RUPRI Center for Rural Health Policy Analysis
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Medicare Advantage Enrollment Update 2019

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Background and Purpose

This policy brief continues the RUPRI Center's annual series of Medicare Advantage (MA) enrollment updates. In addition to tracking overall and metropolitan/nonmetropolitan enrollment, this brief also reports on changes in enrollment in types of MA plans. The Center's ongoing line of inquiry also considers policy changes from previous years that may have impacted MA plan enrollment.

Key Findings

- MA enrollment has grown steadily for more than 10 years, but in both 2018 and 2019 the growth in proportion of nonmetropolitan county enrollment (1.1 percent and 1.0 percent, respectively) has outpaced that of metropolitan county enrollment (0.7 percent and 0.6 percent, respectively).

- Local preferred provider organization (PPO) plans held the highest share of MA enrollment (45.2 percent) in nonmetropolitan counties. They were also the only type of plan to see significant growth in proportion of metropolitan MA enrollees since 2009 (from 8.1 percent to 29.0 percent).

- Nonmetropolitan enrollment in health maintenance organization (HMO) plans has grown steadily as a share of total MA enrollment since 2009 and accounted for 32.7 percent of that population's MA participation in 2019. The share of enrollment in HMO plans is much higher in metropolitan counties (65.0 percent in 2019), but the rate of growth in that population's enrollment has been nearly flat since 2009.

Methods

Monthly MA enrollment data for March 2019 were downloaded from Centers for Medicare & Medicaid Services (CMS) web sites.[1] March enrollment data are used in this series of annual updates because it is the first month after open enrollment closes each year and reflects net enrollment each year. Metropolitan/nonmetropolitan designations (based on Urban Influence Code) were used because data were reported by county. The terms *rural* and *nonmetropolitan* are used interchangeably in this brief.

Results / Findings

As of March 2019, 22.0 million Medicare beneficiaries were enrolled in MA plans, representing 35.0 percent of all Medicare beneficiaries (Figure 1). Between 2018 and 2019, total MA

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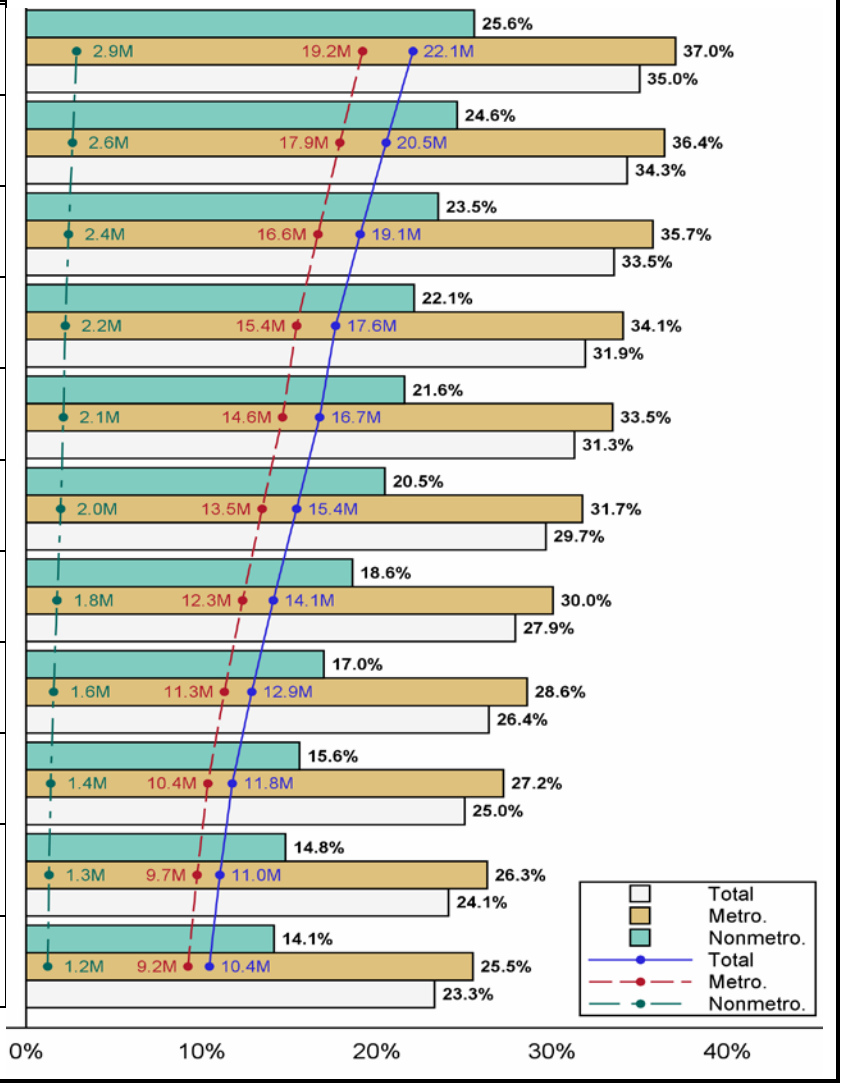
enrollment grew by 1.5 million beneficiaries, representing an increase of 7.5 percent. A higher proportion of metropolitan Medicare beneficiaries than nonmetropolitan beneficiaries (37.0 percent and 25.6 percent, respectively) enrolled in MA for 2019. But in both 2018 and 2019, the proportion of nonmetropolitan beneficiaries enrolled in MA increased (1.1 and 1.0 percentage points, respectively) more than metropolitan beneficiaries (0.7 and 0.6 percentage points, respectively).

