

Data Analysis Brief:

Managed Care Enrollment Trends among Medicare-Medicaid Beneficiaries and Medicare-only Beneficiaries, 2006 through 2016

*Prepared by CMS Medicare-Medicaid Coordination Office
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Eleven-year Managed Care Enrollment Trends: 2006-2016

OBJECTIVE

This Data Analysis Brief examines monthly point-in-time managed care enrollment trends of Medicare-Medicaid beneficiaries (also known as dual eligible beneficiaries) on a quarterly basis over eleven years. In this brief, we also include the Medicare-only population for comparison purposes. As CMS Medicaid data become more current, we plan to eventually expand our comparative analysis to Medicaid. This report is located at the following CMS website: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Analytics.html>.

SUMMARY OF FINDINGS

This analysis found escalating proportions of individuals enrolled in Medicare managed care among all enrollment groups. The proportion of individuals enrolled in managed care was the highest among partial-benefit Medicare-Medicaid beneficiaries, although full-benefit Medicare-Medicaid beneficiaries exhibited the greatest proportional shift among all groups. Taken together, the overall proportion of all Medicare-Medicaid beneficiaries enrolled in managed care surpassed that of Medicare-only beneficiaries for the first time beginning in 2015.

BACKGROUND

During the past two decades, the Medicare coverage choices available to Medicare-Medicaid beneficiaries have increased significantly, especially with the introduction of the Medicare Advantage (MA) program. Under the Balanced Budget Act of 1997 (BBA), health plan options were expanded to allow private commercial insurers to offer Medicare coverage as an alternative to traditional fee-for-service (FFS) Medicare. Today, these expanded options are collectively known as the “MA program” and include health maintenance organizations (HMOs), provider sponsored organizations (PSOs), preferred provider organizations (PPOs), and private FFS plans (PFFS).¹ Also under the

¹ HMOs and PPOs are managed care plans that have provider networks and can vary plan offerings, premiums, and benefits by county. PSOs are managed care plans operated by a group of doctors and hospitals that then form the provider network. PFFS plans are private plans that pay providers on a FFS basis, as determined by the plan itself.

BBA of 1997, the Program of All-inclusive Care for the Elderly (PACE) was established as a permanent Medicare coverage option under Medicare (section 1894 of the Social Security Act) and allowed states the option to pay for PACE under Medicaid (section 1934 of the Social Security Act).

The Medicare Modernization Act of 2003 (MMA) further expanded the health plan options available through the MA program by introducing Special Needs Plans (SNPs) to better coordinate benefits for beneficiary populations with special needs (i.e., Medicaid-Medicare enrollees, institutional enrollees, or beneficiaries with certain chronic conditions). More recently, through the Financial Alignment Initiative, ten states began testing a capitated integrated delivery-payment model to improve coordination of care and align financial incentives for Medicare-Medicaid enrollees.² In this model, available only to full-benefit Medicare-Medicaid beneficiaries, participating health plans are known as Medicare-Medicaid Plans (MMPs).

DETAILED FINDINGS

- Medicare managed care penetration has increased significantly over the eleven years between 2006 and 2016. **The rate of increase is greater for Medicare-Medicaid beneficiaries than Medicare-only beneficiaries.** Among Medicare-Medicaid beneficiaries, the proportion enrolled in Medicare managed care tripled from 11 percent in 2006 to 33 percent in 2016. For comparison, the proportion of Medicare-only beneficiaries enrolled in managed care nearly doubled over the same time span from 16 percent to 31 percent. These trends are evident in Figure 1 (Attachment A), and the detailed findings are presented in Table 1 (Attachment B).
- **Individuals entitled to only partial Medicaid benefits have consistently had the highest Medicare managed care enrollment rates, even as compared to Medicare-only beneficiaries, though the proportion of full-benefit Medicare-Medicaid beneficiaries enrolled in managed care grew at a faster pace.** Medicare managed care enrollment among partial benefit Medicare-Medicaid beneficiaries was 18 percent in 2006 and grew to 41 percent in 2016. In contrast, among full-benefit Medicare-Medicaid beneficiaries, managed care enrollment increased from 10 percent in 2006 to 29 percent in 2016. These full-benefit and partial-benefit enrollee differences are displayed in Figure 1 (Attachment A), and the detailed findings are presented in Table 1 (Attachment B).
- **Enrollment in Medicare-Medicaid Plan (MMPs) offered under the Financial Alignment Initiative capitated model demonstrations, which were implemented on a phase-in basis beginning in late 2013, correlates with recent enrollment growth in managed care among full-benefit Medicare-Medicaid beneficiaries.** Figure 1 (Attachment A) shows the Medicare managed care enrollment (including MMP and PACE) trend line for Medicare-Medicaid beneficiaries and Medicare-only beneficiaries. Figure 2 (Attachment A) shows the same analysis with MMP enrollment excluded.

