

Comparison of Medicare Risk HMO and FFS Enrollees

Maggie S. Murgolo

The Medicare Current Beneficiary Survey (MCBS) is a powerful tool for analyzing the Medicare population. Using MCBS data from the 2000 Access to Care File, differences in the composition of the population enrolled in Medicare risk HMOs and of those in the same geographic areas who remained in fee-for-service (FFS) were examined. The results show that differences in the population reflect different rates of managed care enrollment among social, economic, and demographic groups of Medicare beneficiaries.

In calendar year 2000, two-thirds of Medicare enrollees lived in a geographic area served by at least one risk health maintenance organization (HMO) (Figure 1). One-quarter of those people—or 17 percent of all enrollees—were enrolled in a

risk HMO during the year, and the other three-quarters remained in the Medicare FFS Program.

The MCBS is a continuous survey of a nationally representative sample of Medicare enrollees. Survey respondents are interviewed three times each year for 3 years, plus an opening and closing interview. Information is collected from them about social, economic, and demographic life factors, as well as use of health care services and financing of those services. This survey information is combined with administrative data on use of and payment for medical care through the Medicare Program. For additional information about the MCBS, visit our Web site at <http://www.cms.hhs.gov/mcbs>.

Figure 1

Percentage of Medicare Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS), 2000

