

# **Data Analysis Brief: Managed Care Enrollment Trends among Dually Eligible and Medicare-only Beneficiaries, 2006 through 2019**

Prepared by the CMS Medicare-Medicaid Coordination Office  
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## **Fourteen-year Managed Care Enrollment Trends: 2006-2019**

### **OBJECTIVE**

This Data Analysis Brief examines Medicare managed care enrollment trends of people who are dually eligible for Medicare and Medicaid (also known as dually eligible individuals) over fourteen years. In this brief, we include the Medicare-only population for comparison purposes.<sup>1</sup>

### **SUMMARY OF FINDINGS**

This analysis found increasing proportions of individuals enrolled in Medicare managed care across all enrollment groups over the fourteen-year period from 2006 through 2019. Among dually eligible individuals, the proportion of individuals enrolled in Medicare managed care continued to vary by level of Medicaid benefits. In 2019, 52 percent of partial-benefit dually eligible individuals were enrolled in managed care, compared to 36 percent of full-benefit dually eligible individuals.<sup>2</sup> As seen in Figure 1, the overall proportion of all dually eligible individuals enrolled in managed care surpassed that of Medicare-only beneficiaries for the first time beginning in 2015 and has since been continuing this upward trend. In 2019, 41 percent of all dually eligible beneficiaries were enrolled in Medicare managed care, compared to 35 percent of the Medicare-only population.

### **BACKGROUND**

During the past two decades, the Medicare coverage choices available to dually eligible individuals have increased significantly, especially with the introduction of the Medicare Part C/Medicare Advantage (MA) program. Under the Balanced Budget Act of 1997 (BBA), health plan options were expanded to allow private commercial insurers to offer an alternative to traditional fee-for-service (FFS) Medicare in the form of specific types of health care plans. Today, these expanded options are collectively known as the “MA program” and include health maintenance organizations (HMOs), provider sponsored

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<sup>1</sup> As CMS data from the Transformed Medicaid Statistical Information System (T-MSIS) become more current, we plan to expand our comparative analysis to include Medicaid.

<sup>2</sup> Full-benefit dually eligible individuals are Medicare beneficiaries who qualify for the full package of Medicaid benefits. They often separately qualify for assistance with Medicare premiums and cost sharing through the Medicare Savings Programs (MSPs). Partial-benefit dually eligible individuals are enrolled only in Medicare and an MSP (see [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO\\_Factsheet.pdf](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_Factsheet.pdf)).

organizations (PSOs), preferred provider organizations (PPOs), and private FFS (PFFS) plans.<sup>3</sup> The BBA also established the Program of All-inclusive Care for the Elderly (PACE) as a permanent Medicare coverage option (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 authorizing Special Needs Plans (SNPs) to better coordinate benefits for beneficiary populations with special needs (i.e., dually eligible individuals, enrollees who reside in institutions, or beneficiaries with certain chronic conditions). In this brief, we refer to enrollment in MA plans and PACE as “Medicare managed care.”

More recently, through the Financial Alignment Initiative,<sup>4</sup> ten states began testing a capitated integrated delivery-payment model to improve coordination of care and align financial incentives for dually eligible individuals.<sup>5</sup> In this model, available only to full-benefit dually eligible individuals, participating health plans are known as Medicare-Medicaid Plans (MMPs).

## DETAILED FINDINGS

- **Medicare managed care penetration has increased over the fourteen-year period from 2006 through 2019, with a greater rate of increase for dually eligible individuals than for Medicare-only beneficiaries.** Among dually eligible individuals, the proportion enrolled in Medicare managed care increased from 12 percent in December 2006 to 41 percent by December 2019. For comparison, the proportion of Medicare-only beneficiaries enrolled in managed care over the same time span increased from 18 percent to 35 percent. Figure 1 in Attachment A reflects these trends, and Table 1 in Attachment B presents the detailed findings.
- **Partial-benefit dually eligible individuals have consistently had the highest Medicare managed care enrollment rates.** Medicare managed care enrollment among partial-benefit dually eligible individuals was 20 percent in December 2006 and grew to 52 percent by December 2019. In contrast, among full-benefit dually eligible individuals, managed care enrollment increased from 10 percent to 36 percent over the same period. Figure 1 in Attachment A shows the difference

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<sup>3</sup> 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 an FFS basis, as determined by the plan itself.

<sup>4</sup> The Financial Alignment Initiative is being tested under the authority of CMS’ Center for Medicare and Medicaid Innovation. Through this initiative, CMS partners with states to test two new models: a capitated model and a managed fee-for-service (FFS) model. For additional information about the Medicare-Medicaid FAI, see the Medicare-Medicaid Coordination Office (MMCO) website: [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination).

<sup>5</sup> 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 currently testing the capitated model include California, Illinois, Massachusetts, Michigan, New York, Ohio, Rhode Island, South Carolina, and Texas. Virginia ended its capitated model demonstration in 2017, and New York transitioned one of its two demonstrations in 2019 from the capitated model to a Medicare Advantage-based initiative.

in enrollment between full-benefit and partial-benefit dually eligible individuals, and Table 1 in Attachment B contains the detailed findings.

