

Table 12.1
Health Maintenance Organization (HMO) Enrollment Growth:
Selected Calendar Years 1990-2007

Year	Medicare HMO Enrollment Number in Millions
1990	1.8
1994	2.6
1995	3.0
1996	3.8
1997	4.7
1998	6.3
1999	6.7
2000	6.6
2001	5.8
2002	5.2
2003	5.0
2004	5.2
2005	5.6
2006	6.3
2007	6.6

NOTES: Medicare HMO enrollment numbers are for December of each year, except in 1996 (August data). For all years, the Medicare HMO enrollment includes enrollment in Risk plans - including HMO, Preferred Provider Organizations (PPO), and Provider Sponsored Organizations (PSO) - and in Cost plans other than Health Care Prepayment Plans (HCPP). For 2004 and 2005, the Medicare HMO enrollment includes enrollment in PPO that were demonstrations. For all years, the Medicare HMO enrollment excludes enrollment in Private Fee-for-Service plans (PFFS) and demonstrations that were not PPO. For 2006 and 2007, the Medicare HMO enrollment excludes enrollment in Regional PPO.

SOURCE: Centers for Medicare & Medicaid Services: Medicare Advantage data are from the Medicare Managed Care Contract (MMCC) reports for 1990-2007; data development by the Office of Research, Development, and Information.

Table 12.2
**Percent of Medicare Population with Access to at Least One Risk/
 Medicare+Choice (M+C)/Medicare Advantage (MA) CCP (1993-2007), M+C Private
 Fee-for-Service (PFFS) (2000-2007), or M+C/MA Plan of Either Type (2000-2007)**

Year	Population with Risk/M+C/MA CCP Access	Population with M+C PFFS Access	Population with Access to M+C/MA Plan of Either Type
Percent			
1993	49	NA	49
1994	57	NA	57
1995	61	NA	61
1996	68	NA	68
1997	72	NA	72
1998	74	NA	74
1999	72	NA	72
2000	69	38	84
2001	63	38	82
2002	62	36	79
2003	59	36	79
2004	61	31	75
2005	79	76	97
2006	80	81	99
2007	83	100	100

NOTES: PFFS became available in 2000. The 2005 - 2007 data are as of December. CCP refers to coordinated care plans which include Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO), and PPO demonstrations. Medical Savings Account (MSA) plans and Regional PPOs (RPPO) were not included. Plans available only to employer or union retirees were excluded from computation of access. Special Needs Plans (SNP) were included in computation of access. NA is not applicable.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of plan data from the Plan Information Control System, 1993-2000; Geographic Service Area Reports, 2000-2005; Health Plan Management System (HPMS) 2006 - 2007; data development by the Office of Research, Development, and Information.

Table 12.3
Medicare Risk/Medicare+Choice/Medicare
Advantage Contracts: Calendar Years 1987-2007

Year	Risk Contracts
1987	161
1988	154
1989	131
1990	96
1991	93
1992	95
1993	109
1994	154
1995	183
1996	241
1997	307
1998	346
1999	309
2000	266
2001	179
2002	155
2003	151
2004	154
2005	302
2006	367
2007	408

NOTE: Data are as of December of each year. For all years, only active Risk contracts including Risk, Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO) are included in the count. For 2004 and 2005 PPO Demonstrations were included in the count. All other organization types, including Private Fee-for-Service plans (PFFS), Program of All-Inclusive Care for the Elderly (PACE), Medicare Savings Accounts (MSA), COST contracts, HealthCare PrePayment plans (HCPP), and Regional PPO (RPPO) plans are excluded.

SOURCE: Centers for Medicare & Medicaid Services: Data from the Medicare Managed Care Contract (MMCC) reports, 1987-2007; data development by the Office of Research, Development, and Information.

Table 12.4
Risk Contracts Non-Renewals, by Percent of Plans:
Calendar Years 1986-2007

Year	Non-Renewals Percent
1986	5
1987	18
1988	22
1989	29
1990	15
1991	13
1992	8
1993	4
1994	1
1995	0
1996	1
1997	3
1998	13
1999	13
2000	25
2001	13
2002	6
2003	4
2004	2
2005	1
2006	4
2007	3

NOTES: Refers only to Risk non-renewals (including conversion to cost plans), not service area reductions and not terminations. The 1989 figure includes 29 plans that had no enrollees. The data for 1999 are based on the number of plans as of August 1999. The data for 2000 and 2001 are adjusted for contract consolidations (23 in 2001; 3 in 2002). The data for 2002 include one Medicare+Choice alternative payment demonstration project.

SOURCE: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of Non-Renewal Reports, 1986-2007.

Table 12.5
Number and Percent of Medicare+Choice/Medicare Advantage Coordinated
Care Plans (CCP) Contracts Available to Beneficiaries:
Calendar Years 1998 and 2007

Number of Contracts Available	1998	Percent	2007
0	26		17
1	11		12
2 to 4	25		27
5 to 9	24		30
10 or More	15		14

NOTES: Percents may not add to 100 because of rounding. The data shown represent CCP contracts which include Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO), and exclude plans available only to employer or union-sponsored retirees. Special Needs Plans (SNP) were included. Medical Savings Account (MSA) plans and Regional PPOs (RPPO) were excluded. In computing access, full eligible counts were used in partial counties of a service area.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of plan data from the Plan Information Control System (PICS), March 1998 and the Health Plan Management System (HPMS), December 2007; data development by the Office of Research, Development, and Information.

Table 12.6
Percent Distribution of Disabled and Aged Beneficiaries in Medicare Advantage Plans
and Fee-for-Service: December 2007

Enrollment	Total	Aged Percent	Disabled
Medicare Advantage	100.0	88.3	11.7
Fee-for-Service	100.0	82.4	17.6

NOTES: The Medicare Advantage enrollment data includes all plan types except for Prescription Drug Plans, pilot Chronic Care plans, and Regional PPOs (RPPO). Special Needs Plans (SNP), Medicare Savings Accounts (MSAs), employer only plans, and employer/union direct contract PFFS plans are included in the analysis.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of plan data from the Health Plan Management System (HPMS) and the Monthly Membership Reports; data development by the Office of Research, Development, and Information.

Table 12.7
Percent Distribution of Disabled and Aged Beneficiaries, Medicare Advantage
Plans Versus Fee-for-Service: December 2007

Beneficiary	Medicare Advantage	Fee-for-Service
	Percent	
Disabled	100	100
Male		
Under 35 Years	3	5
35-44 Years	6	9
45-54 Years	15	17
55-59 Years	11	11
60-64 Years	15	12
Female		
Under 35 Years	2	4
35-44 Years	6	8
45-54 Years	14	15
55-59 Years	12	10
60-64 Years	16	10
Aged	100	100
Male		
65-69 Years	13	14
70-74 Years	11	10
75-79 Years	9	8
80-84 Years	5	6
85 Years or Over	3	5
Female		
65-69 Years	17	15
70-74 Years	14	12
75-79 Years	12	11
80-84 Years	9	9
85 Years or Over	7	10

NOTES: Percents may not add to 100 because of rounding. The methodology to compute the penetration rate was changed beginning with 2005 data and may yield results that are not exactly comparable to earlier years. The Medicare Advantage enrollment data includes all plan types except for Prescription Drug Plans, pilot Chronic Care plans, and Regional PPOs (RPPO). Special Needs Plans (SNP), Medicare Savings Accounts (MSAs), employer only plans, and employer/union direct contract PFFS plans are included in the analysis.