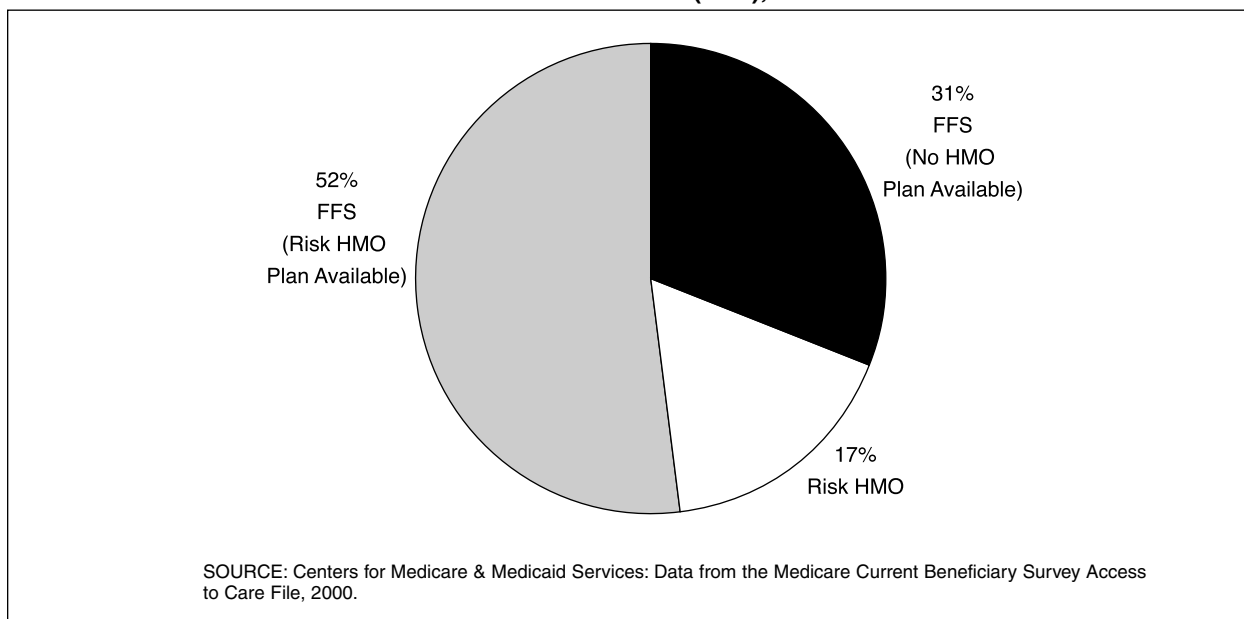
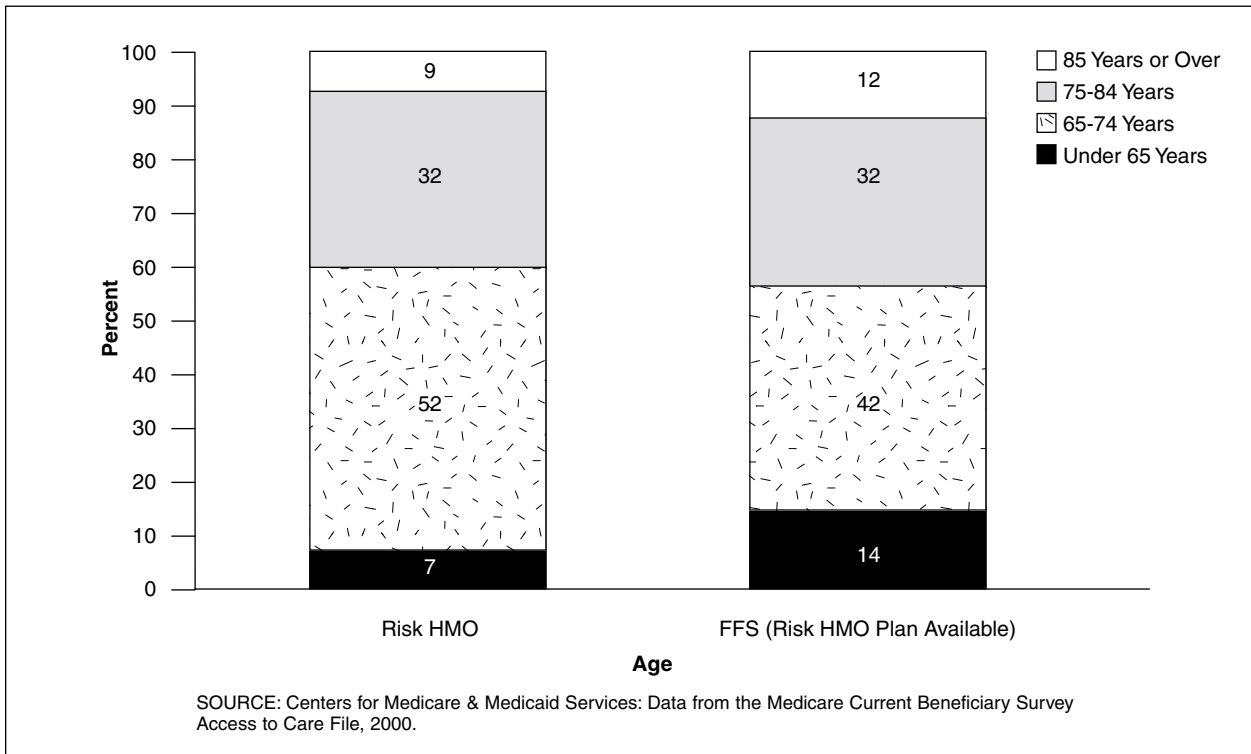
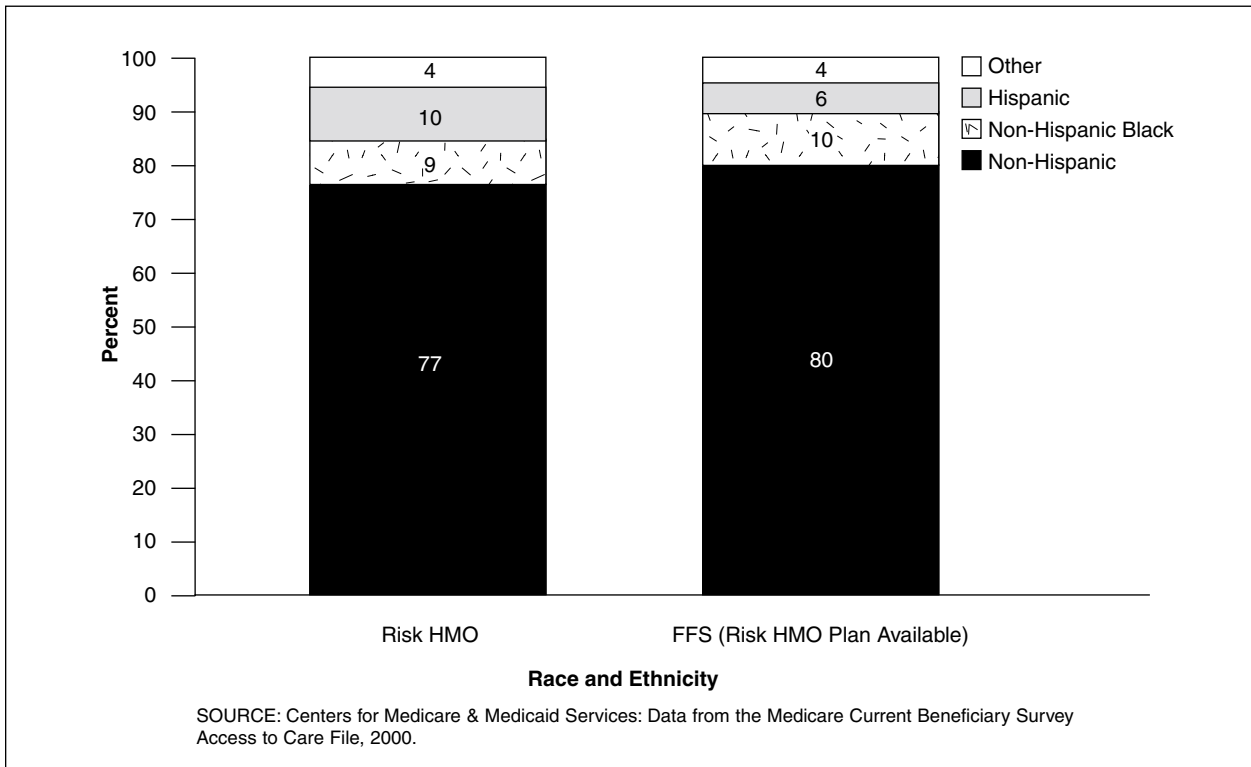