The patterns of MA plan type enrollment in metropolitan and nonmetropolitan counties is very different. Well over half (65.0 percent) of metropolitan MA enrollees are in HMO plans whereas the largest portion (45.2 percent) of nonmetropolitan MA enrollees are in local PPO plans (Tables 1a, 1b, 1c). Metropolitan HMO plan enrollment growth has been largely flat since 2009 (the earliest data in this report) while nonmetropolitan growth in these plans has increased in 9 of 11 years, from 20.9 percent to 32.7 percent. Both metropolitan and nonmetropolitan growth in enrollment in local PPO plans has occurred nearly every year since 2009. Enrollment in other plan types (regional PPO, private fee-for-service [PFFS], and other) has declined for the last three years or longer.

National and state-specific maps and tables of MA enrollment can be found at http://ruprihealth.org/maupdates/nstablesmaps.html

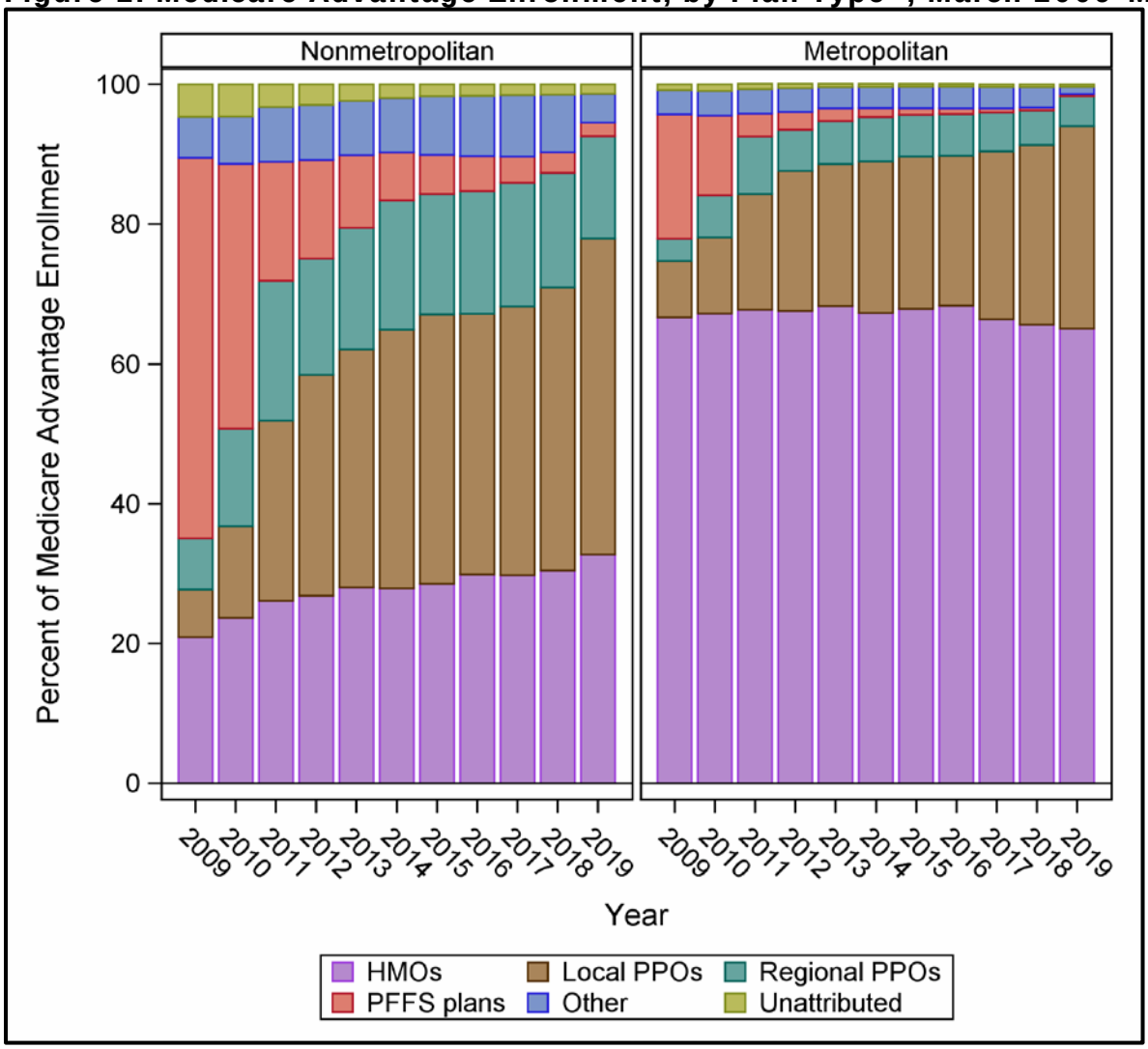
