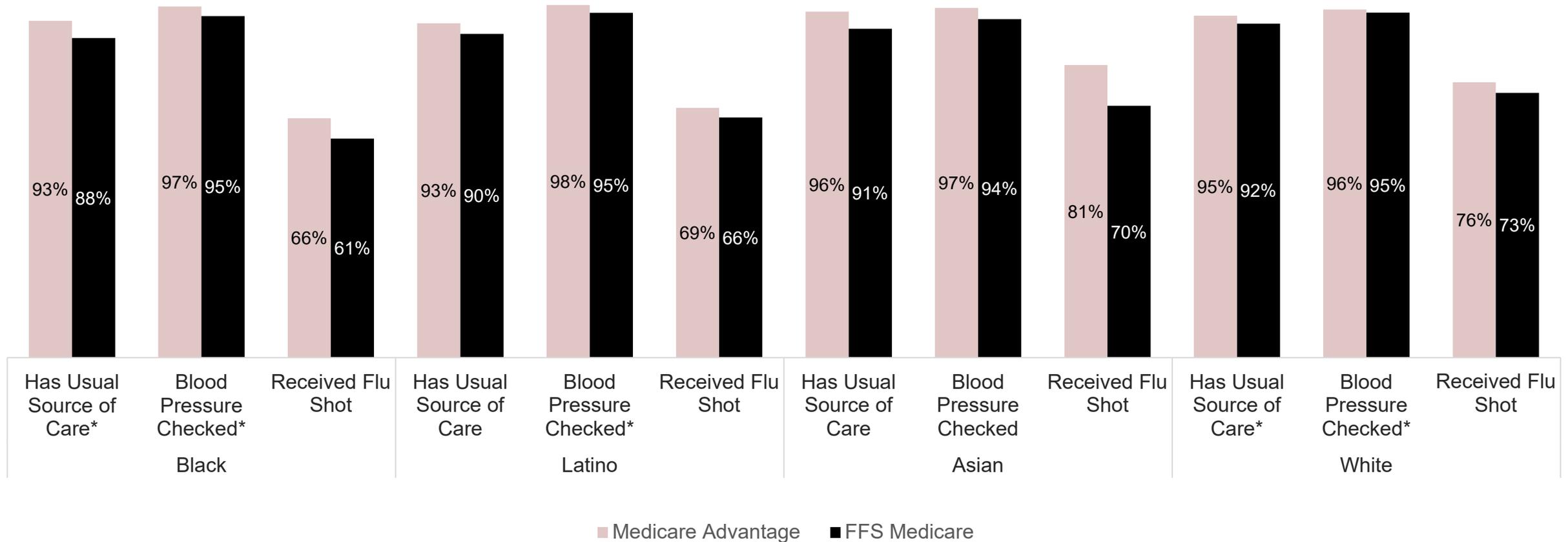
# ACROSS RACE AND ETHNICITY, REPORTED RATES OF CHRONIC CONDITIONS ARE SIMILAR IN MEDICARE ADVANTAGE AND FFS MEDICARE