Figure 2
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and
Fee-For-Service (FFS), by Age: 2000



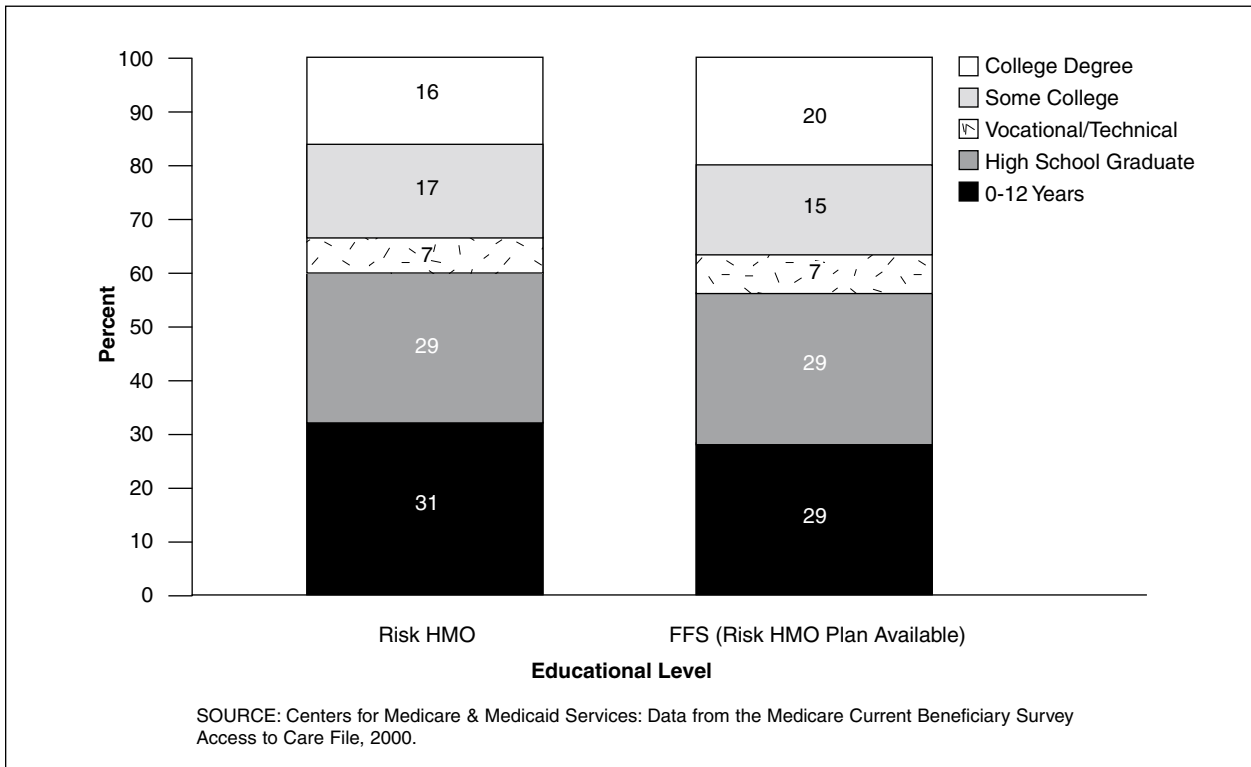
- Beneficiaries under age 65 and those age 85 or over comprised a smaller proportion of HMO enrollees (7 and 9 percent, respectively) than of the FFS population.
- More than one-half of HMO enrollees were age 65-74, a larger proportion than among FFS enrollees.