² Under the capitated model, the state, CMS, and a health plan enter a three-way contract to provide integrated services, with the plan receiving a prospective blended payment. States testing the capitated model include California, Illinois, Massachusetts, Michigan, New York, Ohio, Rhode Island, South Carolina, Texas, and Virginia.

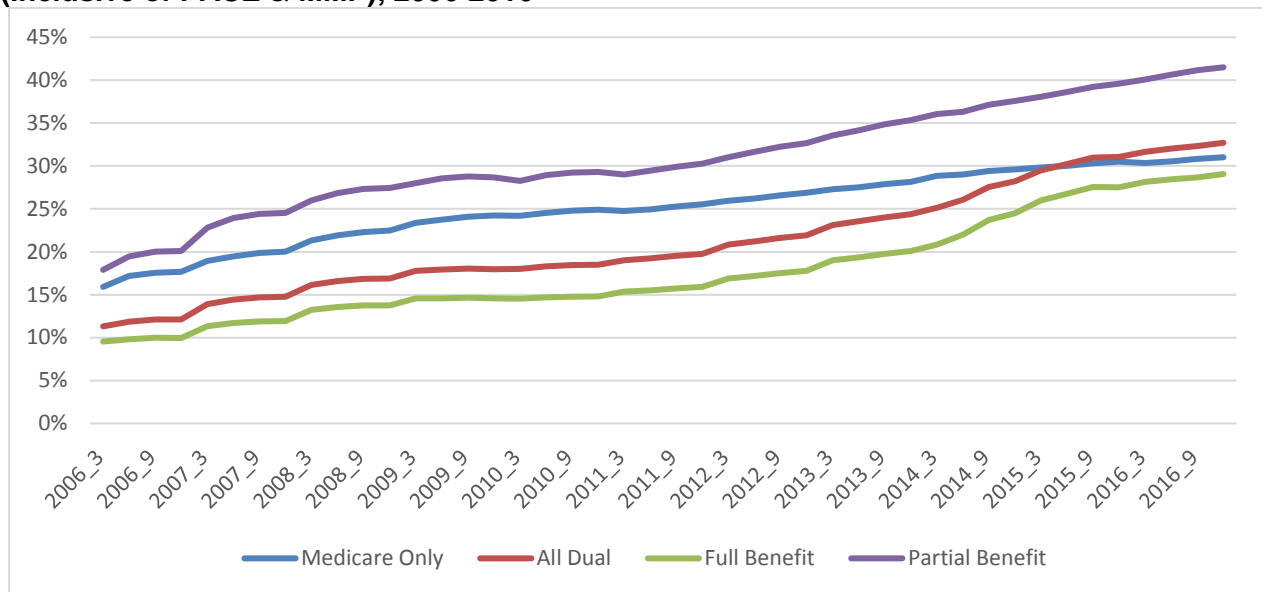
DATA SOURCES AND METHODOLOGY

This analysis employed Common Medicare Environment (CME) data from the CMS Chronic Condition Warehouse (CCW). Beneficiaries were identified via monthly data, at four quarterly data points, as being enrolled in traditional FFS, as well as in PACE, MMP, and other Medicare managed care plans. Graphs are provided in Attachment A and corresponding data tables are provided in Attachment B.

This analysis used state-reported Medicare Modernization Act (MMA) data to identify Medicare-Medicaid beneficiaries. The State MMA File is considered the most current, accurate, and consistent source of information on beneficiaries' Medicare-Medicaid beneficiary status for any given month. As required by the MMA, states submit these files to CMS on an at-least monthly basis to report which of their Medicaid beneficiaries are eligible to also receive Medicare, and their specific Medicare-Medicaid eligibility type. For more information on defining Medicare-Medicaid beneficiaries in CMS administrative data sources, refer to: https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_DualEligibleDefinition.pdf.

