EXPLORING RURAL BENEFICIARY EXPERIENCES ACROSS MEDICARE ADVANTAGE AND FFS MEDICARE

May 2024

BETTER MEDICARE ALLIANCE | ATI Advisory

ABOUT THIS WORK

BACKGROUND

Better Medicare Alliance engaged ATI Advisory to understand Medicare beneficiaries who live in rural areas and how they are served across Medicare Advantage and Fee-for-Service (FFS) Medicare.

➔ Understanding geographic differences in beneficiary experiences is important to both the Medicare Advantage and FFS Medicare program. This research can help policymakers and stakeholders identify opportunities to improve access to and quality of rural health care.

ABOUT THIS WORK

GEOGRAPHY

is defined by Rural-Urban Commuting Area (RUCA) codes, which consider commuting patterns. Codes are grouped into the following categories (see map for more details):

- 49.5 million Medicare beneficiaries live in an **Urban Area**, e.g., Boston, MA or Raleigh, NC.
- 5.8 million Medicare beneficiaries live in a Rural Large Town/City, referred to as a **Large Town/Small City**, e.g., Haleiwa, HI or Florence, AZ, in this analysis.
- 5.3 million Medicare beneficiaries live in a Small/Isolated Rural Town, referred to as a **Rural Area**, e.g., Julian, CA or Gould, OK, in this analysis.

PROGRAM

This analysis compares the two programs, Medicare Advantage and Fee for Service (FFS) Medicare.

DATA SOURCES

ATI used the following data sources for this work:

- **Medicare Current Beneficiary Survey (MCBS):** This survey of ~14,000 Medicare 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 rural beneficiaries.
- **Master Beneficiary Summary File (MBSF):** The September 2023 MBSF provides data on program enrollment by geography.

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, key definitions, and a map of geography classification.

KEY TAKEAWAYS

ENROLLMENT

Medicare Advantage enrollees are 30% less likely to live in rural areas than those in FFS Medicare. Individuals living in rural areas have an average of 27 Medicare Advantage plans to choose from.

DEMOGRAPHICS

Within rural areas, Medicare Advantage enrollees are more likely than those in FFS Medicare to be Black or Latino but, across programs, beneficiaries living in rural areas have similar social, medical, and functional needs.

CARE EXPERIENCE AND UTILIZATION

Across programs, beneficiaries living in rural areas report similar satisfaction with the quality of their health care on a variety of metrics. However, utilization varies; Medicare Advantage enrollees are more likely to report using key preventative care services and are less likely to report having an outpatient visit than those in FFS Medicare.

COST

Across geography, Medicare Advantage enrollees spend less on health care premiums and out-of-pocket costs than those in FFS Medicare. Relative to income, this difference in health care spending is largest between Medicare Advantage and FFS Medicare enrollees among beneficiaries living in rural areas.

Among beneficiaries living in rural areas, Medicare Advantage enrollees are demographically different from this in FFS Medicare.

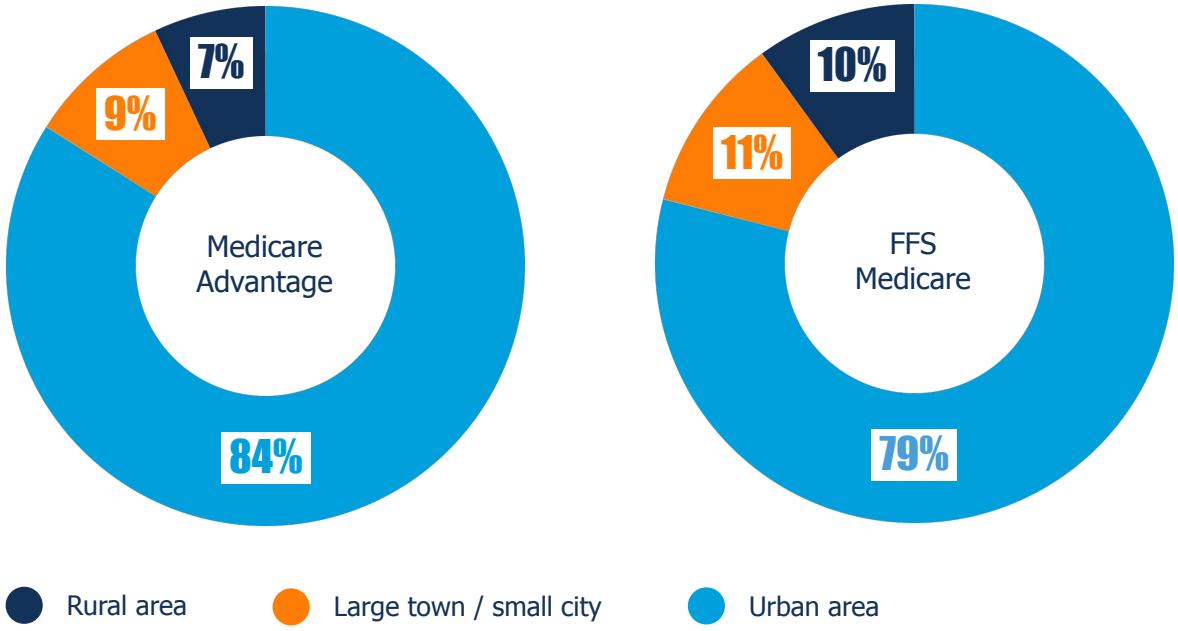
While their care experiences are similar, enrollees in Medicare Advantage spend less on their health care.