Figure 3
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS), by Race and Ethnicity: 2000



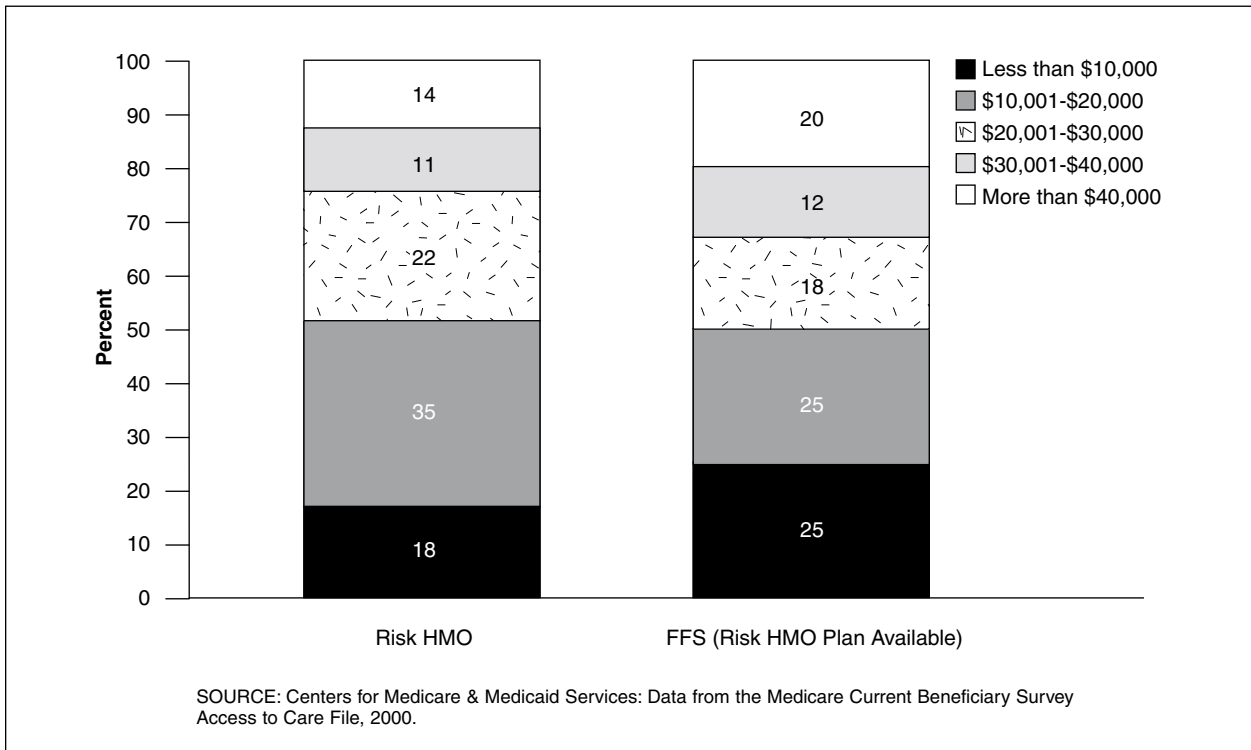
- The racial and ethnic composition of the risk HMO and FFS populations was similar. HMOs enrolled a slightly larger proportion of Hispanics and a slightly lower proportion of non-Hispanic white persons than was found in the FFS population.