- **The proportion of full-benefit dually eligible individuals enrolled in managed care began to grow more quickly in 2014 when MMPs became available, and the extent of recent enrollment growth in Medicare managed care among full-benefit dually eligible individuals depends on whether the data include or exclude enrollment in MMPs.**<sup>6</sup> From 2006 to 2013, the proportion of full-benefit dually eligible individuals enrolled in managed care grew by ten percentage points, from 10 percent to 20 percent. From 2013 to 2019, this share grew by 16 percentage points, from 20 percent to 36 percent. Figure 1 in Attachment A shows Medicare managed care enrollment and includes MMP and PACE trend lines for dually eligible individuals and Medicare-only beneficiaries. Figure 2 in Attachment A shows the same analysis but excludes MMP enrollment.

## DATA SOURCES AND METHODOLOGY

This analysis employed Common Medicare Environment (CME) data from the CMS Chronic Conditions Data Warehouse (CCW). All Medicare beneficiaries, including those with Medicare Part A or Part B only, were included in the denominator of total Medicare beneficiaries in this analysis.

This analysis used state-reported “State MMA File” data to identify dually eligible individuals. 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 also eligible to receive Medicare along with their dual eligibility type. The State MMA File is considered the most current, accurate, and consistent source of information on beneficiaries’ dual eligibility status for any given month. For more information on defining dually eligible individuals in CMS administrative data sources, refer to the following resource: [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO\\_DualEligibleDefinition.pdf](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_DualEligibleDefinition.pdf).

This analysis included beneficiaries with any Medicare enrollment in the year. Beneficiaries were assigned to one of three enrollment groups in the following hierarchical order: full-benefit dually eligible, partial-benefit dually eligible, and Medicare-only. Beneficiaries’ most recent enrollment (i.e., December) of the following plan types was recorded: traditional Medicare FFS, PACE, MMP, and “other” Medicare managed care plans.<sup>7</sup> Graphs in Attachment A and corresponding data tables in Attachment B indicate Medicare managed care enrollment from 2006 through 2019 for dually eligible individuals versus Medicare-only beneficiaries and for full-benefit versus partial-benefit dually eligible individuals.

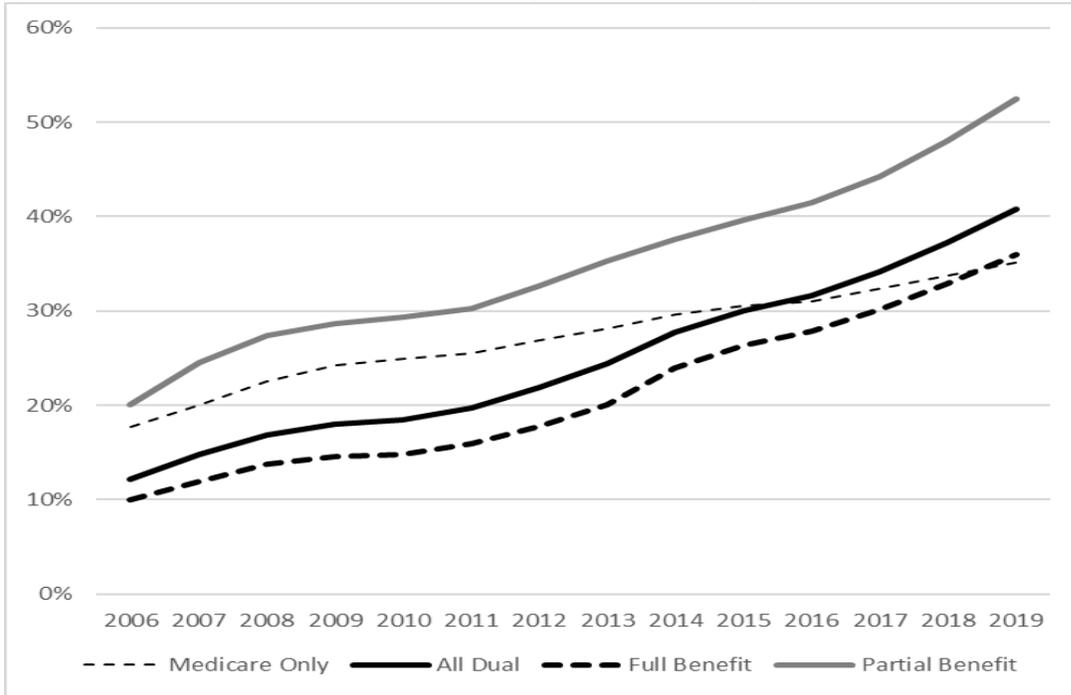
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<sup>6</sup> MMPs began phased-in enrollment in late 2013.

<sup>7</sup> This analysis does not include individuals in employer-sponsored plans.