SOURCE: Centers for Medicare & Medicaid Services: Analysis of plan data from the Monthly Membership Reports, December 2007; data development by the Office of Research, Development, and Information.

Table 12.8
Medicare Advantage and Other Private Health Plan Penetration, (Percent of
Medicare Beneficiaries Enrolled), by Geographic Area: December 2007

Geographic Area	Health Plan Penetration Percent	Geographic Area	Health Plan Penetration Percent
Alabama	14.9	Nebraska	9.7
Alaska	0.5	Nevada	29.8
Arizona	34.8	New Hampshire	2.8
Arkansas	10.5	New Jersey	9.4
California	33.4	New Mexico	21.5
Colorado	30.9	New York	24.8
Connecticut	11.0	North Carolina	14.2
Delaware	2.8	North Dakota	6.4
District of Columbia	8.7	Ohio	17.9
Florida	25.1	Oklahoma	12.0
Georgia	11.1	Oregon	39.3
Hawaii	36.1	Pennsylvania	32.9
Idaho	21.4	Puerto Rico	58.2
Illinois	8.3	Rhode Island	35.0
Indiana	10.1	South Carolina	11.0
Iowa	11.6	South Dakota	7.1
Kansas	7.6	Tennessee	18.0
Kentucky	11.5	Texas	15.1
Louisiana	17.6	Utah	22.5
Maine	2.8	Vermont	1.8
Maryland	6.4	Virgin Islands	0.7
Massachusetts	17.6	Virginia	9.8
Michigan	15.7	Washington	19.9
Minnesota	30.4	West Virginia	20.4
Mississippi	6.8	Wisconsin	20.8
Missouri	16.5	Wyoming	4.4
Montana	12.2	NA	NA
Guam	0.3	NA	NA
American Samoa	1.0	NA	NA
Northern Mariana Islands	0.0	NA	NA

NOTES: Medicare Advantage enrollment from all plans, except Prescription Drug Plans (PDP), pilot plans, and employer/union only direct contract PDP plans, were included. Regional Preferred Provider Organizations (RPPO), Special Needs Plans (SNP), Medicare Savings Accounts (MSA), employer only plans, and employer direct PFFS plans were included. Pilot plans are contracts to provide care management services for fee-for-service beneficiaries with chronic conditions. NA is not applicable.

SOURCE: Centers for Medicare & Medicaid Services: Health Plan Management System (HPMS) enrollment files, December 2007; data development by the Office of Research, Development, and Information.

Table 12.9
Historical Prevalence of Zero Premiums and Drug Coverage in Medicare
Risk/Medicare+Choice Contracts: Calendar Years 1987-1998

Year	Contracts with	
	Zero Premium Basic Package	Drugs in Basic Package
	Percent	
1987	10	NA
1988	13	NA
1989	9	NA
1990	18	35
1991	25	33
1992	23	NA
1993	25	32
1994	33	38
1995	51	50
1996	65	61
1997	69	68
1998	70	67

NOTE: NA is not available.

SOURCES: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of Medicare Managed Care Contract (MMCC) reports for 1990-1998 and the adjusted community rate proposals for 1987-1989.

Table 12.10
Changes in Access to or Coverage Under a Zero Premium Plan:
Calendar Years 1999-2007

Year	Medicare+Choice/Medicare Advantage Coordinated Care Plans (CCP)	
	Overall Medicare Population with Access to Zero Premium	Enrollees with Zero Premium Plan
	Percent	
1999	61	68
2000	53	61
2001	39	45
2002	34	39
2003	29	38
2004	40	48 ¹
2005	42	58 ¹
2006	61	52 ²
2007	69	50 ^{2,3}

¹A change in methodology applies beginning in 2004. Because health plans are reporting enrollments by benefit package to CMS when an organization offers more than one benefit package in a given county, the 2004 and 2005 figures for enrollees choosing Zero-premium plans show enrollment at the actual "plan" level (that is, by benefit package). In prior years, enrollees were assigned to Zero-premium plans if one was offered by the organization in the county of residence of the individual. The figures for 2004 and 2005 would be a higher number if the methodology used in prior years were continued for 2004 and thereafter.

²For 2006 and 2007 the following conventions were observed: Zero premium refers to both zero Part C premium and zero Part D premium for MA-PD plans, or, zero Part C premium for MA-only plans. CCP includes Special Needs Plans (SNP), but excludes Employer only. Only plans with plan type Health Maintenance Organizations (HMO), HMO Point of Service (HMOPOS), Preferred Provider Organization (PPO), Provider the Sponsored Organizations (PSO) were included in the analysis. Enrollee coverage is percent of actual CCP enrollment with zero premium.

³For 2007 the Part B only plans were excluded from the computation of the Medicare population access (since no new Part B enrollees are allowed and consequently access to new enrollees is not provided). The effect of this exclusion was negligible since there are so few Part B only enrollees.

NOTES: The 2005 data are as of March 2005. The 2006 and 2007 data are as of December of that year.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of submitted bids from the Health Plan Management System (HPMS); data development by the Office of Research, Development, and Information.

Table 12.11
Access to Medicare+Choice (M+C)/Medicare Advantage (MA) Coordinated Care Plans (CCP),
Private Fee-for-Service (PFFS) Plans, or Preferred Provider Organization (PPO)
Demonstration Projects, Rural Areas, by Type of Coverage: Calendar Years 1999-2007

Year	Any M+C/MA CCP, PFFS Plan, or PPO Demo Plan	Any M+C/MA CCP Plan	Percent	
			Any Zero Premium Plan	Any Plan with Drug Coverage
1999	---	23	14	19
2000	62	21	9	16
2001 ¹	60	14	4	8
2002	59	13	2	9
2003	59	13	2	8
2004 ²	62	15	13	26
2005 ²	97	40	54	94
2006 ³	98	41	55	94
2007 ³	100	48	90	100

¹Includes 53 counties, with 99,000 beneficiaries, where PFFS became available in December 2001.