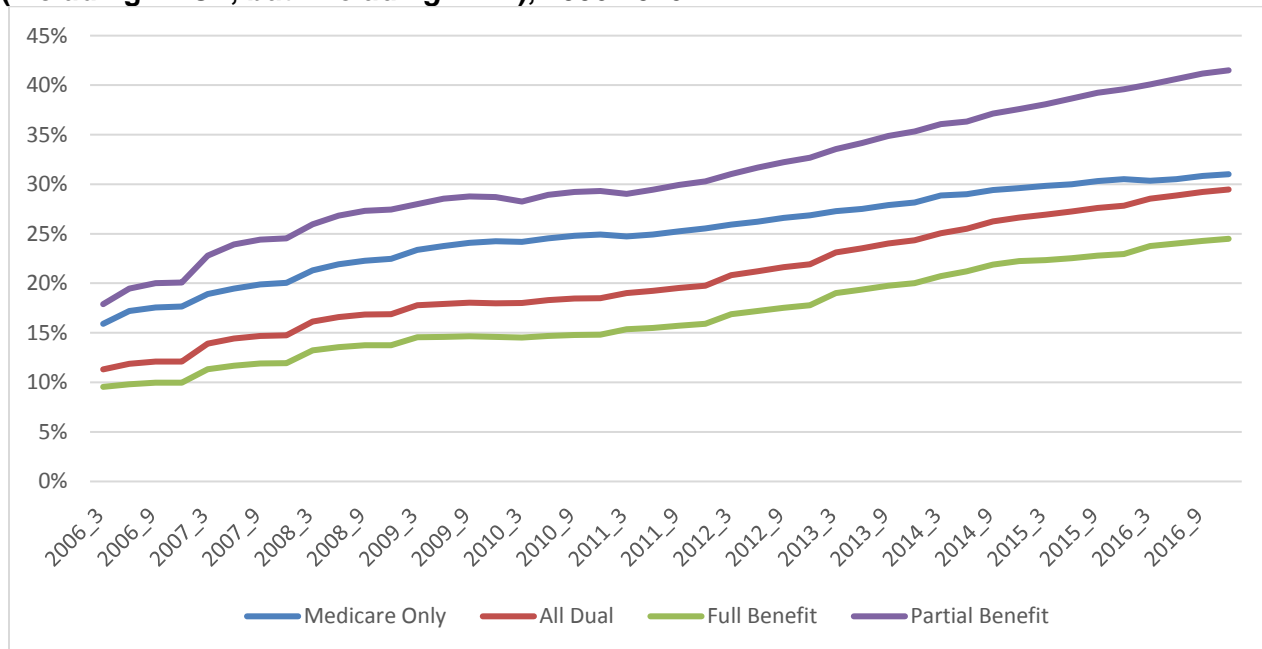
Attachment A

Figure 1. Proportion of Full-benefit, Partial-benefit, and Total Medicare-Medicaid Dual Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (Inclusive of PACE & MMP), 2006-2016*



* Corresponding Figure 1 data can be found in Attachment B, Table 1.

Figure 2. Proportion of Full-benefit, Partial-benefit, and Total Medicare-Medicaid Dual Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (Including PACE, but *Excluding* MMP), 2006-2016*



* Corresponding Figure 2 data can be found in Attachment B, Table 2.

Attachment B

Table 1. Proportion Enrolled in Medicare Managed Care, among all Medicare-only, Dual Medicare-Medicaid Beneficiary, Full-benefit, and Partial Benefit Medicare-Medicaid Beneficiaries, by Quarter

Quarter (Year_Month)	Medicare Only	All Dual Medicare- Medicaid Beneficiary (Full- and Partial-Benefit)	Full-Benefit Medicare- Medicaid Beneficiary	Partial-Benefit Medicare- Medicaid Beneficiary
2006_3	16% (5,892,325)	11% (978,595)	10% (651,095)	18% (327,500)
2006_6	17%	12%	10%	19%
2006_9	18%	12%	10%	20%
2006_12	18%	12%	10%	20%
2007_3	19%	14%	11%	23%
2007_6	19%	14%	12%	24%
2007_9	20%	15%	12%	24%
2007_12	20%	15%	12%	25%
2008_3	21%	16%	13%	26%
2008_6	22%	17%	14%	27%
2008_9	22%	17%	14%	27%
2008_12	22%	17%	14%	27%
2009_3	23%	18%	15%	28%
2009_6	24%	18%	15%	29%
2009_9	24%	18%	15%	29%
2009_12	24%	18%	15%	29%
2010_3	24%	18%	15%	28%
2010_6	25%	18%	15%	29%
2010_9	25%	18%	15%	29%
2010_12	25%	18%	15%	29%
2011_3	25%	19%	15%	29%
2011_6	25%	19%	16%	29%
2011_9	25%	20%	16%	30%
2011_12	26%	20%	16%	30%
2012_3	26%	21%	17%	31%
2012_6	26%	21%	17%	32%
2012_9	27%	22%	18%	32%
2012_12	27%	22%	18%	33%
2013_3	27%	23%	19%	34%
2013_6	28%	24%	19%	34%
2013_9	28%	24%	20%	35%
2013_12	28%	24%	20%	35%
2014_3	29%	25%	21%	36%