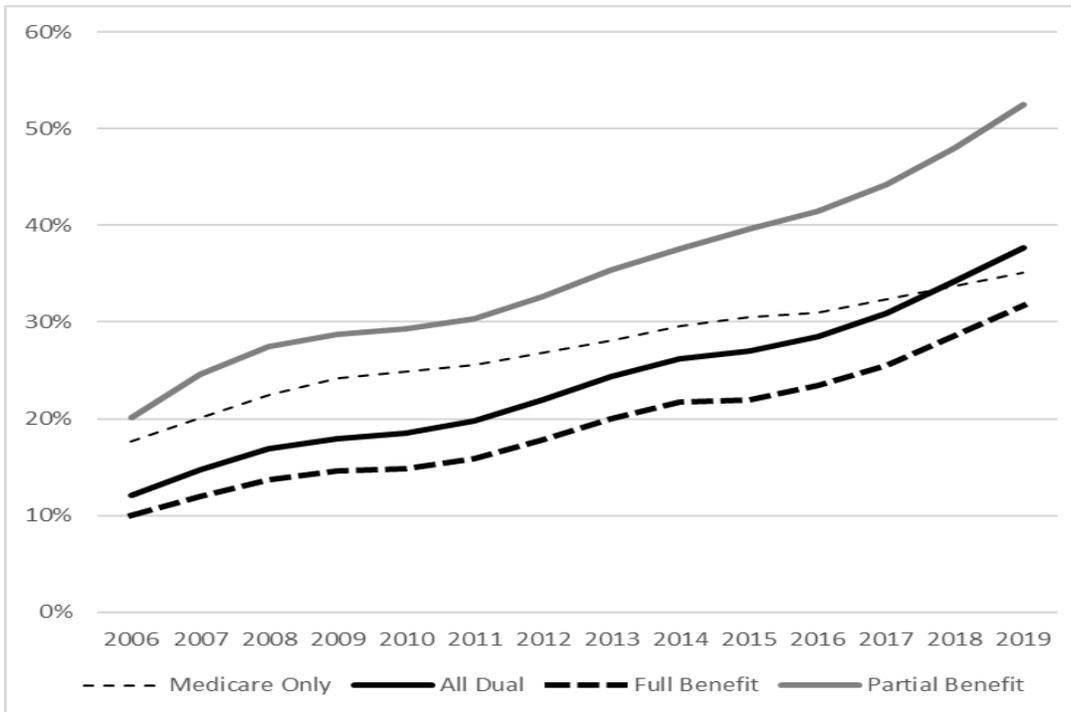
**Attachment A**

**Figure 1. Proportion of Full-benefit, Partial-benefit, Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (including PACE and MMPs), 2006-2019\***



\* The corresponding Figure 1 data for December of each year is in Attachment B, Table 1.

**Figure 2. Proportion of Full-benefit, Partial-benefit, Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (including PACE but excluding MMPs), 2006-2019\***



\* The corresponding Figure 2 data for December of each year is in Attachment B, Table 2.

**Attachment B**

**Table 1. Proportion of Medicare-only Beneficiaries, All Dually Eligible Beneficiaries, Full-benefit Dually Eligible Beneficiaries, and Partial-benefit Dually Eligible Beneficiaries Enrolled in Medicare Managed Care in December of Each Year**

Year	Medicare-only	All Dually Eligible Beneficiaries (Full- and Partial-benefit)	Full-benefit Dually Eligible Beneficiaries	Partial-benefit Dually Eligible Beneficiaries
2006	18% (6,541,079)	12% (1,047,260)	10% (679,640)	20% (367,620)
2007	20%	15%	12%	25%
2008	22%	17%	14%	27%
2009	24%	18%	15%	29%
2010	25%	18%	15%	29%
2011	26%	20%	16%	30%
2012	27%	22%	18%	33%
2013	28%	24%	20%	35%
2014	30%	28%	24%	38%
2015	31%	31%	28%	40%
2016	31%	33%	29%	41%
2017	32%	35%	32%	44%
2018	34%	37%	33%	48%
2019	35% (18,262,712)	41% (5,039,088)	36% (3,165,628)	52% (1,873,460)

**Table 2. Proportion of Medicare-only Beneficiaries, All Dually Eligible Beneficiaries, Full-benefit Dually Eligible Beneficiaries, and Partial-benefit Dually Eligible Beneficiaries Enrolled in Medicare Managed Care in December of Each Year (Excluding MMPs)**

Year	Medicare Only	All Dually Eligible Beneficiaries (Full- and Partial-Benefit)	Full-Benefit Dually Eligible Beneficiaries	Partial-Benefit Dually Eligible Beneficiaries
2006	18% (6,541,079)	12% (1,047,260)	10% (679,640)	20% (367,620)
2007	20%	15%	12%	25%
2008	22%	17%	14%	27%
2009	24%	18%	15%	29%
2010	25%	18%	15%	29%
2011	26%	20%	16%	30%
2012	27%	22%	18%	33%
2013	28%	24%	20%	35%
2014	30%	27%	22%	38%
2015	31%	28%	23%	40%
2016	31%	29%	24%	41%
2017	32%	32%	27%	44%
2018	34%	34%	29%	48%
2019	35% (18,262,712)	38% (4,661,987)	32% (2,788,527)	52% (1,873,460)