

RUPRI Center for Rural Health Policy Analysis

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2015: Rural Medicare Advantage Enrollment Update

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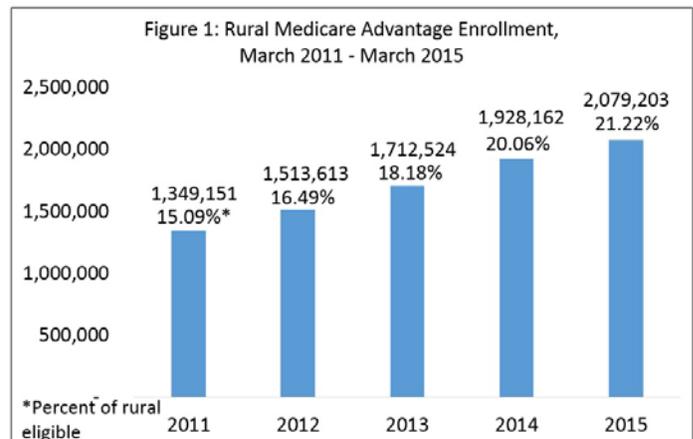
Key Findings

- Rural enrollment in Medicare Advantage (MA) and other prepaid plans increased by 6.8 percent between March 2014 and March 2015 to 2.1 million members, or 21.2 percent of all rural residents eligible for Medicare. This compares to a national enrollment in MA and other prepaid plans of 31.1 percent (16.7 million) of enrollees.
- Rural enrollment in Health Maintenance Organization (HMO) plans (including point-of-service, or POS, plans), Preferred Provider Organization (PPO) plans, and other pre-paid plans (including Medicare Cost and Program of All-Inclusive Care for the Elderly Plans) all increased by 5-13 percent.
- Enrollment in private fee-for-service (PFFS) plans continued to decline (decreasing nationally by 15.8 percent and 12.1 percent in rural counties over the period March 2014-2015). Only eight states showed an increase in PFFS plan enrollment. Five states experienced decreases of 50 percent or more.
- The five states with the highest percentages of rural beneficiaries enrolled in a Medicare Advantage plan are Minnesota (51.8 percent), Hawaii (39.4 percent), Pennsylvania (36.2 percent), Wisconsin (35.5 percent), and New York (31.5 percent).

Enrollment

From March 2014 to March 2015, *national* MA and other prepaid plan enrollment increased from 15.3 million enrollees to 16.7 million (an 8.6 percent increase). Rural enrollment still lags behind the national percent of Medicare beneficiaries enrolled in MA and other prepaid plans (21.2 percent for rural areas; 31.1 percent nationally).

PPO plans continue to dominate the rural market; their rural market share climbed from 11.4 percent (2014) to 12.2 percent (2015) of rural beneficiaries. The rural market share of HMO/POS plans increased from 5.9 percent to 6.1 percent. Other prepaid plans saw a slight gain in rural market share, from 1.6 percent to 1.8 percent. This is largely in keeping with national trends, which saw PPO plans increase their national market share from 9.3 percent to 10.4 percent at the expense of other plans. PPOs showed strong growth nationally and are the largest plan type in rural areas. Conversely,



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HMOs continue to serve most of the national market and HMO penetration into rural markets continues to lag.

Figure 3: 2015 National MA and Other Prepaid Plan Enrollment Figures

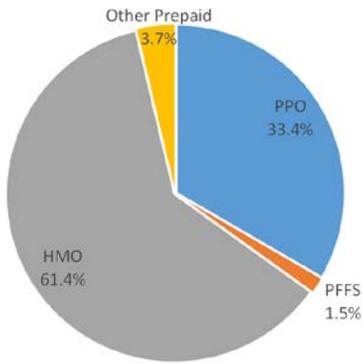
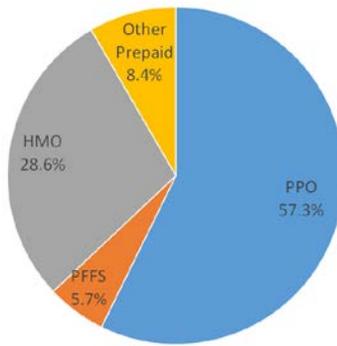


Figure 4: 2015 Rural MA and Other Prepaid Plan Enrollment Figures



The correlation, first noted in RUPRI Center reports in 2012, between high overall MA and other prepaid plan enrollment and high rural MA and other prepaid enrollment is steady¹. Of the five states with the highest percentage of Medicare beneficiaries enrolled in MA and other prepaid plans (Minnesota, Hawaii, Oregon, Ohio, and California), two (Minnesota, and Hawaii) are in the top five states for the percent of the rural, Medicare-eligible population enrolled in MA and other prepaid plans.