Figure 1. Medicare Advantage Enrollment, March 2009-March 2019

Year	Nonmet./ Metro.	Count (x1,000)	Pct. Enroll.
2019	Nonmet.	2,874	25.6%
	Metro.	19,190	37.0%
	Total	22,064	35.0%
2018	Nonmet.	2,639	24.6%
	Metro.	17,889	36.4%
	Total	20,529	34.3%
2017	Nonmet.	2,410	23.5%
	Metro.	16,641	35.7%
	Total	19,050	33.5%
2016	Nonmet.	2,225	22.1%
	Metro.	15,423	34.1%
	Total	17,648	31.9%
2015	Nonmet.	2,115	21.6%
	Metro.	14,619	33.5%
	Total	16,733	31.3%
2014	Nonmet.	1,966	20.5%
	Metro.	13,456	31.7%
	Total	15,422	29.7%
2013	Nonmet.	1,753	18.6%
	Metro.	12,339	30.0%
	Total	14,093	27.9%
2012	Nonmet.	1,559	17.0%
	Metro.	11,304	28.6%
	Total	12,863	26.4%
2011	Nonmet.	1,394	15.6%
	Metro.	10,359	27.2%
	Total	11,753	25.0%
2010	Nonmet.	1,300	14.8%
	Metro.	9,744	26.3%
	Total	11,044	24.1%
2009	Nonmet.	1,222	14.1%
	Metro.	9,224	25.5%
	Total	10,446	23.3%



Source: RUPRI Center for Rural Health Policy Analysis, analysis of Centers for Medicare & Medicaid Services' Medicare Advantage enrollment data.