SECTION ONE

ENROLLMENT

MEDICARE ADVANTAGE ENROLLEES ARE MORE LIKELY TO LIVE IN URBAN AREAS

FIGURE: Geographic distribution of Medicare Advantage beneficiaries, by program

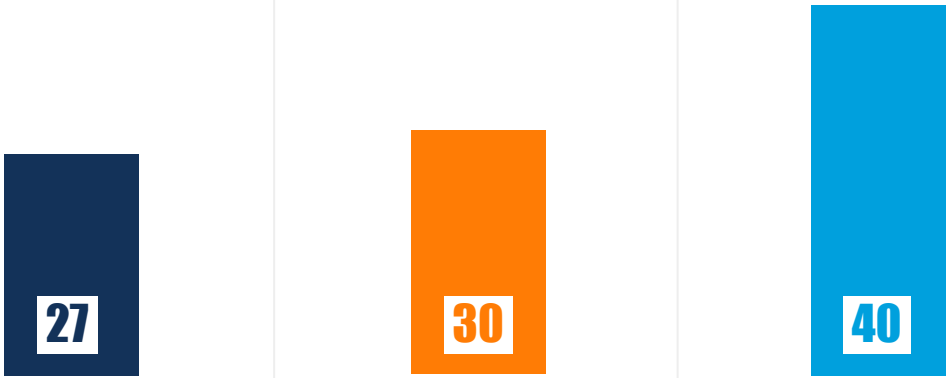


ATI analysis of September 2023 MBSF.

Data is inclusive of the full Medicare population, therefore tests for statistical significance are not needed. Note, data and interpretations are reflective of September 2023 only.

MEDICARE BENEFICIARIES IN RURAL AREAS HAVE NEARLY THIRTY MEDICARE ADVANTAGE PLANS TO CHOOSE FROM

FIGURE: Average number of Medicare Advantage plan choices a Medicare beneficiary has, by geography



ATI Advisory analysis of the September 2023 MBSF. Plan count data is from CMS. The count of Medicare Advantage plans is limited to plans all beneficiaries have access to excluding savings plans, therefore excludes SNP, PACE, MMP, EGWP, HCPP and MSA plans.

Data is inclusive of the full Medicare population, therefore tests for statistical significance are not needed. Note, data and interpretations are reflective of September 2023 only.

SECTION TWO

DEMOGRAPHICS

DEMOGRAPHICS AND ATTRIBUTES: IN RURAL AREAS, HOW DOES THE PROFILE OF MEDICARE ADVANTAGE ENROLLEES COMPARE TO THE PROFILE OF THOSE IN FFS MEDICARE

SIMILARITIES

Within rural areas, those in Medicare Advantage and FFS Medicare experience **similar social, functional, and medical needs.**

DATA FINDINGS:

Across programs, Medicare beneficiaries in rural areas are similarly likely to report key characteristics:

- Having key chronic conditions
- Living alone
- Experiencing food insecurity
- Having difficulty with activities of daily living

DIFFERENCES

Among Medicare beneficiaries in rural areas, Medicare Advantage enrollees are **more likely to be Black or Latino** than those in FFS Medicare.