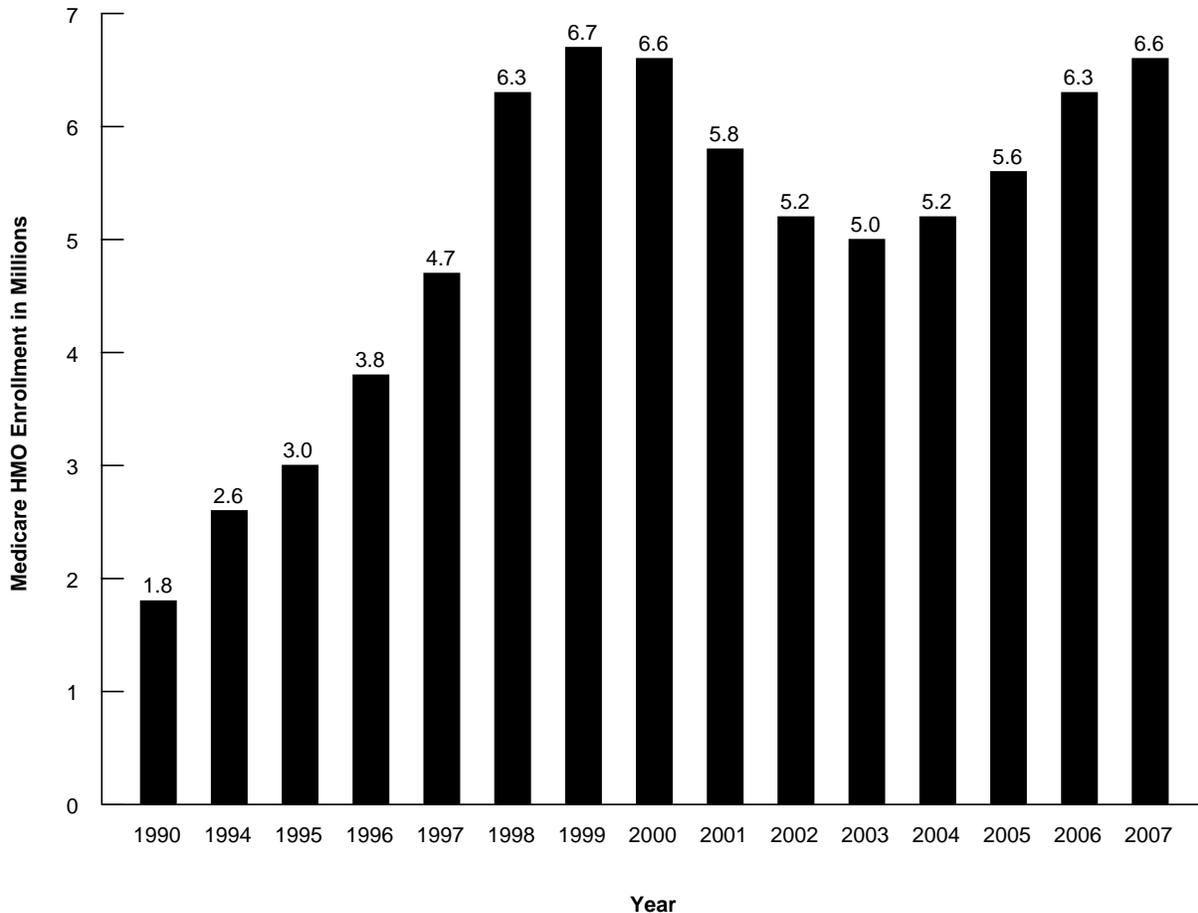
²The 2004 and 2005 data reflect the reclassification of the metropolitan statistical area (MSA) status of a number of counties. There was a net reduction in the number of Medicare beneficiaries residing in non-MSA (rural) counties of about one million. About 1.5 million beneficiaries were in the counties changing from non-MSA to MSA status, and about half a million beneficiaries were in counties that changed from MSA status to non-MSA status (generally because of being assigned to the new category of micropolitan areas).

³The 2006 and 2007 data used the same definition of rural that CMS had used in a number of other published studies. It was felt that for purposes of consistency this definition should be used: Metropolitan areas were considered urban while micropolitan areas and areas that were neither metropolitan nor micropolitan were considered rural. In 2006 and 2007 the Zero-premium and Drug-Coverage column data included all plan types except Prescription Drug Coverage plans, Employer Direct plans, and Regional PPO. The 2007 data from columns three and four excluded Part B only, ESRD I, ESRD II and SHMO Demos, since these plans provided access to a very limited population. Zero premium refers to both zero Part C premium and a zero Part D premium for MA-PD plans, or, zero Part C premium for MA-only plans.

NOTES: The 2005 data are as of October 2005. The 2006 and 2007 data are as of December of that year. In all years, only plans available to all Medicare beneficiaries in a county are included. That is, plans such as those available only to members of an employer group, or Special Needs Plans (SNP) available as of 2005, are excluded. In 2006, the first two columns used Local CCP and PFFS Organization types. Employer only plans were excluded but SNP were included since they frequently were either targeted to local enrollees and/or allowed disproportionate shares of non-targeted enrollees. ESRD is End Stage Renal Disease. SHMO is Social Health Maintenance Organization.

SOURCES: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of plan data from the Health Plan Management System (HPMS); MedPAC Annual Reports 1999 and 2000.

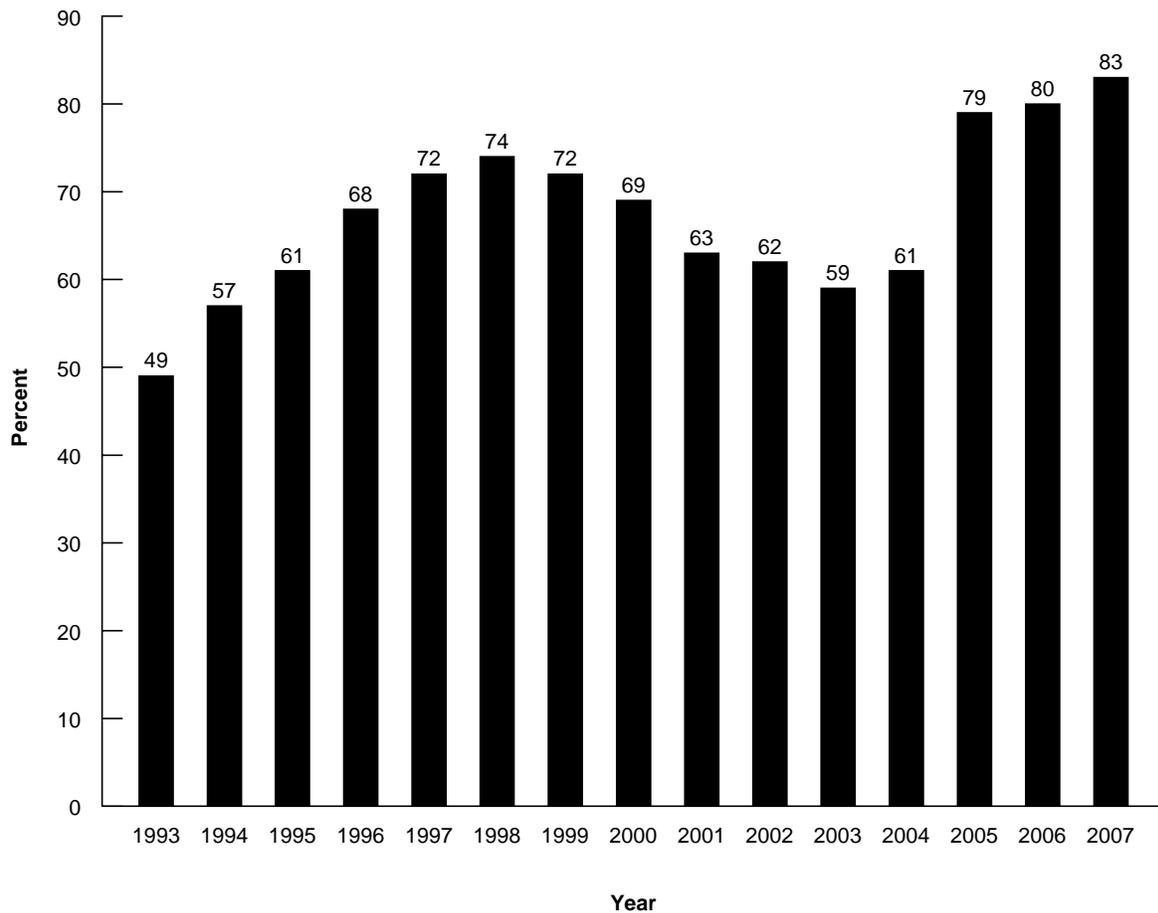
Figure 12.1
Health Maintenance Organization (HMO) Enrollment
Growth: Selected Calendar Years 1990-2007