Rural enrollment in MA and other prepaid plans varies considerably across states. Minnesota has the highest such enrollment (51.8 percent) while the second-highest, Hawaii enrolls only 39.4 percent into MA and other prepaid plans. Ten states enroll less than 10 percent, with Alaska enrolling less than one percent of its rural, Medicare-eligible individuals in MA and other prepaid plans.

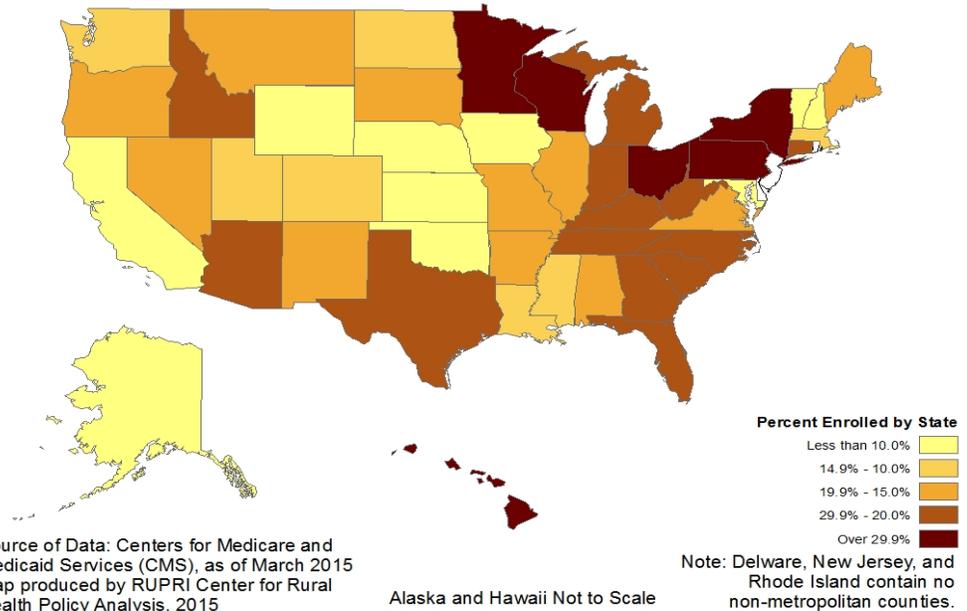
Detailed maps and enrollment tables for this update may be found on the RUPRI Center for Rural Health Policy Analysis website at <http://www.public-health.uiowa.edu/rupri/maupdates/nstablesmaps.html>.

Discussion

Rural enrollment in MA and other prepaid plans continues to grow at a healthy pace, although the rate of rural enrollment growth was smaller than the rate of national enrollment growth. The period March 2014 through March 2015 saw a continuation of several existing trends; the states with the highest MA and other prepaid plan enrollment remained the same

(both nationally and in rural counties), PFFS continued to lose market share, but HMO and POS plans and PPO plans gained rural market share. Continued research into rural enrollment in MA and other prepaid plans will be vital moving forward, as the effects of the Affordable Care Act and the Medicare Access and CHIP Reauthorization Act of 2015 begin to more strongly manifest themselves. Thus far, underlying trends in market change and growth seem to continue as they were.

Figure 4: Percent of Eligible, Non-Metropolitan Beneficiaries Enrolled in Medicaid Advantage by State, March 2015



¹ Sayavong, S., Kemper, L., Barker, A., McBride, T., & Mueller, K. "September 2012: Medicare Advantage Enrollment Update," RUPRI Center for Rural Health Policy Analysis, April 2013.