

RUPRI Center for Rural Health Policy Analysis

Rural Policy Brief

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September 2012: Medicare Advantage Enrollment Update

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Key Data Findings¹

- In September 2012, rural enrollment in Medicare Advantage (MA) and prepaid plans increased to nearly 1.8 million, accounting for over 17% of the rural Medicare population and representing a 1.5 percentage point increase from the previous year. Nationally, nearly 27% of the Medicare population is enrolled in an MA or other prepaid plan (approximately 13.6 million).
- A higher proportion of rural MA enrollees are enrolled in Preferred Provider Organization (PPO) plans (49%) and a lower proportion are enrolled in Health Maintenance Organizations (HMOs)/Point of Service (POS) plans (31%), as compared to the average of enrollees nationally (29% and 64%, respectively).
- Compared to the previous year, HMO/POS plans and PPO and other (non-Private Fee for Service (PFFS)) plans grew in market share while PFFS plans decreased in market share, a trend that has been continuing for several years.

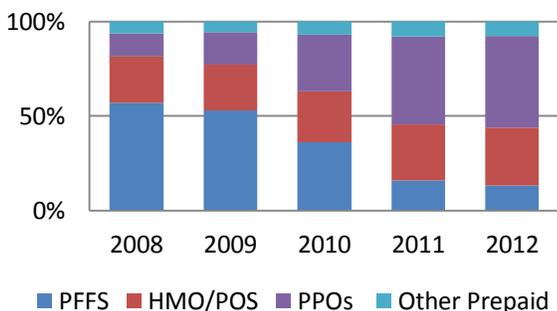
Enrollment in MA plans grew both nationally and in rural areas (Figure 1). Enrollment increased in all types of MA plans except PFFS plans. The market share of PFFS plans in rural areas dropped sharply from 2009 to 2012, from 56% to 13% (Figure 2). Although the percentage of rural Medicare eligibles who enroll in MA plans is growing, the share of rural residents enrolled remains significantly lower (17%) than the national percentage (27%). Overall, PPO plans accounted for a larger market share of all MA and prepaid plans in rural areas (49%) than nationally (29%).

The distribution of market share by plan type varies

Figure 1. Rural Medicare Advantage and Other Prepaid Plan Enrollment, 2008-2012



Figure 2. Rural Medicare Advantage and Other Prepaid Plan Enrollment by Type, 2008-2012



significantly by state in rural areas. In 16 of 48 states with rural enrollment, HMO/POS plans had higher enrollment than PPO plans in rural areas. In 32 states, PPO and other plans had higher enrollment than HMO/POS plans in rural areas. Generally, the states that lead the nation in MA enrollment also have higher rural MA enrollment. For example, in both Minnesota and Hawaii, more than 40% of eligible beneficiaries in rural areas and in the state as a whole are enrolled in MA. The states with the lowest rural MA enrollment of less than five percent, which are Kansas, Wyoming, Delaware, Maryland, Massachusetts, and Alaska, also have significantly lower than average statewide enrollment.

¹Additional Medicare Advantage enrollment data available at <http://www.public-health.uiowa.edu/rupri/maupdates/nstablesmaps.html>.