NOTES: Medicare HMO enrollment numbers are for December of each year, except in 1996 (August data). For all years, the Medicare HMO enrollment includes enrollment in Risk plans - including HMO, Preferred Provider Organizations (PPO), and Provider Sponsored Organizations (PSO) - and in Cost plans other than Health Care Prepayment Plans (HCPP). For 2004 and 2005, the Medicare HMO enrollment includes enrollment in PPO that were demonstrations. For all years, the Medicare HMO enrollment excludes enrollment in Private Fee-for-Service plans (PFFS) and demonstrations that were not PPO. For 2006 and 2007, the Medicare HMO enrollment excludes enrollment in Regional PPO.

SOURCE: Centers for Medicare & Medicaid Services: Medicare Advantage data are from the Medicare Managed Care Contract (MMCC) reports for 1990-2007; data development by the Office of Research, Development, and Information.

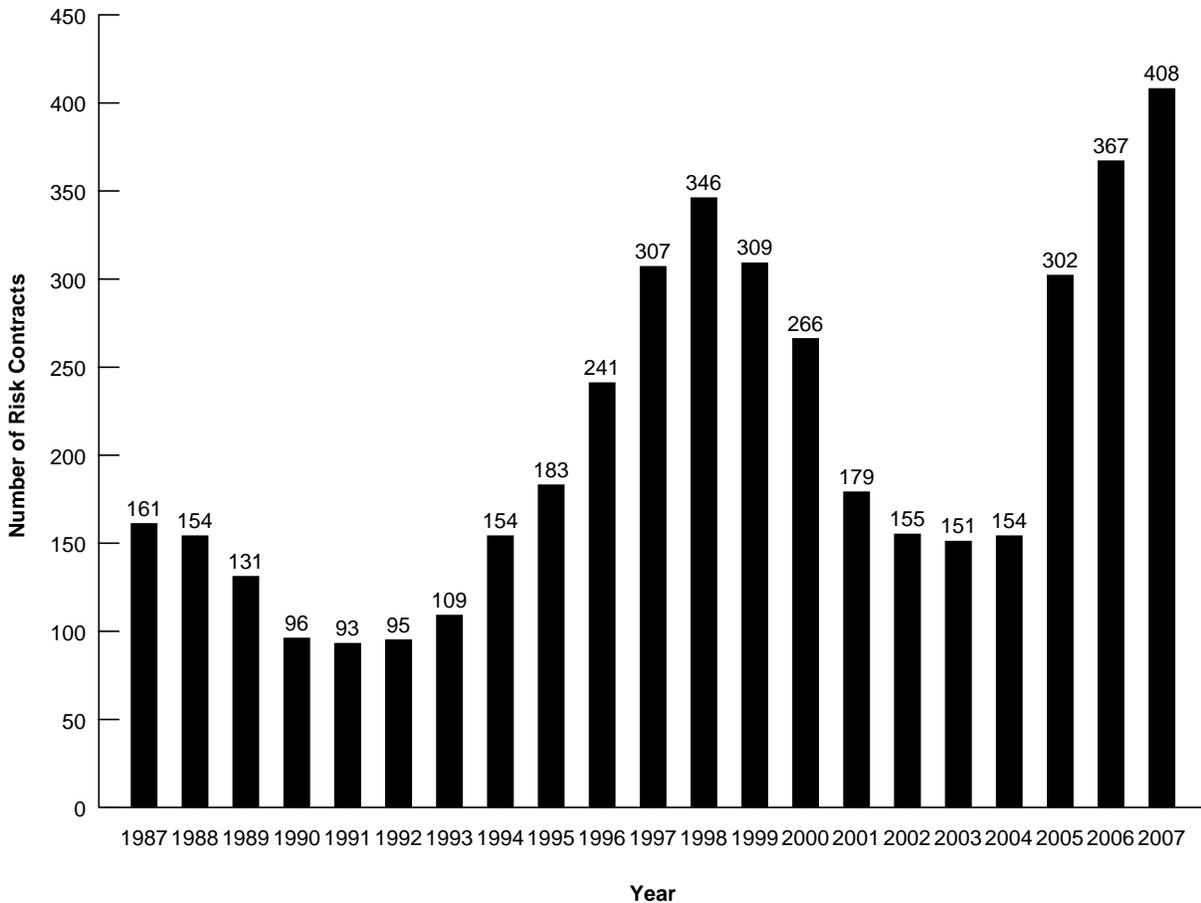
Figure 12.2
Percent of Medicare Population with Access to at Least
One Risk/Medicare+Choice/Medicare Advantage
Coordinated Care Plan (CCP): Calendar Years 1993-2007



NOTES: Excludes private fee-for-service plan. The 2005-2007 data are as of December. CCP includes Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO), and PPO demonstrations. Medical Savings Account (MSA) plans and Regional PPOs (RPPO) were not included. Plans available only to employer or union retirees were excluded from computation of access. Special Needs Plans (SNP) were included in computation of access.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of plan data from the Plan Information Control System, 1993-2000; Geographic Service Area Reports, 2000-2005; Health Plan Management System (HPMS) 2006-2007; data development by the Office of Research, Development, and Information.

