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Medicare Advantage Enrollment Update 2021

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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 nonmetropolitan/metropolitan 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

- Overall MA enrollment grew by 7.2 percent (1.8 million) from 2020 to 2021; the rate of growth was higher in nonmetropolitan counties (14.2 percent) than in metropolitan counties (6.2 percent).
- Overall, more than half of MA enrollees (59.2 percent) were in Health Maintenance Organization (HMO) plans. The largest proportion of nonmetropolitan enrollees (48.9 percent) were in Local Preferred Provider Organization (PPO) plans, whereas the largest proportion of metropolitan enrollees (63.0 percent) were in HMO plans.
- The percentage of nonmetropolitan MA enrollees in HMO plans increased from 34.9 percent in 2020 to 36.8 percent in 2021. However, the increase in metropolitan enrollees in HMO plans was minimal (62.6 percent in 2020 to 63.0 percent in 2021).
- Enrollment in Local PPO plans increased in both nonmetropolitan (from 46.3 percent to 48.9 percent) and metropolitan counties (from 29.9 percent to 33.2 percent) between 2020 and 2021.

Methods

Monthly MA enrollment data for March 2021 were downloaded from Centers for Medicare & Medicaid Services (CMS) websites.[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. CMS identified an issue in previous data releases where beneficiaries with multiple addresses were double counted. Corrected data dating back to 2017 were released and have been incorporated into this report. As a result, some of the numbers reported in this brief may not align with numbers reported in previous updates. Nonmetropolitan/metropolitan designations (based on Urban Influence Code) were used because data were reported by county.

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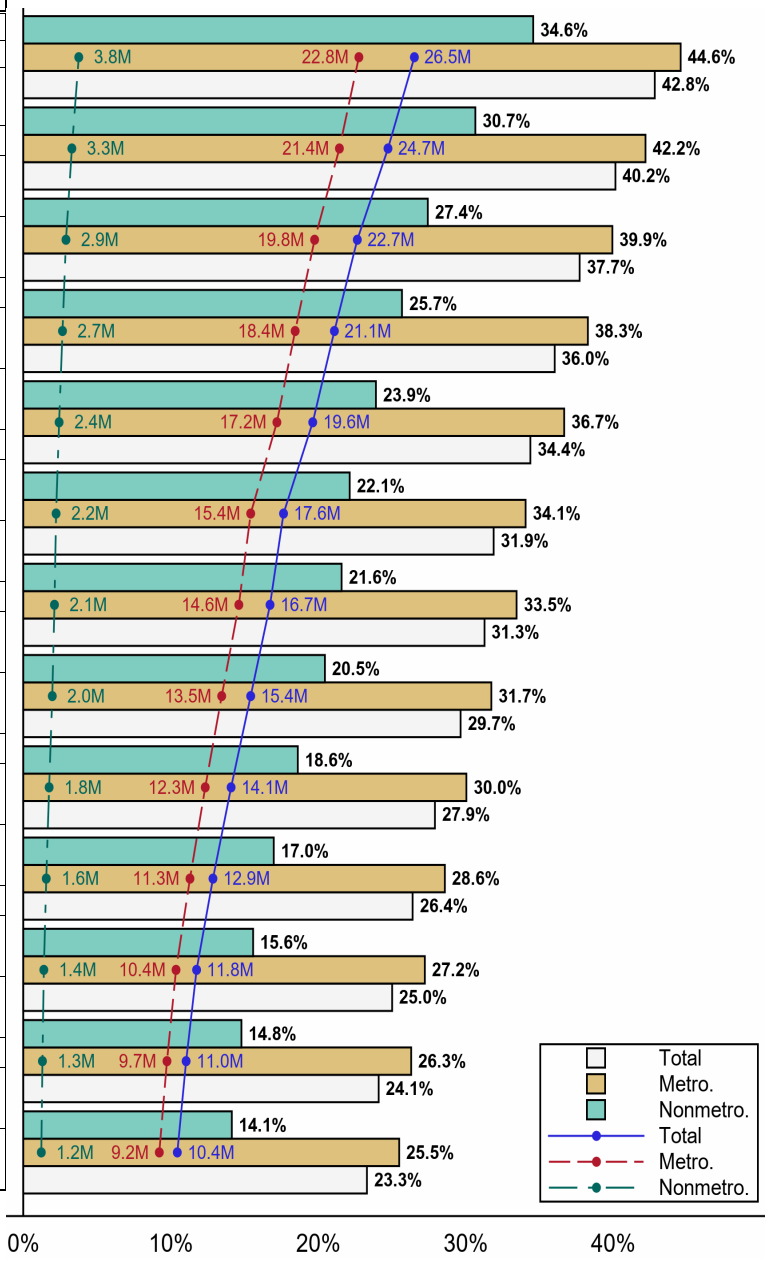
Figure 1. Medicare Advantage Enrollment, March 2009-March 2021