Figure 4
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS), by Education Level: 2000



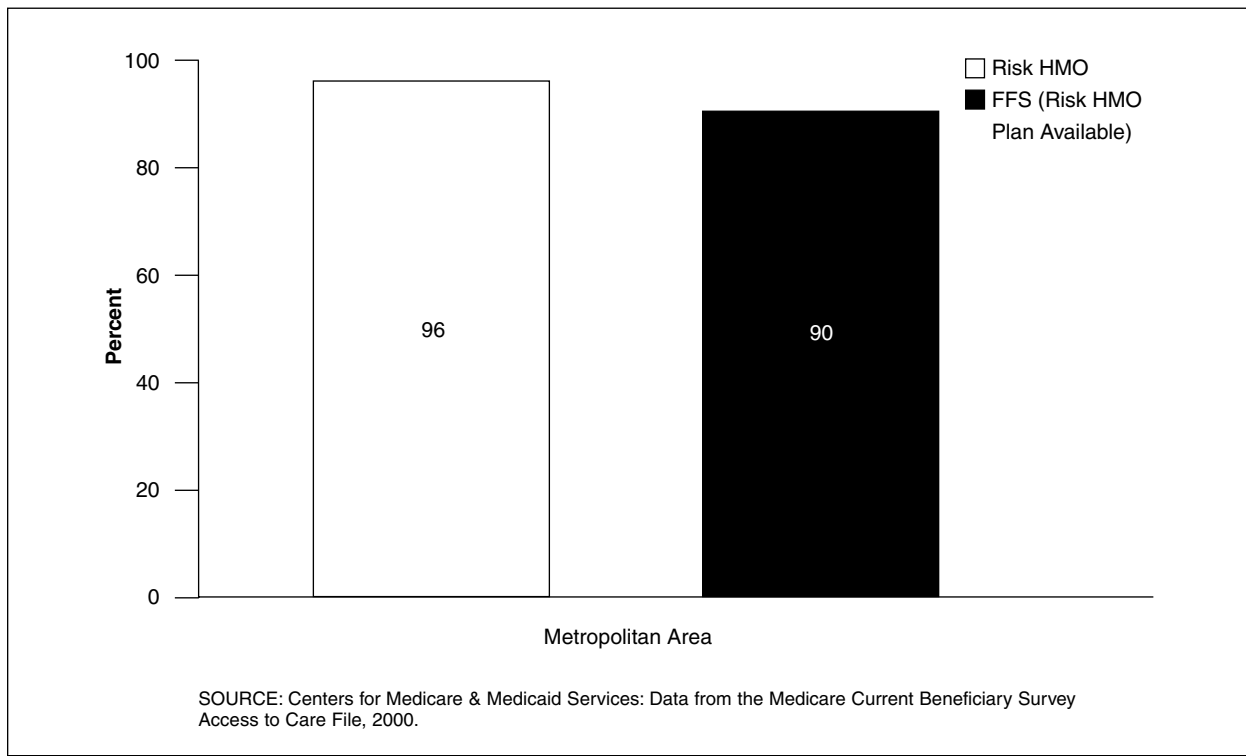
- The distributions of years in schooling in the risk HMO and FFS populations are similar across all education levels.