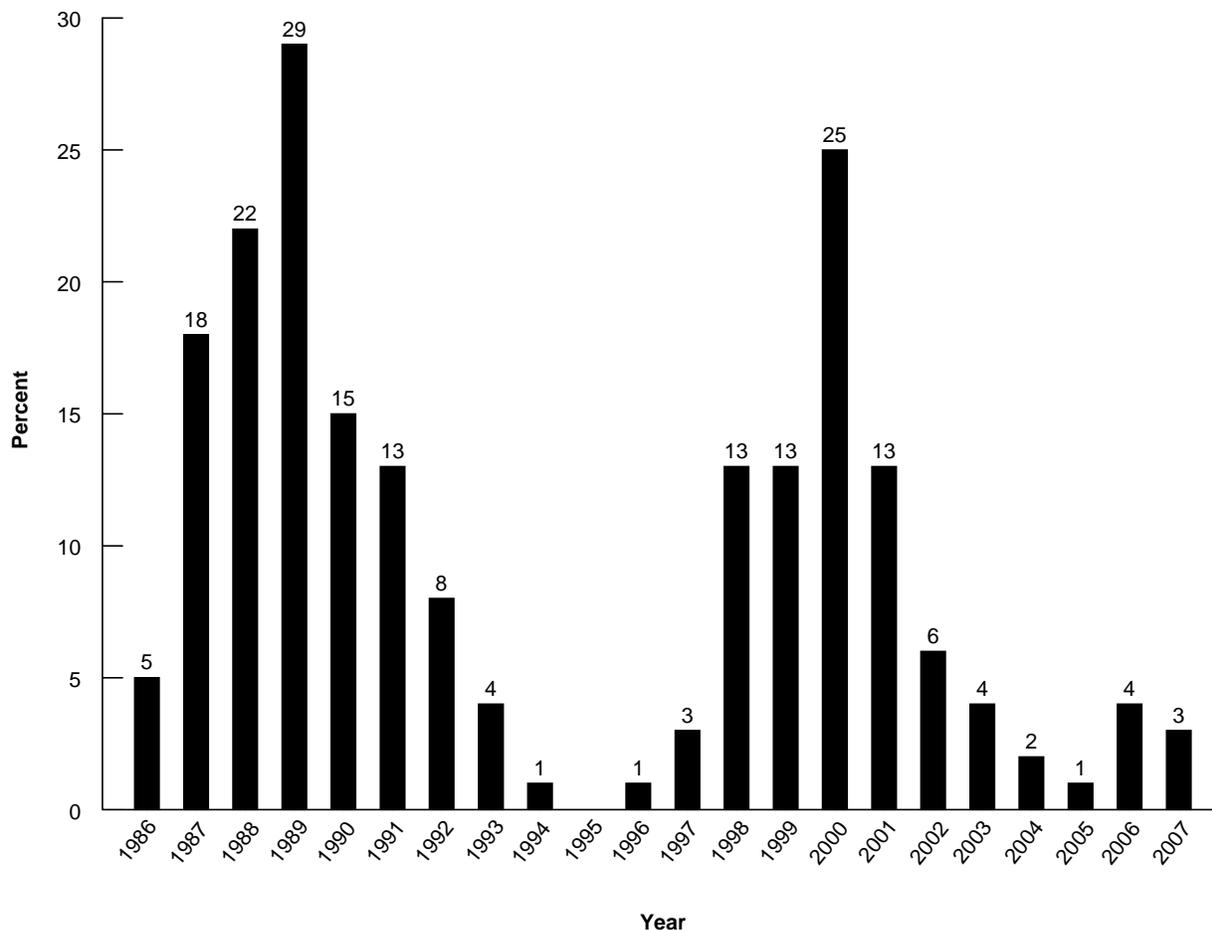
Figure 12.3
Medicare Risk/Medicare+Choice/Medicare Advantage
Contracts: Calendar Years 1987-2007



NOTES: Data are as of December of each year. For all years, only active Risk contracts including Risk, Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO) are included in the count. For 2004 and 2005 PPO Demonstrations were included in the count. All other organization types, including Private Fee-for-Service plans (PFFS), Program of All-Inclusive Care for the Elderly (PACE), Medicare Savings Accounts (MSA), COST contracts, HealthCare PrePayment plans (HCPP), and Regional PPO (RPPO) plans are excluded.

SOURCE: Centers for Medicare & Medicaid Services: Data from the Medicare Managed Care Contract (MMCC) reports, 1987-2007; data development by the Office of Research, Development, and Information.

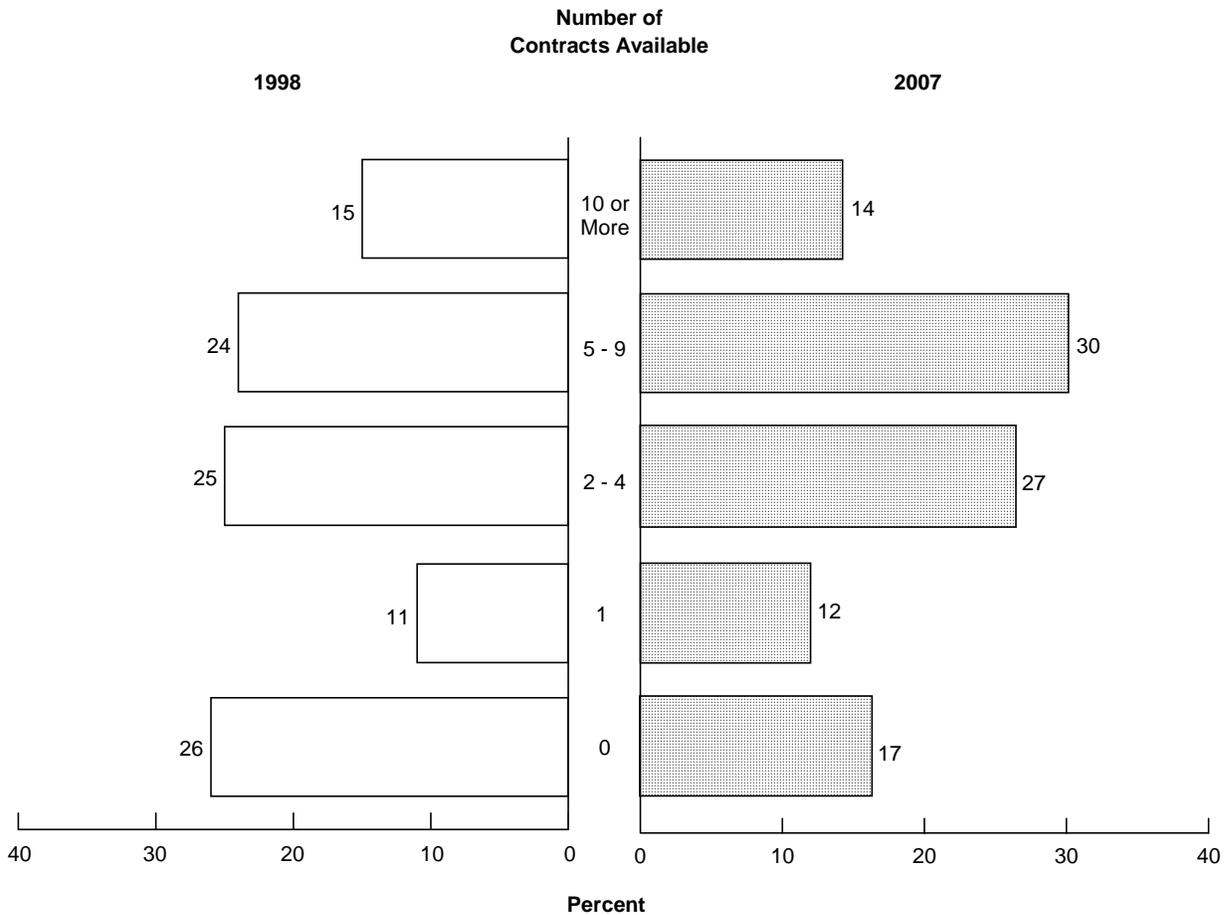
Figure 12.4
Risk Contracts Non-Renewals, by Percent of Plans:
Calendar Years 1986-2007



NOTES: Refers only to Risk non-renewals (including conversion to cost plans), not service area reductions and not terminations. The 1989 figure includes 29 plans that had no enrollees. The data for 1999 are based on the number of plans as of August 1999. The data for 2000 and 2001 are adjusted for contract consolidations (23 in 2001; 3 in 2002). The data for 2002 include one Medicare+Choice alternative payment demonstration project.

SOURCE: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of Non-Renewal Reports, 1986-2007.