## Reported Prevalence of Chronic Conditions Among Medicare Beneficiaries by Race, Ethnicity, and Program



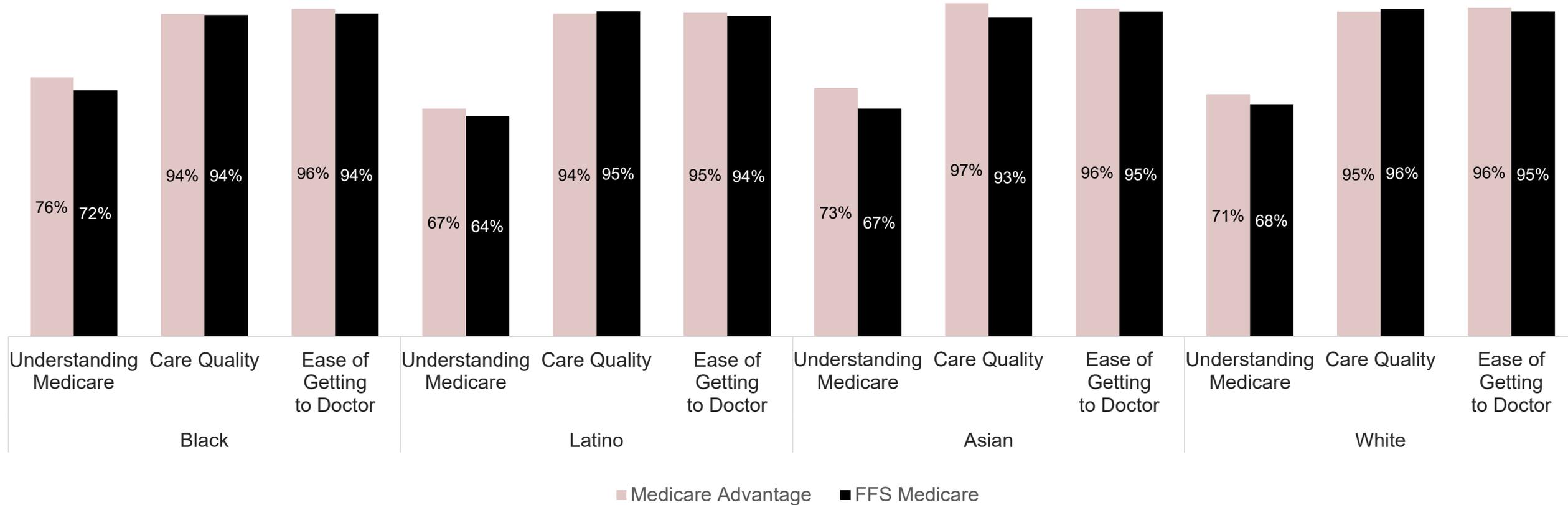
# ACROSS RACE AND ETHNICITY, REPORTED RATES OF PREVENTATIVE CARE ARE SIMILAR IN MEDICARE ADVANTAGE AND FFS MEDICARE

## Reported Preventative Care Utilization of Medicare Beneficiaries by Race, Ethnicity, and Program<sup>1</sup>



# ACROSS RACE AND ETHNICITY, REPORTED QUALITY OF CARE IS SIMILAR IN MEDICARE ADVANTAGE AND FFS MEDICARE

## Reported Satisfaction with Care Experience by Medicare Beneficiaries by Race, Ethnicity, and Program



2017-2020 Medicare Current Beneficiary Survey. \*Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.  
 Understanding Medicare – Reporting finding Medicare “very easy” or “somewhat easy” to understand.  
 Care Quality – Reporting feeling “satisfied” or “very satisfied” with the quality of their health care.  
 Ease of Getting to Doctor – Reporting feeling “satisfied” or “very satisfied” with the ease of getting transportation to the doctor.

→ Medicare Current Beneficiary Survey (MCBS)

- **Statistical significance** was measured at a p-value of 0.05 using Fays method with a value of 0.30.
- The MCBS is weighted to be nationally representative of the Medicare population each year. Point estimates can be interpreted as the midpoint of the pooled study period, from 2017-2020.

| Unweighted Sample Size |       |        |       |        |
|------------------------|-------|--------|-------|--------|
| Program                | Black | Latino | Asian | White  |
| Medicare Advantage     | 3,202 | 3,434  | 375   | 17,416 |
| FFS Medicare           | 3,220 | 2,510  | 624   | 29,471 |

→ Master Beneficiary Summary File (MBSF)

- **Statistical significance testing** was not needed because the data set is representative of the entire Medicare population.

Key Definitions

**Fee-For-Service (FFS) Medicare Enrollee**

→ An individual with Medicare coverage not enrolled in Medicare Part C. They may have a Medigap plan or other additional type of coverage.

**Medicare Advantage Enrollee**

→ An individual with at least one month of coverage under Medicare Advantage during the study year, using CMS-derived variables that describe Medicare managed care membership.

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