Figure 5
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and
Fee-For-Service (FFS), by Income: 2000



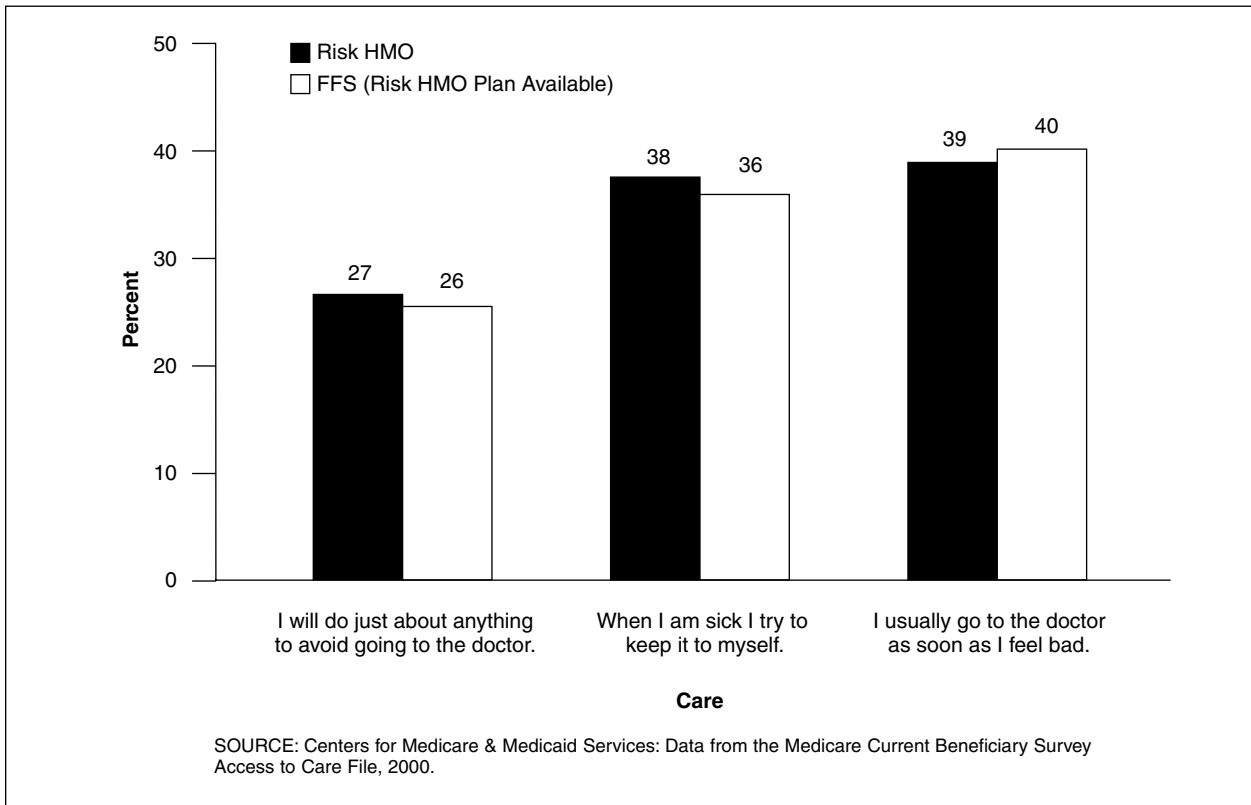
- Relatively few HMO enrollees had very high incomes (more than \$40,000 per year) or very low incomes (less than \$10,000 per year), compared with the FFS population.

