

# BETTER MEDICARE

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### What They Are Saying About America's Healthcare Use

*Across the board, healthcare stakeholders have seen an increase in healthcare utilization.*

- **PWC:** "With the increased demand for home-based services and virtual care, the healthcare delivery system has reached a new phase. Plans are factoring in higher utilization of less expensive care settings and virtual care when pricing their 2023 plans and beyond, helping plans offset the trend inflators."
- **Healthcare Dive:** "Even if employment in the healthcare sector stabilizes next year, health plans are still expected to feel the blow as demand for care increases utilization. Both UnitedHealth and Humana recently flagged higher outpatient utilization than expected after patients delayed nonessential care during the pandemic."
- **Peterson KFF Health System Tracker:** "The number of physician visits per person is rebounding. ... Using data private insurers report to the National Association of Insurance Commissioners, it appears the number of physician encounters per person has mostly rebounded to pre-pandemic levels."
- **Center for Medicare and Medicaid Services (CMS):** "Faster projected growth in utilization and health care prices in 2023 leads to a 7.7% increase in private health insurance spending."
- **Altarum:** "Personal health care spending growth in November was 7.3%, year over year, and continues to be dominated by growth in utilization rather than increases in prices."
- **Fitch Ratings:** "An increase in utilization beginning in 2023, driven in large part by the return of elective procedures that were deferred during the pandemic, has placed upward pressure on medical loss ratios for the MA business, and new rules around prior authorizations will likely further increase costs."
- **FAIR Health:** "Telehealth utilization increased nationally and in every US census region in November 2023, according to FAIR Health's Monthly Telehealth Regional Tracker."
- **Medscape:** "By the end of August 2022, overall use of mental health services was almost 40% higher than before the COVID-19 pandemic, while spending increased by 54%, according to a new study by researchers at the RAND Corporation."

*An aging population with more ailments has driven up healthcare utilization, and this trend will only accelerate in coming years.*

- **American Hospital Association:** "In recent years, health care spending growth has largely been driven by increased use and intensity of services. An aging population uses more health care. Between 2000 and 2020, the U.S. population aged 65 and up increased 60%; from 2020 to 2040, it is expected to increase another 44%. Over half of

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American adults have been diagnosed with at least one chronic condition such as diabetes and heart disease, and a quarter (27%) have two or more chronic conditions."

- **[U.S. Department of Health and Human Services](#)**: "Older adults' health and well-being also has broader implications for society. People age 65 years and older made up 17 percent of the population in 2020. By 2040, that number is expected to grow to 22 percent. An aging population means higher use of health care services and a greater need for family and professional caregivers."
- **[Institute of Medicine Committee on the Future Health Care Workforce for Older Americans](#)**: "Over the coming decades, the total number of Americans ages 65 and older will increase sharply. As a result, an increasing number of older Americans will be living with illness and disability, and more care providers and resources will be required to meet their needs for health care services."
- **[AHIP](#)**: "Recent months have seen a clear spike in seniors' care utilization that is widely expected to continue into 2025. Reports indicate that the return of elective procedures deferred during the pandemic has been one key driver. Moreover, the Medicare Trustees recently reported they expect Medicare costs on a per capita basis to grow 5.8% for 2025."

*Medicare Advantage beneficiaries have lower utilization rates than traditional Medicare beneficiaries but are also more likely to receive preventative care services.*

- **[Harvard-Inovalon Medicare Study](#)**: "We found that MA has substantially lower utilization and expenditures than FFS, even after rigorously adjusting for member enrollment differences across the two programs, including baseline demographic, clinical, and social risk factors. MA enrollees have in excess of 50% fewer inpatient stays and 22% fewer emergency doctor (ED) visits. At the same time, we found that MA has comparable amounts of primary and routine care relative to FFS, with only 7% fewer primary care provider (PCP) visits and similar prescription drug utilization. Consistent with the lower utilization, we found that overall healthcare costs, in terms of price-normalized total health expenditures, are 12% lower under MA than FFS."
- **[KFF](#)**: "Medicare Advantage enrollees were more likely than beneficiaries in traditional Medicare to receive preventive care services, such as annual wellness visits and routine checkups, screenings, and flu or pneumococcal vaccines, based on several studies, with similar findings for people of color and beneficiaries under age 65. ... Medicare Advantage enrollees had fewer medical provider visits overall, but more primary care visits per person, based on four of the six studies we reviewed that compared the number of provider visits between beneficiaries enrolled in Medicare Advantage and traditional Medicare."
- **[The United States Renal Data System \(USRDS\) Annual Data Report \(via Healio.com\)](#)**: "As part of the presentation about morbidity, the USRDS debuted a

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comparison of hospitalization rates among patients with advanced CKD in the traditional Medicare vs. Medicare Advantage programs, albeit during calendar year 2020. Notably, in patients with CKD stage 4, the adjusted hospitalization rate in the traditional Medicare program was 741 admissions per 1,000 person-years, while the corresponding rate in the Medicare Advantage program was only 599 admissions per 1,000 patient-years."

- **[Avalere Chronic Conditions Research](#)**: "MA beneficiaries in the condition subgroups had slightly higher rates of physician office visits, with MA beneficiaries having 11.0-12.0 visits per year, compared to 10.1-10.5 visits per year among FFS beneficiaries."