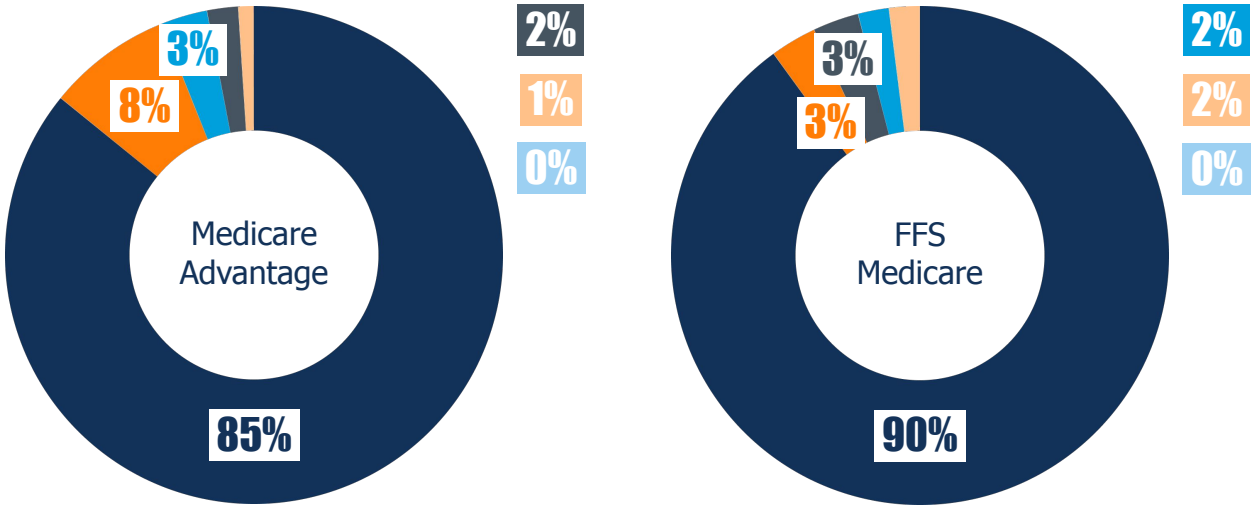
DATA FINDINGS:

- Among beneficiaries in rural areas, Medicare Advantage enrollees are nearly three times as likely to be Black compared to those in FFS Medicare.

AMONG MEDICARE BENEFICIARIES IN RURAL AREAS, THOSE IN MEDICARE ADVANTAGE ARE MORE LIKELY THAN THOSE IN FFS MEDICARE TO BE BLACK OR LATINO

FIGURE:

Race and ethnicity of Medicare beneficiaries living in rural areas, by program



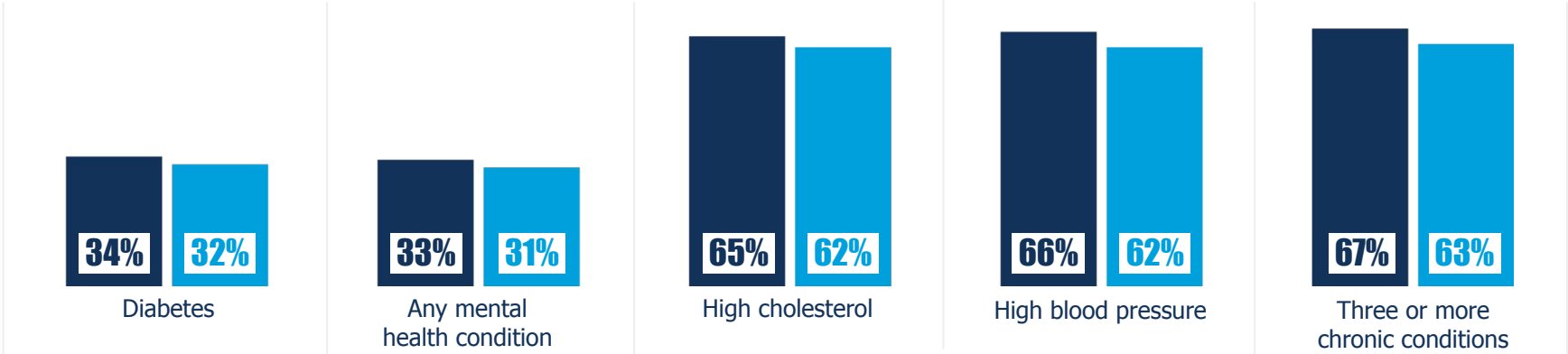
ATI Advisory analysis of September 2023 MBSF.

Data is inclusive of the full Medicare population, therefore tests for statistical significance are not needed. Note, data and interpretations are reflective of September 2023 only.

IN RURAL AREAS, RATES OF REPORTED CHRONIC CONDITIONS ARE SIMILAR ACROSS PROGRAMS

FIGURE:

Reported prevalence of chronic conditions among Medicare beneficiaries in rural areas, by program



ATI Advisory analysis of 2017-2020 MCBS. Community only.
**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

KEY DEMOGRAPHICS AND ATTRIBUTES ARE SIMILAR ACROSS PROGRAMS AMONG MEDICARE BENEFICIARIES LIVING IN RURAL AREAS

FIGURE:

Prevalence of reported demographic or attribute among Medicare beneficiaries in rural areas, by program

Lives alone:

29% 32%

Younger than age 65:

17% 15%

Received some college education:

22% 24%

Food insecure:

22% 17%

Has difficulty with two or more activities of daily living:[1]

17% 17%

Medicare Advantage

FFS Medicare

ATI Advisory analysis of 2017-2020 MCBS. Community only.
1. Activities of daily living include: walking, bathing, transferring in/out of a bed/chair, using the toilet, dressing, and eating.
**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

SECTION THREE

CARE EXPERIENCE AND UTILIZATION

CARE EXPERIENCE AND UTILIZATION: HOW DO MEDICARE ADVANTAGE ENROLLEES AND THOSE IN FFS MEDICARE IN RURAL AREAS EXPERIENCE CARE?