Quarter (Year_Month)	Medicare Only	All Dual Medicare- Medicaid Beneficiary (Full- and Partial-Benefit)	Full-Benefit Medicare- Medicaid Beneficiary	Partial-Benefit Medicare- Medicaid Beneficiary
2014_6	29%	26%	22%	36%
2014_9	29%	28%	24%	37%
2014_12	30%	28%	24%	38%
2015_3	30%	30%	26%	38%
2015_6	30%	30%	27%	39%
2015_9	30%	31%	28%	39%
2015_12	31%	31%	28%	40%
2016_3	30%	32%	28%	40%
2016_6	31%	32%	28%	41%
2016_9	31%	32%	29%	41%
2016_12	31% (14,903,396)	33% (3,718,844)	29% (2,338,785)	41% (1,380,059)

Table 2. Proportion Enrolled in Medicare Managed Care, among all Medicare-only, Dual Medicare-Medicaid Beneficiary, Full-benefit, and Partial Benefit Medicare-Medicaid Beneficiaries, by Quarter, Excluding Medicare-Medicaid Plans (MMPs)

Quarter (Year_Month)	Medicare Only	All Dual Medicare- Medicaid Beneficiary (Full- and Partial-Benefit)	Full-Benefit Medicare- Medicaid Beneficiary	Partial-Benefit Medicare- Medicaid Beneficiary
2006_3	16% (5,892,325)	11% (978,595)	10% (651,095)	18% (327,500)
2006_6	17%	12%	10%	19%
2006_9	18%	12%	10%	20%
2006_12	18%	12%	10%	20%
2007_3	19%	14%	11%	23%
2007_6	19%	14%	12%	24%
2007_9	20%	15%	12%	24%
2007_12	20%	15%	12%	25%
2008_3	21%	16%	13%	26%
2008_6	22%	17%	14%	27%
2008_9	22%	17%	14%	27%
2008_12	22%	17%	14%	27%
2009_3	23%	18%	15%	28%
2009_6	24%	18%	15%	29%
2009_9	24%	18%	15%	29%
2009_12	24%	18%	15%	29%
2010_3	24%	18%	15%	28%
2010_6	25%	18%	15%	29%
2010_9	25%	18%	15%	29%

Quarter (Year_Month)	Medicare Only	All Dual Medicare- Medicaid Beneficiary (Full- and Partial-Benefit)	Full-Benefit Medicare- Medicaid Beneficiary	Partial-Benefit Medicare- Medicaid Beneficiary
2010_12	25%	18%	15%	29%
2011_3	25%	19%	15%	29%
2011_6	25%	19%	16%	29%
2011_9	25%	20%	16%	30%
2011_12	26%	20%	16%	30%
2012_3	26%	21%	17%	31%
2012_6	26%	21%	17%	32%
2012_9	27%	22%	18%	32%
2012_12	27%	22%	18%	33%
2013_3	27%	23%	19%	34%
2013_6	28%	24%	19%	34%
2013_9	28%	24%	20%	35%
2013_12	28%	24%	20%	35%
2014_3	29%	25%	21%	36%
2014_6	29%	26%	21%	36%
2014_9	29%	26%	22%	37%
2014_12	30%	27%	22%	38%
2015_3	30%	27%	22%	38%
2015_6	30%	27%	23%	39%
2015_9	30%	28%	23%	39%
2015_12	31%	28%	23%	40%
2016_3	30%	29%	24%	40%
2016_6	31%	29%	24%	41%
2016_9	31%	29%	24%	41%
2016_12	31% (14,903,396)	29% (3,351,001)	24% (1,970,942)	41% (1,380,059)