Figure 6
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and
Fee-For-Service (FFS), by Metropolitan Area: 2000



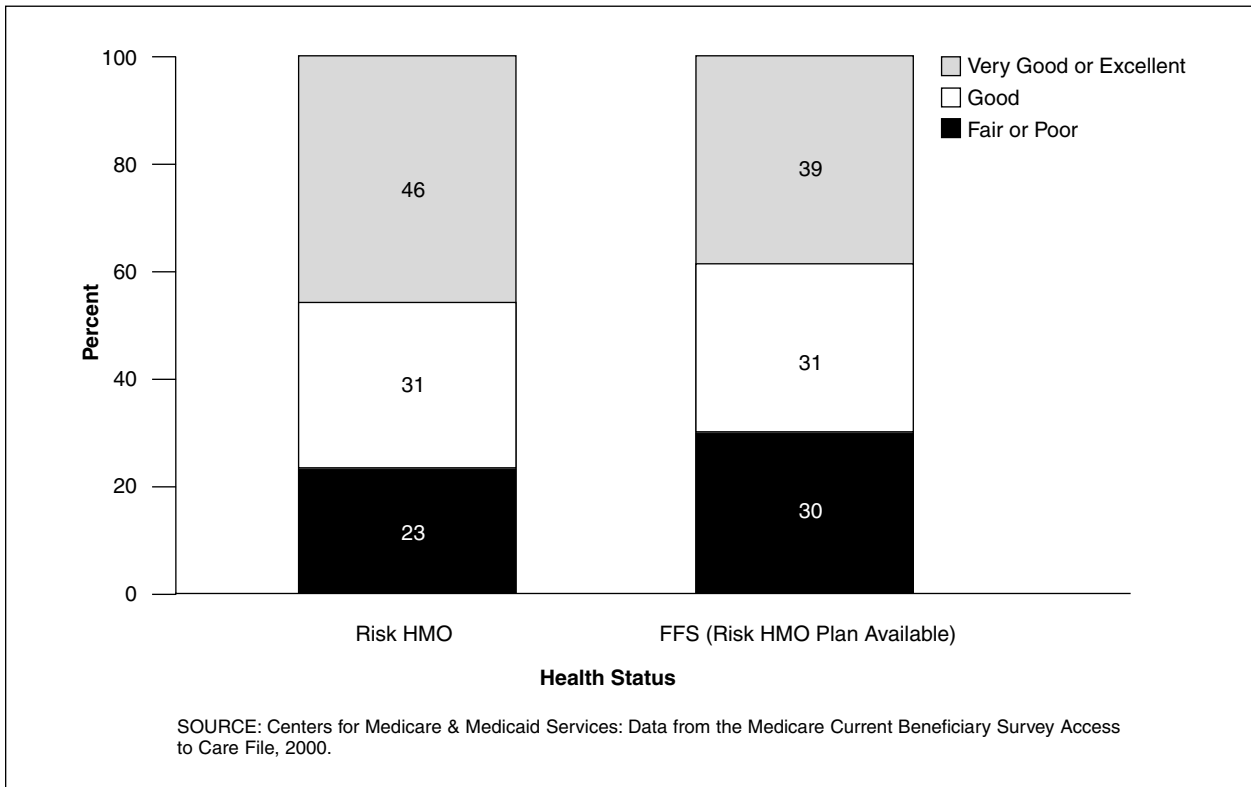
- The bulk of the Medicare population (92 percent) with access to at least one risk HMO lived in metropolitan areas. Only 8 percent lived in non-metropolitan areas (data not shown).
- Beneficiaries living in metropolitan areas with access to a risk plan were more likely to enroll in a plan than were those who lived in non-metropolitan areas. As a result, 96 percent of the risk HMO population lived in metropolitan areas, compared with 90 percent of the FFS population with access to a risk HMO.

Figure 7
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS), by Propensity to Seek Care: 2000