CARE EXPERIENCE

Medicare Advantage and FFS Medicare enrollees in rural areas report **similar rates of positive health care experiences.**

DATA FINDINGS:

Within rural areas, Medicare beneficiaries across programs report a:

- Similar likelihood of having a usual source of care
- Similar level of satisfaction with health care quality
- Similar level of satisfaction with night and weekend health care
- Medicare Advantage enrollees are more likely to report satisfaction with the ease of getting to the doctor than those in FFS Medicare.

CARE UTILIZATION

In rural areas, Medicare Advantage enrollees report **receiving preventative care at similar or higher rates** compared to those in FFS Medicare and have similar emergency department and overnight hospital utilization rates.

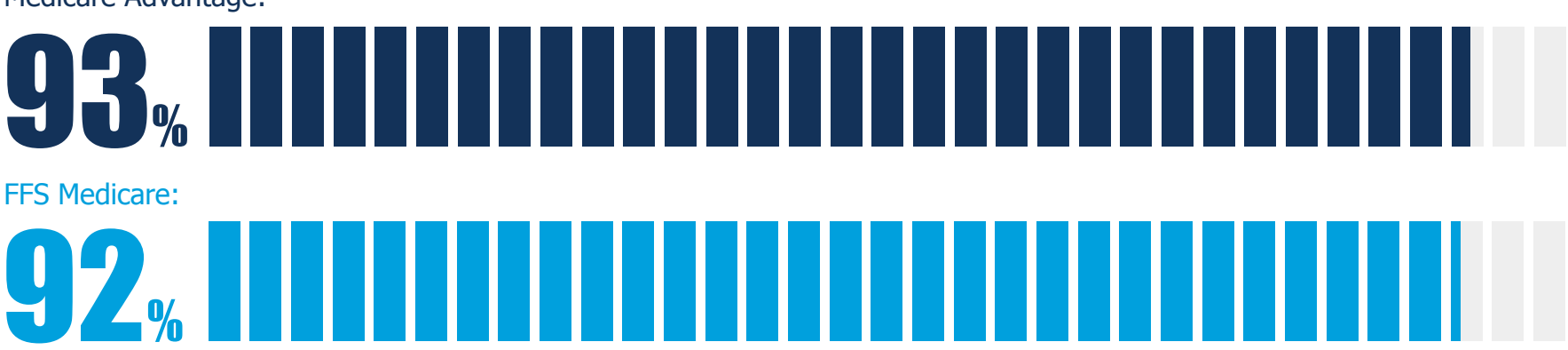
DATA FINDINGS:

- Among Medicare beneficiaries in rural areas, those in Medicare Advantage are 21 percent more likely to report having a mammogram (if applicable) and two percent more likely to report having had their blood pressure checked in the past year compared to those in FFS Medicare.
- While rates of reported emergency department and overnight hospital use were similar across programs for Medicare beneficiaries in rural areas, Medicare Advantage enrollees were less likely to report having an outpatient visit in the past year.

RURAL MEDICARE BENEFICIARIES ARE SIMILARLY LIKELY TO REPORT HAVING A USUAL SOURCE OF CARE ACROSS PROGRAMS

FIGURE:

Percent of Medicare beneficiaries in rural areas reporting having a usual source of care, by program

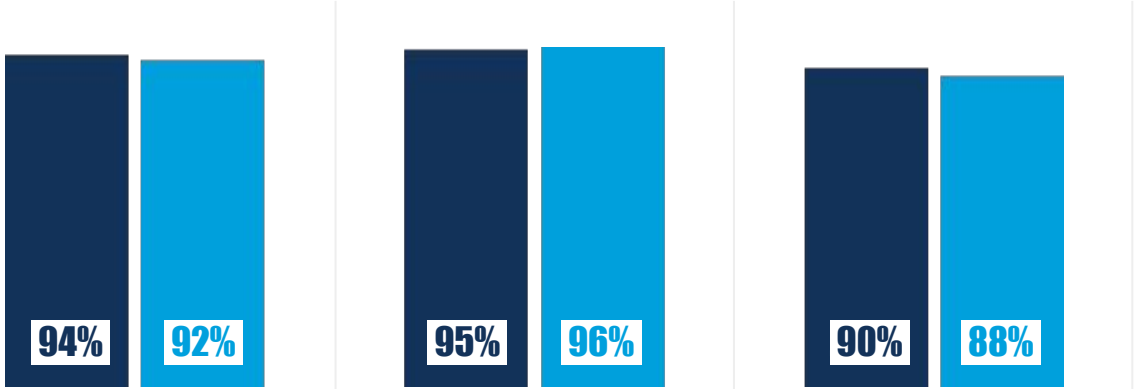


ATI Advisory analysis of 2017-2020 MCBS. Community only.
A usual source of care could be, for example, a primary care provider.
**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

MEDICARE ADVANTAGE ENROLLEES IN RURAL AREAS ARE MORE LIKELY TO REPORT BEING SATISFIED WITH THE EASE OF GETTING TO THEIR DOCTOR THAN THOSE IN FFS MEDICARE

FIGURE:

Health care satisfaction among Medicare beneficiaries in rural areas, by program



ATI Advisory analysis of 2017-2020 MCBS. Community only.