Figure 2. Medicare Advantage Enrollment, by Plan Type*, March 2009-March 2019



Source: RUPRI Center for Rural Health Policy Analysis, analysis of Centers for Medicare & Medicaid Services' Medicare Advantage enrollment data.
* 'Other' plans include 1876 Cost, HCPP - 1833 Cost, and National PACE plans. 'Unattributed' refers to beneficiaries that could not be assigned to a plan type because of CMS reporting restrictions on county/plans with 10 or fewer enrollees.

Table 1a. Overall Medicare Advantage Enrollment by Plan Type*, March 2009-March 2019

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2009	10,445,905	23.3%	61.3%	7.9%	3.6%	22.1%	3.7%	1.3%
2010	11,043,656	24.1%	62.1%	11.2%	7.0%	14.5%	3.9%	1.4%
2011	11,752,518	25.0%	62.8%	17.7%	9.6%	4.9%	4.0%	1.0%
2012	12,863,257	26.4%	62.6%	21.4%	7.2%	3.9%	4.0%	0.9%
2013	14,092,553	27.9%	63.2%	22.1%	7.5%	2.9%	3.6%	0.7%
2014	15,421,808	29.7%	62.3%	23.6%	7.9%	2.0%	3.6%	0.6%
2015	16,733,384	31.3%	62.9%	23.9%	7.4%	1.5%	3.8%	0.6%
2016	17,647,860	31.9%	63.5%	23.5%	7.4%	1.3%	3.8%	0.5%
2017	19,050,353	33.5%	61.8%	25.9%	7.1%	1.0%	3.8%	0.5%
2018	20,528,576	34.3%	61.1%	27.6%	6.4%	0.7%	3.6%	0.5%
2019	22,063,990	35.0%	60.8%	31.1%	5.6%	0.5%	1.4%	0.5%

Table 1b. Nonmetropolitan Medicare Advantage Enrollment by Plan Type, March 2009-2019

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2009	1,222,259	14.1%	20.9%	6.8%	7.3%	54.5%	5.9%	4.6%
2010	1,299,589	14.8%	23.6%	13.1%	14.0%	37.9%	6.8%	4.6%
2011	1,393,984	15.6%	26.1%	25.8%	20.0%	17.0%	7.9%	3.2%
2012	1,559,261	17.0%	26.8%	31.6%	16.7%	14.1%	7.9%	2.9%
2013	1,753,427	18.6%	28.0%	34.1%	17.4%	10.4%	7.8%	2.3%
2014	1,966,261	20.5%	27.9%	37.0%	18.5%	6.8%	7.8%	1.9%
2015	2,114,836	21.6%	28.5%	38.6%	17.2%	5.6%	8.4%	1.7%
2016	2,225,321	22.1%	29.9%	37.3%	17.5%	5.0%	8.6%	1.6%
2017	2,409,502	23.5%	29.8%	38.5%	17.7%	3.8%	8.8%	1.5%
2018	2,639,354	24.6%	30.4%	40.5%	16.4%	2.9%	8.3%	1.4%
2019	2,874,083	25.6%	32.7%	45.2%	14.6%	2.0%	4.1%	1.3%

Table 1c. Metropolitan Medicare Advantage Enrollment by Plan Type, March 2009-2019, Metropolitan

