

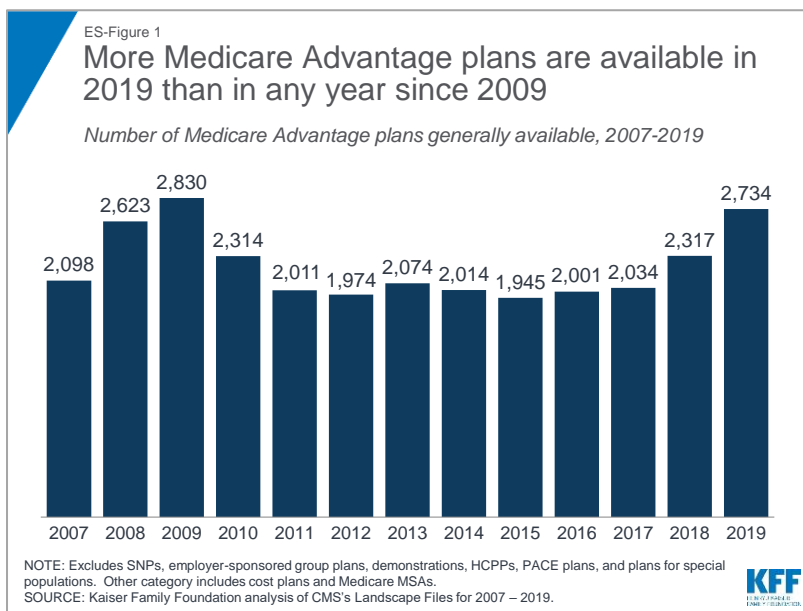
Medicare Advantage 2019 Spotlight: First Look

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Executive Summary

More than 20 million Medicare beneficiaries (34%) are enrolled in Medicare Advantage plans, which are mainly HMOs and PPOs offered by private insurers as an alternative to the traditional Medicare program. This brief provides an overview of the Medicare Advantage plans that will be available in 2019, based on an analysis of data from the Centers for Medicare and Medicaid Services (CMS). Findings include:

- Number of Plans.** Nationwide, 2,734 Medicare Advantage plans will be available for individual enrollment in 2019 – an increase of 417 plans since 2018. The preponderance of the growth in plans will occur in Florida. The average beneficiary will be able to choose among 24 plans in 2019, up from 21 in 2018. The number of Special Needs Plans (SNPs) will also increase from 630 plans in 2018 to 717 plans in 2019.



- Variation in Number of Plans Across Counties.** The number of Medicare Advantage plans will vary greatly across counties in 2019, from more than 50 plans in 6 counties (1% of beneficiaries) to two or fewer plans in 246 counties (2% of beneficiaries), including 115 counties (with 1% of beneficiaries) in which no plans will be offered in 2019.
- Number of Firms.** The average beneficiary will be able to choose from plans offered by seven firms in 2019, with large variation across counties. Seven percent of all Medicare beneficiaries will have a choice of plans offered by two or fewer firms while 19 percent of beneficiaries will be able to choose from plans offered by 10 or more firms.
- Market Entrants and Exits.** Fourteen insurers will be entering the Medicare Advantage market for the first time in 2019, offering products in 26 states. Five insurers, together accounting for about 23,000 Medicare beneficiaries in 2018, will be exiting in 2019, four of which offered SNPs in 2018. These firms account for a small share of the insurers offering Medicare Advantage plans in 2019.

Plan Offerings in 2019

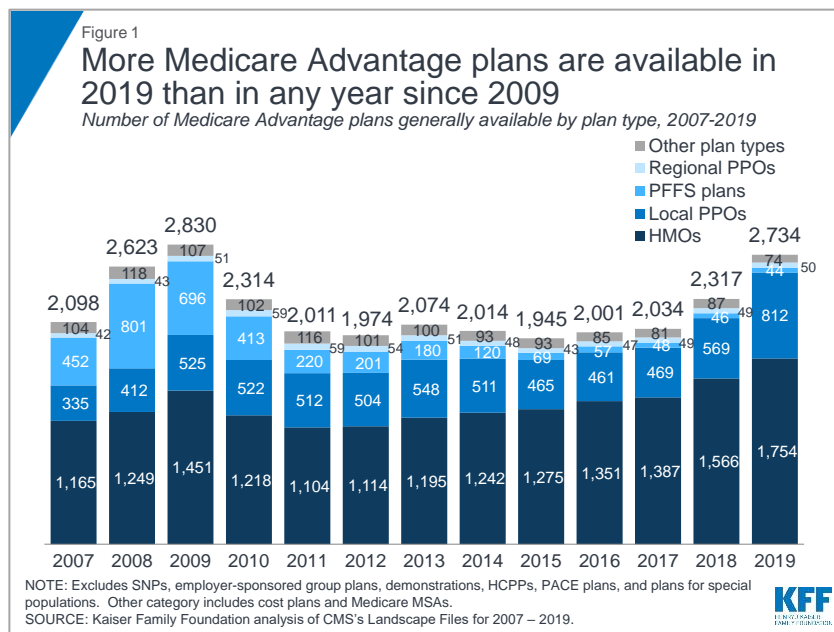
Number of Plans

Total Number of Plans. In total, 2,734 Medicare Advantage plans will be available nationwide for individual enrollment in 2019 – a 18 percent increase (417 more plans) from 2018 and the largest number of plans available since 2009 (Figure 1; Table A1). These numbers exclude employer or union-sponsored group plans and Special Needs Plans, which are only available to select populations. The increase mostly reflects an additional 188 HMOs and 243 local PPOs, with

three additional Medical Savings Account (MSA) plans and one additional Regional PPO as well. The size of the increase in local PPOs is notable, and more HMOs and local PPOs will be offered in 2019 than any year since 2007. HMOs continue to account for the majority of plans available, and will account for about two-thirds (64%) of all plans offered in 2019. The growth in number of plans varies across states and counties, with the preponderance of the growth in plans occurring in Florida (75 more plans; data not shown). The District of Columbia and Maine will have fewer plans available in 2019 than in 2018 (with 6 fewer and 1 fewer plans, respectively).