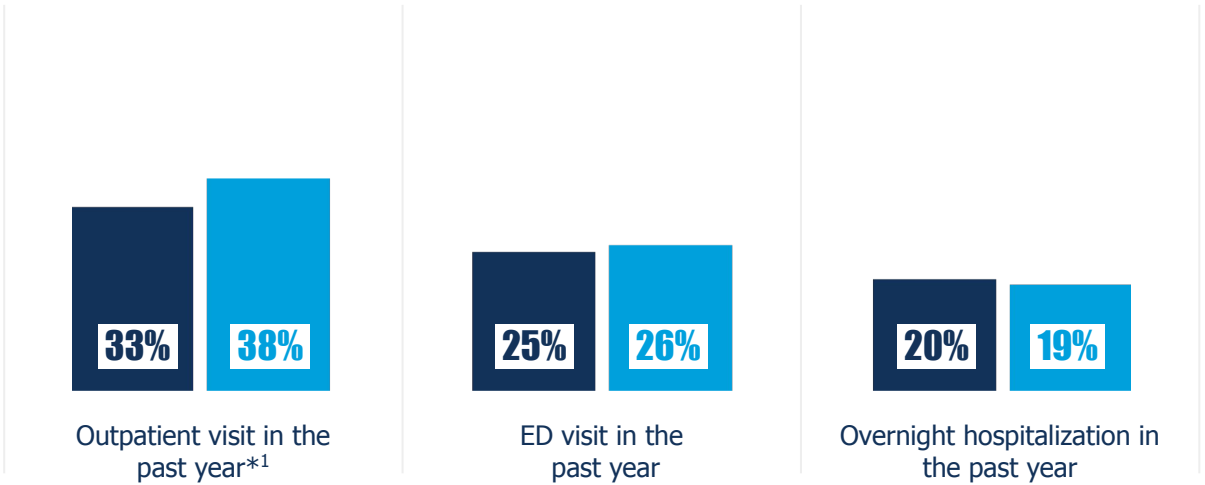
Note, individuals who are "satisfied" report being either "satisfied" or "very satisfied".

**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

AMONG MEDICARE BENEFICIARIES IN RURAL AREAS, MEDICARE ADVANTAGE ENROLLEES ARE LESS LIKELY TO REPORT HAVING AN OUTPATIENT VISIT THAN THOSE IN FFS MEDICARE

FIGURE:

Health care utilization in the past year among Medicare beneficiaries in rural areas, by program



ATI Advisory analysis of 2017-2020 MCBS. Community only.

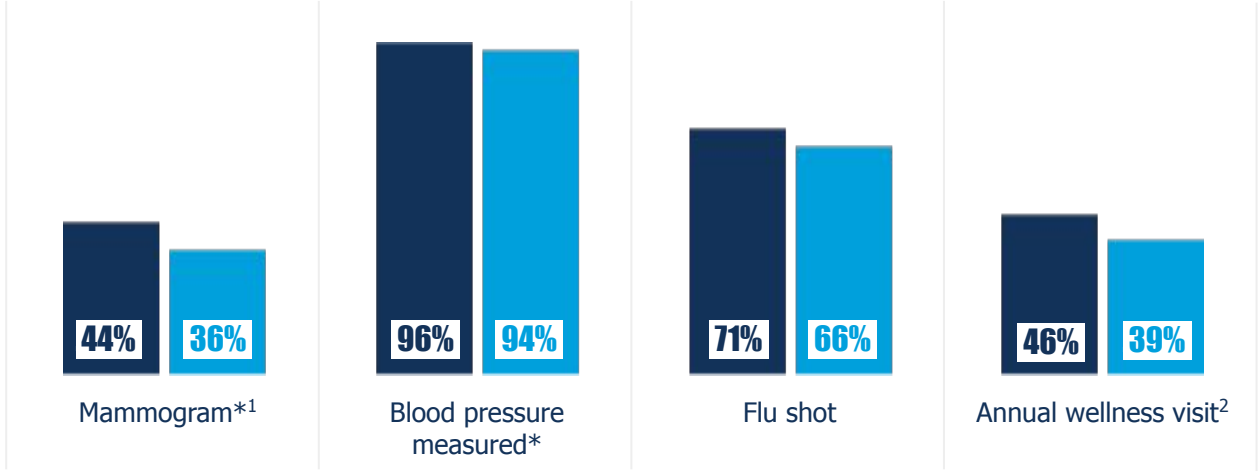
1. "Outpatient visits" include visits to a hospital clinic or outpatient department. It is not inclusive of telehealth.