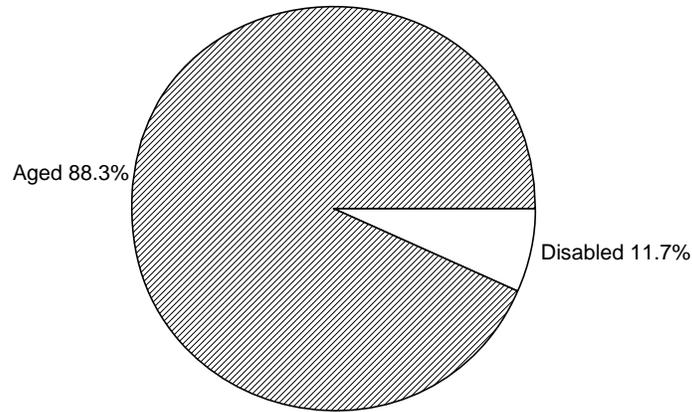
Figure 12.5
Number and Percent of Medicare+Choice/Medicare Advantage Coordinated Care Plans (CCP) Contracts Available to Beneficiaries: Calendar Years 1998 and 2007



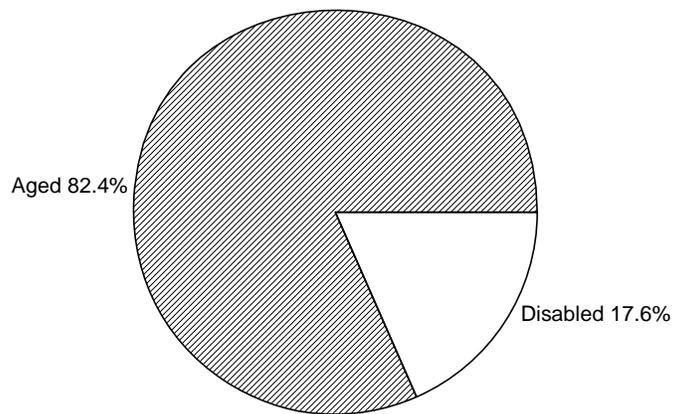
NOTES: Percents may not add to 100 because of rounding. The data shown represent CCP contracts which include Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Provider Sponsored Organizations (PSO), and exclude plans available only to employer or union-sponsored retirees. Special Needs Plans (SNP) were included. Medical Savings Account (MSA) plans and Regional PPOs (RPPO) were excluded. In computing access, full eligible counts were used in partial counties of a service area.

SOURCES: Centers for Medicare & Medicaid Services, Analysis of plan data from the Plan Information Control System (PICS), March 1998 and the Health Plan Management System (HPMS), December 2007; data development by the Office of Research, Development, and Information.

Figure 12.6
Percent Distribution of Disabled and Aged Beneficiaries
in Medicare Advantage Plans and Fee-for-Service:
December 2007



Medicare Advantage Enrollment



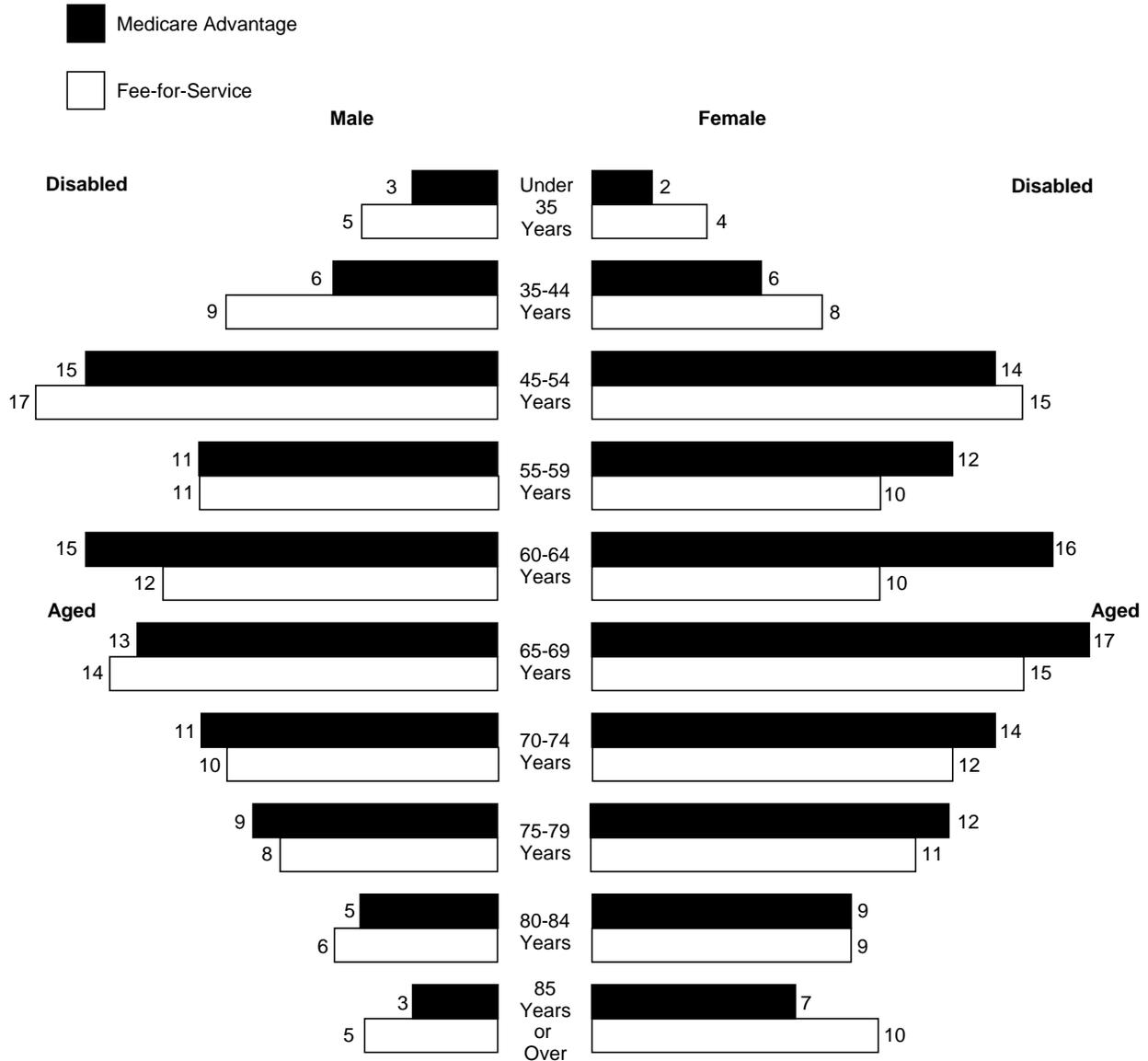
Fee-for-Service Enrollment

NOTES: The Medicare Advantage enrollment data includes all plan types except for Prescription Drug Plans, pilot Chronic Care plans, and Regional PPOs (RPPO). Special Needs Plans (SNP), Medicare Savings Accounts (MSAs), employer only plans, and employer/union direct contract PFFS plans are included in the analysis.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of plan data from the Health Plan Management System (HPMS) and the Monthly Membership Reports; data development by the Office of Research, Development, and Information.