Year	Nonmet./ Metro.	Count (x1,000)	Pct. Enroll.
2021	Nonmet.	3,763	34.6%
	Metro.	22,758	44.6%
	Total	26,520	42.8%
2020	Nonmet.	3,295	30.7%
	Metro.	21,437	42.2%
	Total	24,732	40.2%
2019	Nonmet.	2,896	27.4%
	Metro.	19,756	39.9%
	Total	22,651	37.7%
2018	Nonmet.	2,660	25.7%
	Metro.	18,437	38.3%
	Total	21,097	36.0%
2017	Nonmet.	2,431	23.9%
	Metro.	17,198	36.7%
	Total	19,629	34.4%
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.

Results/Findings

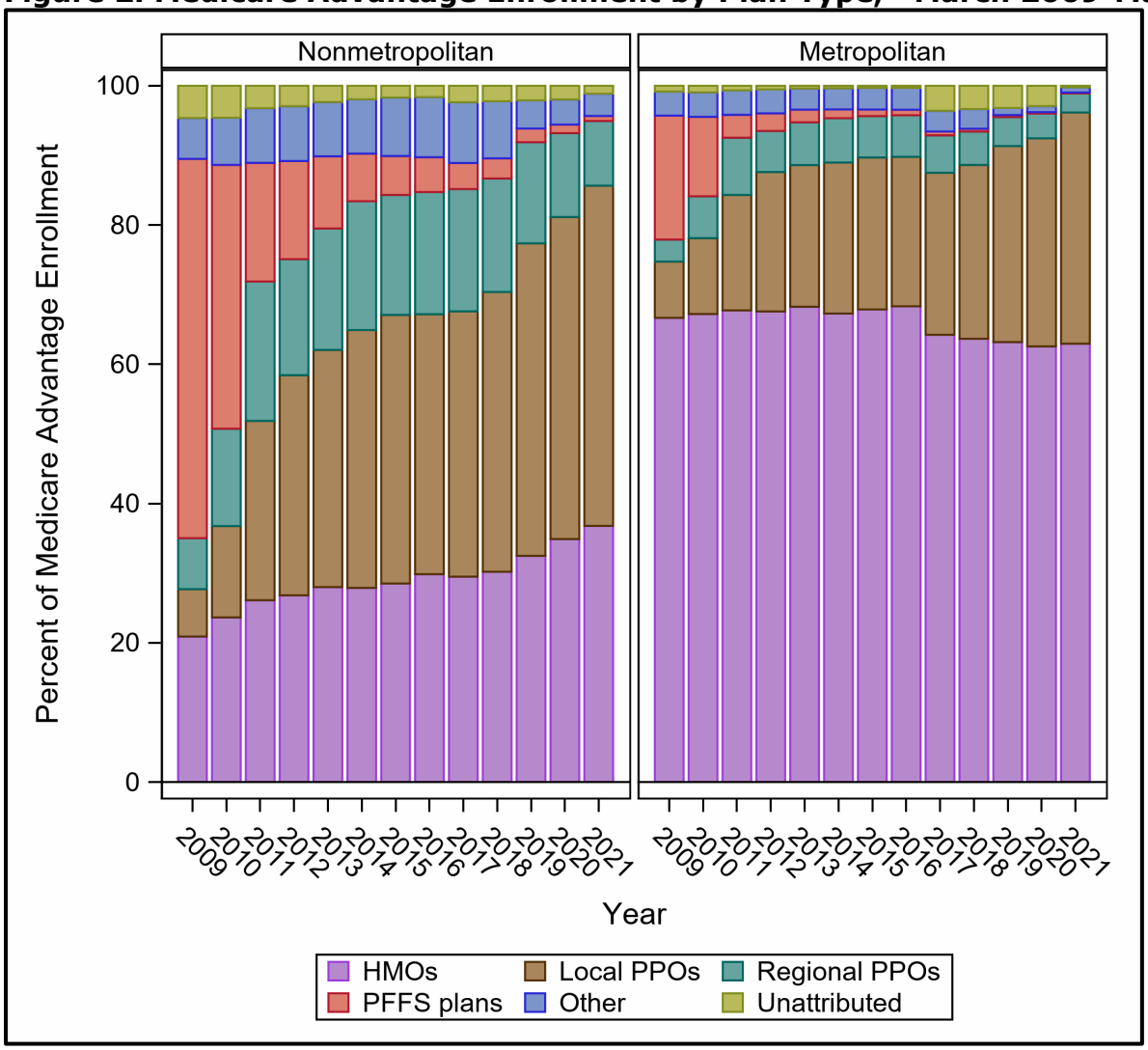
As of March 2021, 26.5 million Medicare beneficiaries were enrolled in MA plans, which is 42.8 percent of all beneficiaries (Figure 1). The total number of MA beneficiaries increased by 7.2 percent (1.8 million) between 2020 and 2021. While nonmetropolitan counties had a lower rate of participation than metropolitan counties (34.6 percent and 44.6 percent, respectively), the rate of enrollment growth was higher for nonmetropolitan counties (14.2 percent and 6.2 percent, respectively).