**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

MEDICARE ADVANTAGE ENROLLEES ARE MORE LIKELY THAN FFS MEDICARE ENROLLEES TO REPORT RECEIVING CERTAIN KEY PREVENTATIVE CARE SERVICES

FIGURE:

Preventative care utilization in the past year among Medicare beneficiaries in rural areas, by program



ATI Advisory analysis of 2017-2020 MCBS. Community only.

1. Questions about receiving a mammogram in the past year are limited to Medicare beneficiaries who report female gender.

2. Annual Wellness Visit data is available for 2020 only, therefore the sample size for this variable is smaller.

**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

SECTION FOUR

COST

COST: HOW DOES SPENDING ON HEALTH CARE VARY BETWEEN MEDICARE ADVANTAGE ENROLLEES AND THOSE IN FFS MEDICARE LIVING IN RURAL AREAS AND ACROSS GEOGRAPHY

HEALTH CARE COST [1]

Across geography, Medicare beneficiaries enrolled in Medicare Advantage **spend less on their health care expenses** than those in FFS Medicare.

DATA FINDINGS:

- Among Medicare beneficiaries in rural areas, the average Medicare Advantage enrollee spends $1,474 less than the average FFS Medicare enrollee on health care premiums and out-of-pocket health care costs.
- In all geographies studied, those in FFS Medicare spent more on healthcare than those in Medicare Advantage, but the difference was greatest among beneficiaries in urban areas.

COST BURDEN [2]

Compared to those in FFS Medicare, Medicare Advantage enrollees are **less likely to be burdened by their health care costs**, especially in rural areas.

DATA FINDINGS:

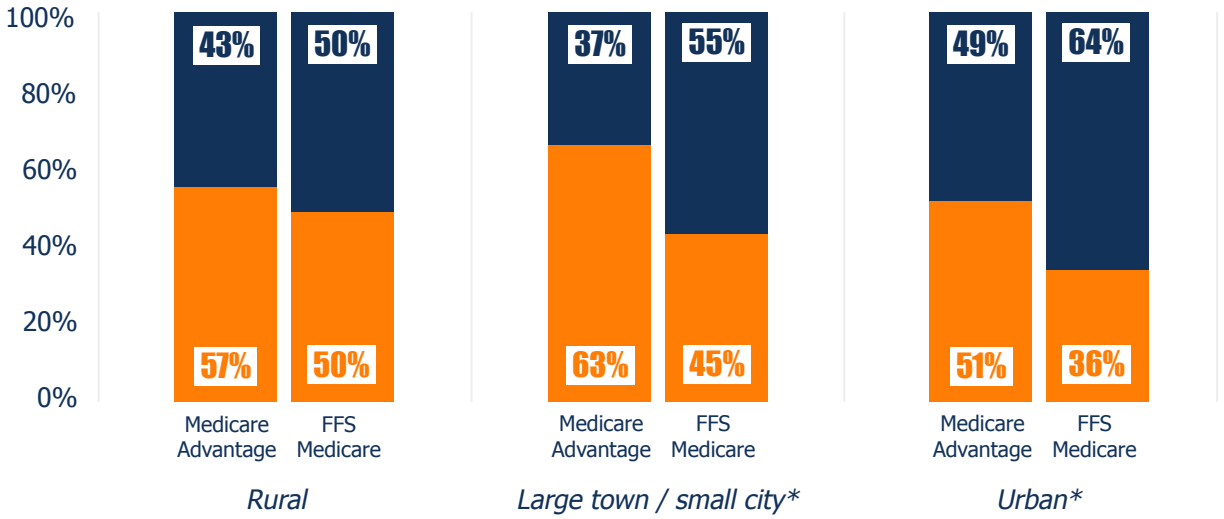
- Within rural areas, Medicare beneficiaries in FFS Medicare are twice as likely to be cost burdened by their health care expenses than those enrolled in Medicare Advantage.
- While Medicare beneficiaries in rural areas are similarly likely to report having an income under 200% FPL[3] across programs, in all other geographies, Medicare Advantage enrollees are more likely to report incomes under 200% FPL compared to those in FFS Medicare.

1. Beneficiary spending encompasses spending on health care outside of the Medicare program, for example, costs related to a premium for a Medigap plan or out-of-pocket expenses for employer-sponsored health insurance. It includes spending on dental, vision, and hearing.
2. Cost burden is defined as spending over 20 percent of income on health care costs.
3. Federal Poverty Level

MEDICARE BENEFICIARIES IN RURAL AREAS ARE SIMILARLY LIKELY TO REPORT LOW INCOMES ACROSS PROGRAMS

FIGURE:

Reported income of rural Medicare beneficiaries, by geography and program



ATI Advisory analysis of 2017-2020 MCBS. Community only.