Figure 12.7

Percent Distribution of Disabled and Aged Beneficiaries, Medicare Advantage Plans Versus Fee-for-Service: December 2007

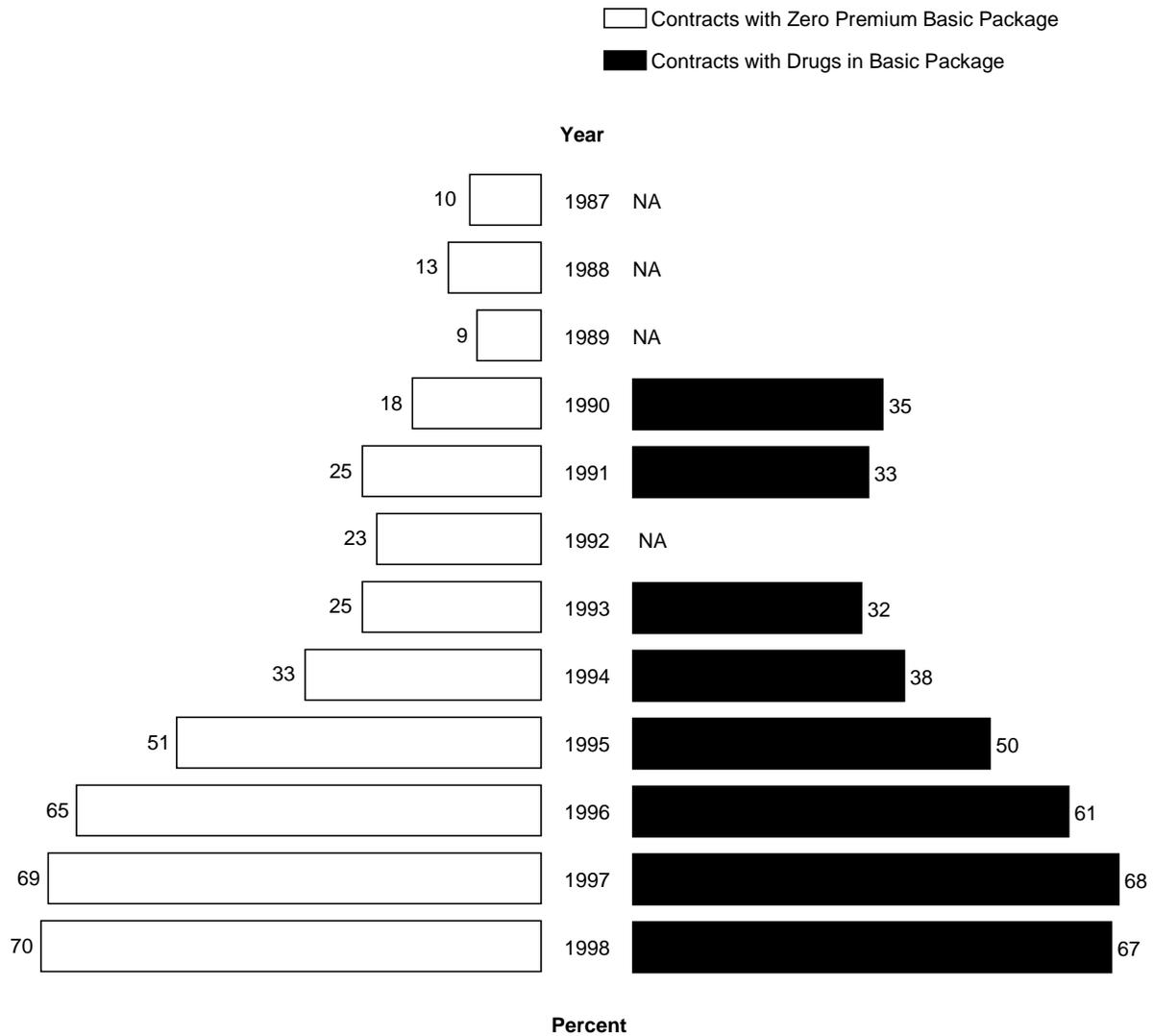


NOTES: Percents may not add to 100 because of rounding. The methodology to compute the penetration rate was changed beginning with 2005 data and may yield results that are not exactly comparable to earlier years. The Medicare Advantage enrollment data includes all plan types except for Prescription Drug Plans, pilot Chronic Care plans, and Regional PPOs (RPPO). Special Needs Plans (SNP), Medicare Savings Accounts (MSAs), employer only plans, and employer/union direct contract PFFS plans are included in the analysis.

SOURCE: Centers for Medicare & Medicaid Services: Analysis of plan data from the Monthly Membership Reports, December 2007; data development by the Office of Research, Development, and Information.

Figure 12.8

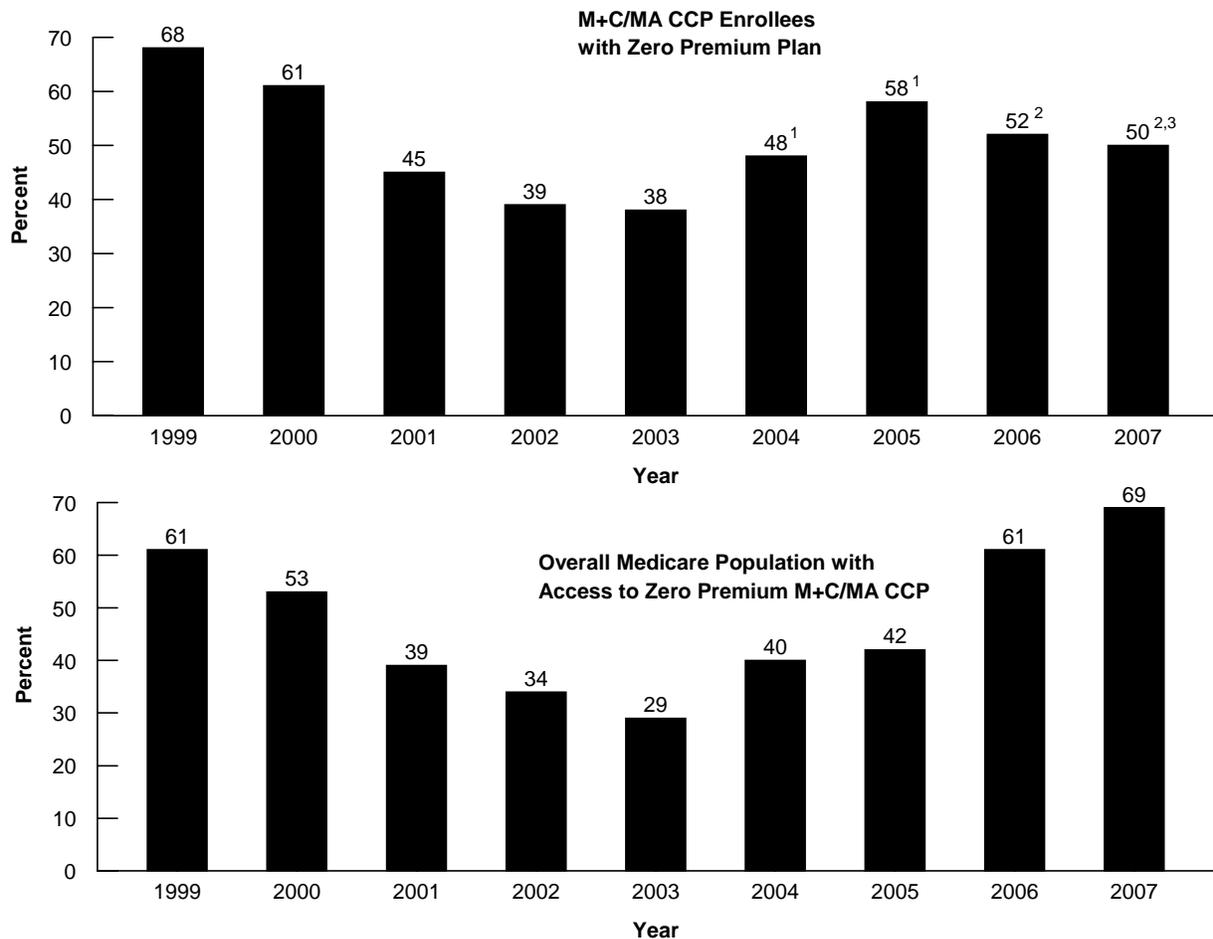
Historical Prevalence of Zero Premiums and Drug Coverage in Medicare Risk/Medicare+Choice Contracts: Calendar Years 1987-1998