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2009	9,223,646	25.5%	66.7%	8.1%	3.2%	17.8%	3.5%	0.8%
2010	9,744,067	26.3%	67.2%	10.9%	6.0%	11.4%	3.5%	0.9%
2011	10,358,534	27.2%	67.7%	16.6%	8.2%	3.3%	3.5%	0.8%
2012	11,303,996	28.6%	67.6%	20.0%	5.9%	2.5%	3.4%	0.6%
2013	12,339,126	30.0%	68.3%	20.4%	6.1%	1.8%	3.0%	0.5%
2014	13,455,547	31.7%	67.3%	21.7%	6.4%	1.3%	3.0%	0.4%
2015	14,618,548	33.5%	67.9%	21.8%	5.9%	0.9%	3.1%	0.4%
2016	15,422,539	34.1%	68.3%	21.5%	6.0%	0.8%	3.1%	0.4%
2017	16,640,851	35.7%	66.4%	24.1%	5.5%	0.6%	3.1%	0.4%
2018	17,889,222	36.4%	65.6%	25.7%	4.9%	0.4%	2.9%	0.4%
2019	19,189,907	37.0%	65.0%	29.0%	4.3%	0.3%	1.0%	0.3%

Source: RUPRI Center for Rural Health Policy Analysis, analysis of Centers for Medicare & Medicaid Services' Medicare Advantage enrollment data.

* 'Other' plans include 1876 Cost, HCPP - 1833 Cost, and National PACE plans. 'Unattributed' refers to beneficiaries that could not be assigned to a plan type because of CMS reporting restrictions on county/plans with 10 or fewer enrollees.

Discussion

Overall enrollment in MA plans grew by 7.5 percent between 2018 and 2019, with similar growth in both metropolitan (7.3 percent) and nonmetropolitan (8.9 percent) counties. This sustained growth stands in contrast to expectations following changes to the MA program imposed by the Patient Protection and Affordable Care Act (PPACA) in 2010. In an attempt to control MA costs, the PPACA introduced a number of modifications to the program, including changing payment rate calculations and lowering rebate amounts.[2] By reducing the payments to insurers, these policy changes were expected to decrease supplemental benefits while increasing cost sharing, ultimately making plans less attractive to beneficiaries.[3] However, enrollment in MA continues to grow, with the Congressional Budget Office estimating that 42 percent of all Medicare beneficiaries will be in MA plans by 2027.[4]

A number of factors have been cited for mitigating the impact of the PPACA changes on MA enrollment including quality bonus payments established by the PPACA helping to offset payment rate cuts, the slow phase-in of rate cuts, modest changes in rebate reductions and others[5]. In fact, the MA market now appears stronger than ever, with the Medicare Payment Advisory Commission (MedPAC) announcing that as of 2019, "nearly all Medicare beneficiaries (97 percent) have an HMO or local PPO operating in their county of residence."[6]

Early analysis of the MA landscape shows that in 2020, Medicare beneficiaries will have access to an average of 28 MA plans for individual enrollment. However, the access landscape will be somewhat uneven as metropolitan beneficiaries will have access to nearly twice as many plans as nonmetropolitan beneficiaries (31 plans versus 16 plans, respectively).[7]

Several changes to the MA landscape over the last year are likely to prolong or enhance growing enrollment:

- CMS policy updates announced in April 2019 expand the range of possible supplemental benefits to include those addressing social determinants of health for beneficiaries with chronic disease. Examples include meal delivery in more circumstances, transportation for nonmedical needs such as grocery shopping, and carpet-cleaning to reduce irritants for beneficiaries with asthma[8]. The update also authorized greater use of telehealth than permitted in traditional Medicare.

- CMS's steps to enhance marketing for MA plans will also likely continue the growth in MA enrollment. In the past two years, CMS has loosened restrictions on marketing MA plans by streamlining government review and approval of marketing materials and by launching an overhauled "plan finder" that allows users to shop and compare MA and Part D plans.[9]

- Another change likely to enhance the attractiveness of MA is a provision in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) that removed the two most popular Medigap plans from the list of those available to new traditional Medicare enrollees in 2020. The loss of these Medigap plans will likely make traditional Medicare a less attractive alternative to new beneficiaries.[10]

  It is unclear whether any of these changes will have a differential impact on MA enrollment in nonmetropolitan and metropolitan areas. RUPRI will continue to monitor changes and trends in MA enrollment.

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