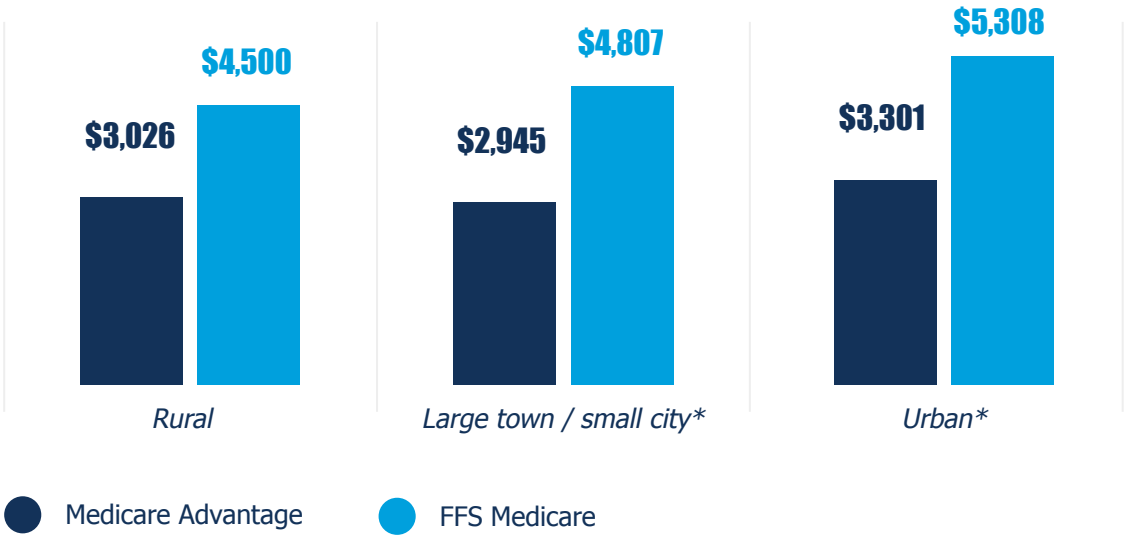
FPL – Federal Poverty Level. For an individual person, 200% FPL was $12,060 in 2017, $12,140 in 2018, $12,490 in 2019, and $12,760 in 2020.

**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

ON AVERAGE, MEDICARE ADVANTAGE ENROLLEES SPEND LESS ON HEALTH CARE COSTS COMPARED TO THOSE IN FFS MEDICARE ACROSS GEOGRAPHY

FIGURE:

Annual premium and out-of-pocket health care costs of Medicare beneficiaries by geography and program



INTERPRETATION:

Those in FFS Medicare spend ___% more on health care costs than Medicare Advantage enrollees.

Rural: **49%**

Urban: **61%**

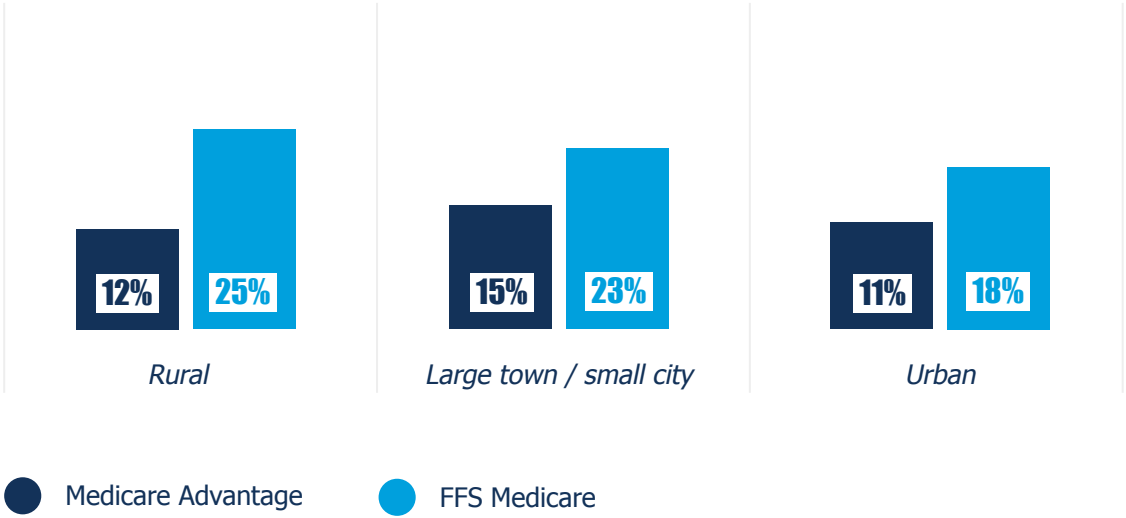
Large town / small city: **63%**

ATI analysis of 2017-2020 MCBS.
**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*
Note: Beneficiary spending encompasses spending on health care outside of the Medicare program, for example, costs related to a premium for a Medigap plan or out-of-pocket expenses for employer-sponsored health insurance. It includes spending on dental, vision, and hearing