NOTE: NA is not available.

SOURCES: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of Medicare Managed Care Contract (MMCC) reports for 1990-1998 and the adjusted community rate proposals for 1987-1989.

Figure 12.9
Changes in Access to or Coverage Under a Zero Premium Plan: Calendar Years 1999-2007



¹ Prior to 2004, enrollees in managed care plans were assigned to the zero premium category if a zero premium plan was offered in the county of residence, regardless of actual plan's premium. Beginning 2004, categorization is based on premium of plan in which the beneficiary is enrolled, thus depressing the trend based on the prior methodology.

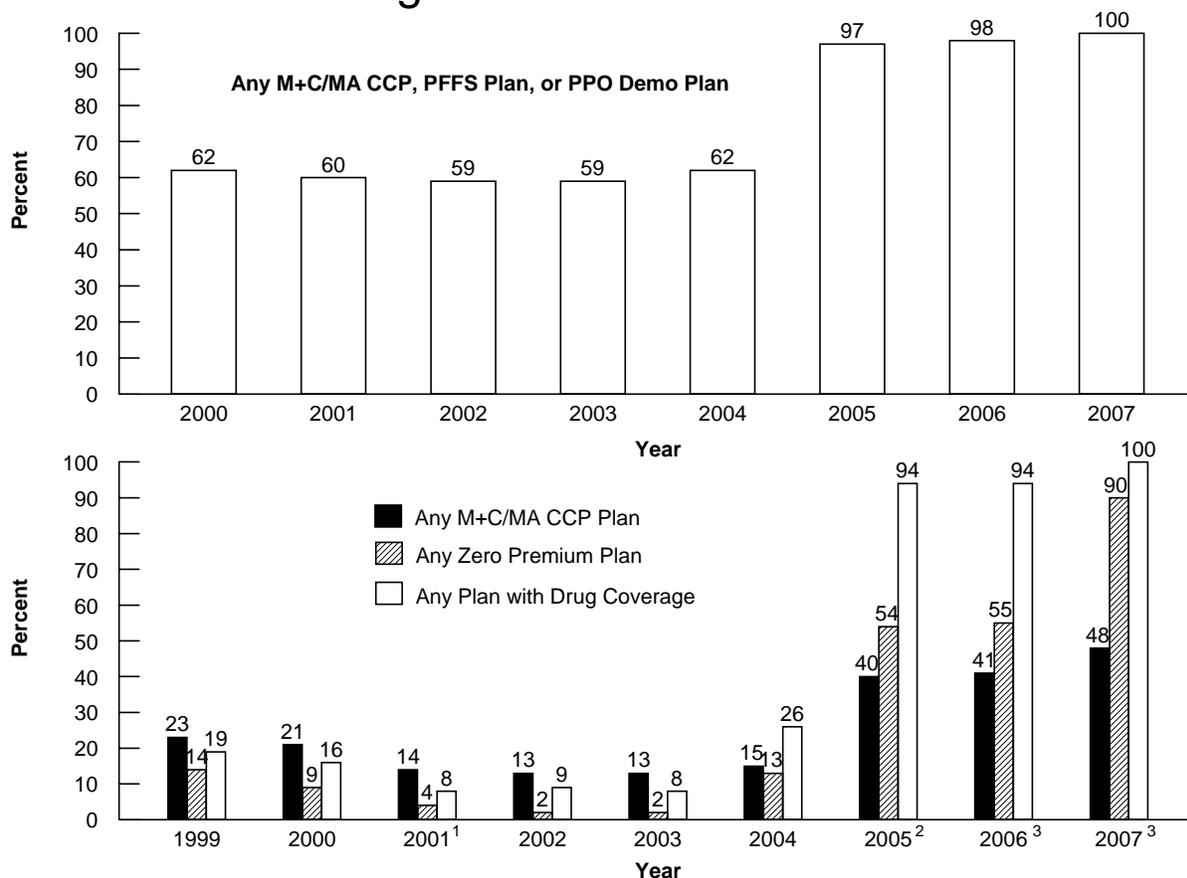
² Beginning 2006, premium categorization combines the Part C and Part D premium. Analysis only covers selected CCP types. Enrolled coverage is the percent of the actual targeted CCP population with zero premium.

³ For 2007 the Part B only plans were excluded from the computation of the Medicare population access (since no new Part B enrollees are allowed and consequently access to new enrollees is not provided). The effect of this exclusion was negligible since there are so few Part B only enrollees.

NOTES: M+C is Medicare+Choice. MA is Medicare Advantage. CCP is coordinated care plan. The 2005 data are as of March 2005. The 2006 and 2007 data are as of December of that year.

SOURCES: Centers for Medicare & Medicaid Services: Analysis of submitted bids from the Health Plan Management System (HPMS); data development by the Office of Research, Development, and Information.

Figure 12.10
Access to Medicare+Choice (M+C)/Medicare Advantage (MA) Coordinated Care Plans (CCP), Private Fee-for-Service (PFFS) Plans, or Preferred Provider Organization (PPO) Demonstration Projects, Rural Areas, by Type of Coverage: Calendar Years 1999-2007



¹ Includes 53 counties, with 99,000 beneficiaries, where PFFS became available in December 2001.

² The 2004 and 2005 data reflect the reclassification of the metropolitan statistical area (MSA) status of a number of counties. There was a net reduction in the number of Medicare beneficiaries residing in non-MSA (rural) counties of about one million. About 1.5 million beneficiaries were in the counties changing from non-MSA to MSA status, and about half a million beneficiaries were in counties that changed from MSA status to non-MSA status (generally because of being assigned to the new category of micropolitan areas).

³ The 2006 and 2007 data used the same definition of rural that CMS had used in a number of other published studies. It was felt that for purposes of consistency this definition should be used: Metropolitan areas were considered urban while micropolitan areas and areas that were neither metropolitan nor micropolitan were considered rural.

NOTES: Various categories of plans were excluded if their membership was deemed to be overwhelmingly exclusive of the general Medicare population or were not otherwise available.

SOURCES: Centers for Medicare & Medicaid Services, Office of Research, Development, and Information: Analysis of plan data from the Health Plan Management System (HPMS); MedPAC Annual Reports 1999 and 2000.