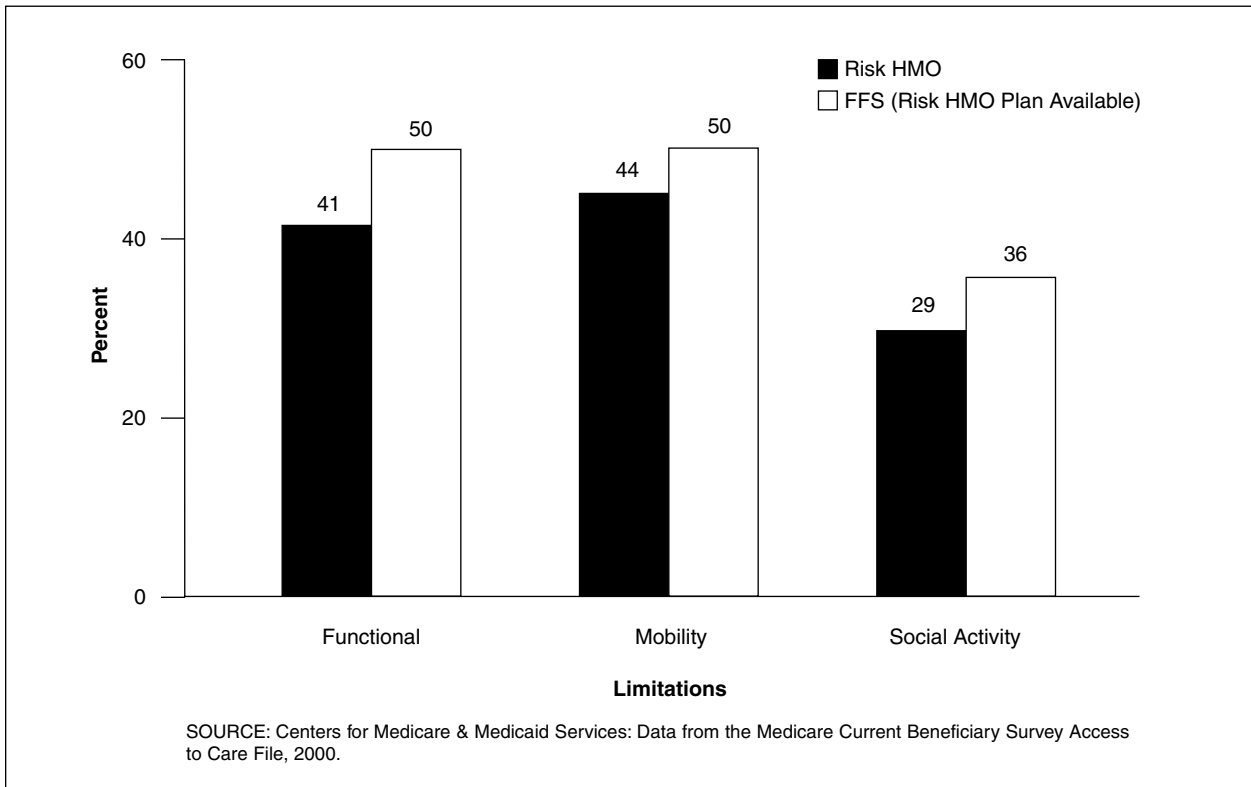
- There was no statistically significant difference between the two populations in terms of their propensity to seek care.

Figure 8
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS), by Health Status: 2000



- A greater proportion of HMO enrollees rated their health as very good or excellent, and a smaller proportion rated it as fair or poor, than was the case for the FFS population.

Figure 9
Percentage of Beneficiaries in Medicare Risk Health Maintenance Organization (HMO) and Fee-For-Service (FFS) Who Report Having Activity Limitations, 2000



- Relatively fewer risk HMO enrollees reported functional limitations, compared with FFS enrollees. In this case, functional limitations were measured by reported limitations due to health problems in any of the activities of daily living (bathing, toileting, dressing, eating, walking, or transferring) or instrumental activities of daily living (cooking, shopping, managing money, telephoning, doing heavy housework, or doing light housework).
- Similarly, relatively fewer risk HMO enrollees reported mobility limitation—difficulty walking one-quarter of a mile.
- Risk HMO enrollees were proportionately less likely to report social activity limitations due to health problems.

The author is with the Centers for Medicare & Medicaid Services (CMS). The views expressed in this article are those of the author and do not necessarily reflect the views of CMS.

Reprint Requests: Maggie S. Murgolo, Centers for Medicare & Medicaid Services, 7500 Security Boulevard, C3-16-27, Baltimore, Maryland 21244-1850. E-mail: mmurgolo@cms.hhs.gov