The enrollment patterns in MA plan types differed between nonmetropolitan and metropolitan counties (Tables 1a, 1b, 1c). More than half (63.0 percent) of metropolitan MA enrollees were in HMO plans, whereas the largest portion (48.9 percent) of

nonmetropolitan MA enrollees were in Local PPO plans. Metropolitan HMO plan enrollment decreased slightly in 2017 but was largely flat both before and after that year. Nonmetropolitan HMO plan enrollment increased in 10 of the last 12 years, from 20.9 percent in 2009 to 36.8 percent in 2021. Local PPO plan enrollment grew almost every year since 2009 for both metropolitan and nonmetropolitan areas. Continuing earlier trends, enrollment in Regional PPO, Private Fee-For-Service (PFFS), and other plan types continued to decline in 2021.

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

Figure 2. Medicare Advantage Enrollment by Plan Type,* March 2009-March 2021



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 2021

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2021	26,520,298	42.8%	59.2%	35.4%	3.7%	0.2%	1.1%	0.4%
2020	24,732,198	40.2%	58.9%	32.1%	4.7%	0.3%	1.2%	0.4%
2019	22,651,489	37.7%	59.3%	30.3%	5.5%	0.5%	1.4%	0.5%
2018	21,097,238	36.0%	59.4%	26.9%	6.2%	0.7%	3.5%	0.5%
2017	19,628,723	34.4%	59.9%	25.1%	6.9%	1.0%	3.7%	0.5%
2016	17,647,860	31.9%	63.5%	23.5%	7.4%	1.3%	3.8%	0.5%
2015	16,733,384	31.3%	62.9%	23.9%	7.4%	1.5%	3.8%	0.6%
2014	15,421,808	29.7%	62.3%	23.6%	7.9%	2.0%	3.6%	0.6%
2013	14,092,553	27.9%	63.2%	22.1%	7.5%	2.9%	3.6%	0.7%
2012	12,863,257	26.4%	62.6%	21.4%	7.2%	3.9%	4.0%	0.9%
2011	11,752,518	25.0%	62.8%	17.7%	9.6%	4.9%	4.0%	1.0%
2010	11,043,656	24.1%	62.1%	11.2%	7.0%	14.5%	3.9%	1.4%
2009	10,445,905	23.3%	61.3%	7.9%	3.6%	22.1%	3.7%	1.3%

Table 1b. Nonmetropolitan Medicare Advantage Enrollment by Plan Type, March 2009-2021

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2021	3,762,577	34.6%	36.8%	48.9%	9.3%	0.7%	3.2%	1.1%
2020	3,295,215	30.7%	34.9%	46.3%	12.0%	1.2%	3.6%	1.2%
2019	2,895,620	27.4%	32.5%	44.9%	14.5%	2.0%	4.1%	1.3%
2018	2,660,053	25.7%	30.2%	40.2%	16.3%	2.9%	8.2%	1.4%
2017	2,430,666	23.9%	29.5%	38.1%	17.6%	3.7%	8.7%	1.5%
2016	2,225,321	22.1%	29.9%	37.3%	17.5%	5.0%	8.6%	1.6%
2015	2,114,836	21.6%	28.5%	38.6%	17.2%	5.6%	8.4%	1.7%
2014	1,966,261	20.5%	27.9%	37.0%	18.5%	6.8%	7.8%	1.9%
2013	1,753,427	18.6%	28.0%	34.1%	17.4%	10.4%	7.8%	2.3%
2012	1,559,261	17.0%	26.8%	31.6%	16.7%	14.1%	7.9%	2.9%
2011	1,393,984	15.6%	26.1%	25.8%	20.0%	17.0%	7.9%	3.2%
2010	1,299,589	14.8%	23.6%	13.1%	14.0%	37.9%	6.8%	4.6%
2009	1,222,259	14.1%	20.9%	6.8%	7.3%	54.5%	5.9%	4.6%

Table 1c. Metropolitan Medicare Advantage Enrollment by Plan Type, March 2009-2021