MEDICARE ADVANTAGE ENROLLEES ARE HALF AS LIKELY TO BE BURDENED BY HEALTH CARE COSTS THAN THOSE IN FFS MEDICARE IN RURAL AREAS

FIGURE:

Percent of Medicare beneficiaries cost burdened by health care costs, by geography and program



INTERPRETATION:

Those in FFS Medicare are ___% more likely to be burdened by health care costs than Medicare Advantage enrollees.

Rural: **101%**

Urban: **65%**

Large town / small city: **52%**

ATI analysis of 2017-2020 MCBS. Community only.
Cost burden is defined as spending over 20 percent of income on health care costs.
**Significant comparison between Medicare Advantage and FFS Medicare at a p-value of 0.05.*

SECTION FIVE

DETAILED METHODS

DETAILED METHODS

MEDICARE CURRENT BENEFICIARY SURVEY

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	Rural Area	Large Town / Small City	Urban
Medicare Advantage	2,037	1,817	21,118
FFS Medicare	4,480	4,900	27,417

MASTER BENEFICIARY SUMMARY FILE (MBSF)

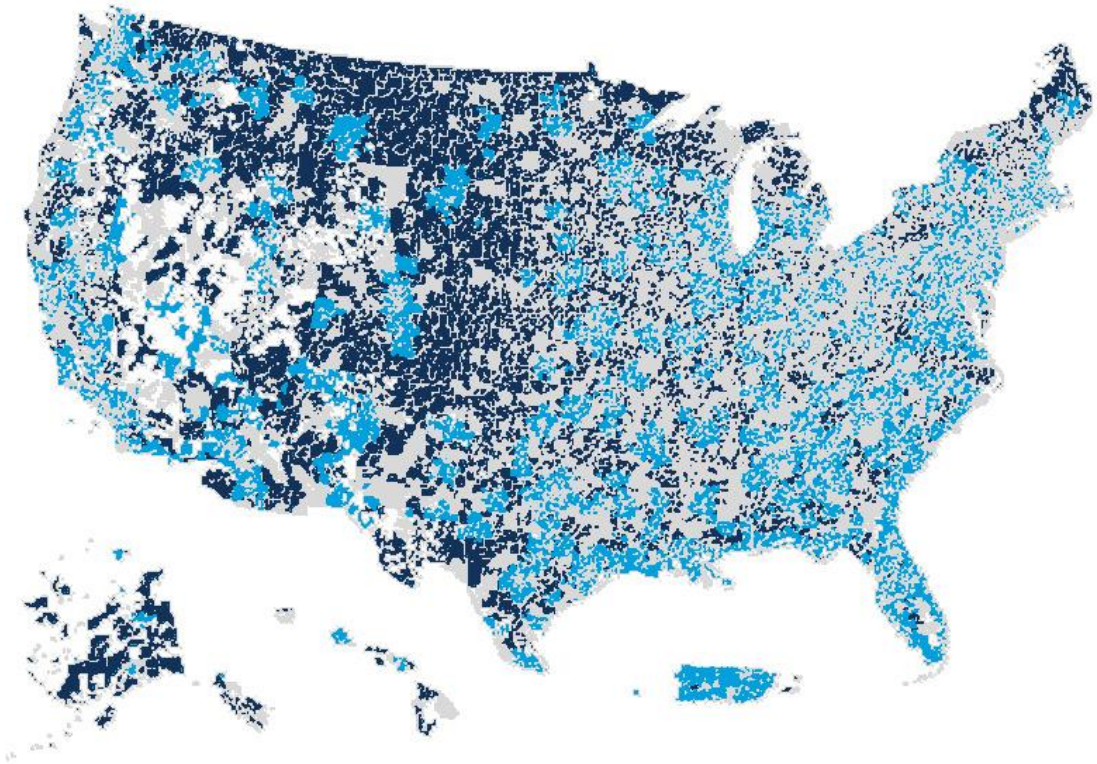
Statistical significance testing was not needed because the data set is representative of the entire Medicare population. Data was limited to individuals with either Part A & B or Part C coverage.

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 year, using CMS administrative data.

RURAL-URBAN COMMUTING AREA (RUCA) GEOGRAPHIC CATEGORIZATION



- Urban
- Large town / small city
- Rural
- No RUCA or ZIP/ Census Track Crosswalk

Note, this analysis identifies RUCA by census tract, however, this map displays RUCA by zip code for a close visual approximation of how geographies are classified.

THANK YOU

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