Year	Total MA Enrollees	% Total Enrolled	HMO	Local PPO	Regional PPO	PFFS Plan	Other	Unatt.
2021	22,757,721	44.6%	63.0%	33.2%	2.7%	0.1%	0.8%	0.3%
2020	21,436,742	42.2%	62.6%	29.9%	3.5%	0.2%	0.9%	0.3%
2019	19,755,615	39.9%	63.2%	28.2%	4.2%	0.3%	1.0%	0.3%
2018	18,436,974	38.3%	63.7%	25.0%	4.8%	0.4%	2.8%	0.4%
2017	17,197,848	36.7%	64.2%	23.3%	5.4%	0.6%	3.0%	0.4%
2016	15,422,539	34.1%	68.3%	21.5%	6.0%	0.8%	3.1%	0.4%
2015	14,618,548	33.5%	67.9%	21.8%	5.9%	0.9%	3.1%	0.4%
2014	13,455,547	31.7%	67.3%	21.7%	6.4%	1.3%	3.0%	0.4%
2013	12,339,126	30.0%	68.3%	20.4%	6.1%	1.8%	3.0%	0.5%
2012	11,303,996	28.6%	67.6%	20.0%	5.9%	2.5%	3.4%	0.6%
2011	10,358,534	27.2%	67.7%	16.6%	8.2%	3.3%	3.5%	0.8%
2010	9,744,067	26.3%	67.2%	10.9%	6.0%	11.4%	3.5%	0.9%
2009	9,223,646	25.5%	66.7%	8.1%	3.2%	17.8%	3.5%	0.8%

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 counties/plans with 10 or fewer enrollees.

Discussion

Enrollment in MA plans increased by 7.2 percent between 2020 and 2021. By contrast, during the same period overall Medicare (i.e. combined Traditional Medicare and MA) enrollment grew by approximately 952,000 or 1.5 percent.[2] A number of possible features make MA plans an attractive alternative to traditional Medicare, including coverage of both Medicare Part A and B services, possible inclusion of Part D services (89% of MA plans offered prescription drug coverage in 2021), possible coverage of supplemental services (e.g., dental, vision, or hearing services) with no or low monthly premiums, and limits on annual out-of-pocket spending.[3-9] Additionally, MA plans have been shown to provide similar or higher quality of care and better patient experience when compared to traditional Medicare.[3,4,10-15] These features are balanced by other plan characteristics such as narrow provider networks, prior authorization of provider orders, and differences in deductibles. It was anticipated that MA enrollment would decline after the reduction in payments to plans instituted by the Patient Protection and Affordable Care Act (PPACA),[14,16] however MA plans have been able to sustain lower premiums and continue to offer similar or enhanced benefits because the payment reduction was modest and gradual. Further, the inclusion of quality bonuses and risk adjustments has provided plans with revenue to offset payment cuts.[4,5,11,12,14,16,17] Additionally, MA plans were able to increase their benefit arrays (with costs being allowable benefits when calculating Medicare's payment to the plans), to include coverage of social support services (primarily not related to medical care) starting in 2019, and special coverage of additional services like pest control, food, and nonmedical transportation to chronically ill enrollees starting in 2020. This expansion in supplemental benefits was enabled by the Bipartisan Budget Act, 2018.[18,19] MA plans were further allowed to include a wider range of Medicare-covered services via telehealth in their basic benefit package starting in 2020 as a way to address the COVID-19 public health emergency.[20]

MA enrollment in 2021 was comparatively lower in nonmetropolitan counties (34.6 percent) than in metropolitan counties (44.6 percent). This geographic variation in enrollment could stem from comparatively lower availability of MA plans in nonmetropolitan areas: in 2021, metropolitan counties had an average of 36 MA plans available, compared to an average of 20 MA plans available in nonmetropolitan areas.[21] However, there was higher enrollment growth in nonmetropolitan counties (14.2 percent) than in metropolitan counties (6.2 percent). This enrollment growth aligns with higher growth in the number of MA plans available in non-metropolitan areas (25.0 percent) than metropolitan areas (16.1 percent) from 2020 to 2021.[21]

Enrollment in types of plans also differed by geographic location. Nonmetropolitan counties had higher enrollment in PPO plans which offer flexibility in coverage of out-of-network service and require no referral to seek specialty services. Metropolitan counties had more enrollees in HMO plans that are restrictive in covering out-of-network services but cheaper (lower premiums and cost-sharing) than PPOs.[22] Moreover, enrollment in PFFS plans continued its 12 year decline to near zero in both metropolitan and nonmetropolitan counties (0.1 percent and 0.7 percent, respectively). This enrollment decline parallels the continuous decline in the number of PFFS plans and increase in HMO and local PPO plans.[21]

Recent changes in benefits instituted by BBA, 2018 might facilitate MA enrollment growth in coming years, but it is too early to anticipate their full impact. RUPRI will continue to monitor MA enrollment trends and policy changes.

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