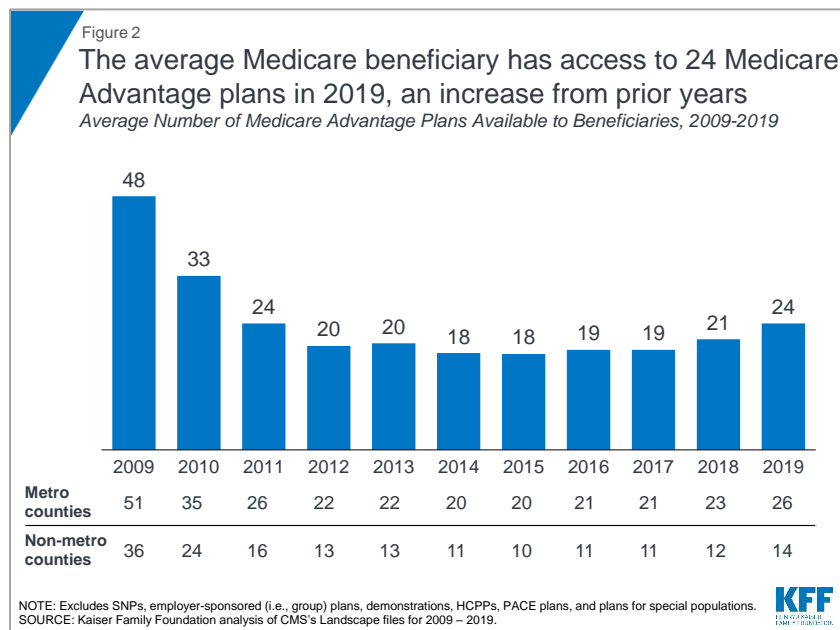
In addition to the new plans available for individual enrollment, more Special Needs Plans (SNPs) will be available in 2019, increasing from 630 plans in 2018 to 717 plans in 2019, reflecting an increase in SNPs for beneficiaries dually eligible for Medicare and Medicaid (D-SNPs; 401 plans in 2018 to 465 plans in 2019) and SNPs for people requiring an institutional-level of care (I-SNPs; 97 plans in 2018 to 125 plans in 2019). The number of SNPs for people with chronic or disabling conditions (C-SNPs) will decline from 132 plans to 127 plans between 2018 and 2019. This decline in C-SNPs may be partly due to both the value-based insurance design (VBID) model with the CMS Innovation Center, which allows plans to reduce cost-sharing or offer supplemental benefits for people with chronic conditions to promote high-value services, and the new authority of Medicare Advantage plans that are open for general enrollment to target supplemental benefits to people with certain chronic conditions beginning in 2019. Both of these expanded authorities allow Medicare Advantage plans to offer benefits to people with chronic conditions that have traditionally been offered through C-SNPs.

While many employers and unions also offer Medicare Advantage plans to their retirees, no information about these plans is made available by CMS to the public during the Medicare open enrollment period.



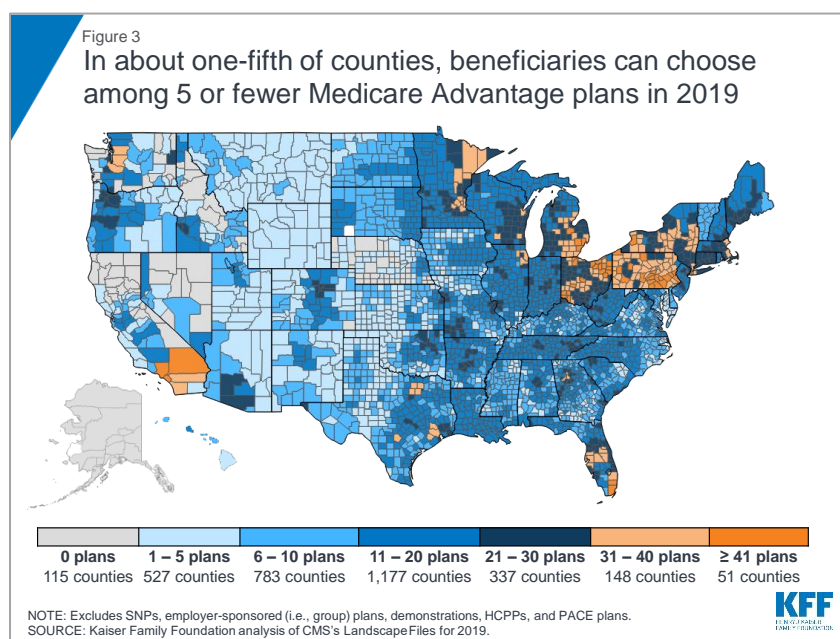
Number of Plans Available to Beneficiaries.

In 2019, the average Medicare beneficiary will have access to 24 Medicare Advantage plans available for individual enrollment, the highest number of plans per beneficiary since 2011 (Figure 2). Among the 24 Medicare Advantage plans available to the average Medicare beneficiary, 20 of the plans will include prescription drug coverage (MA-PDs); 90 percent of all Medicare Advantage plans offered will include prescription drug coverage in 2019.



Variation in the Number of Plans, by Geographic Area.

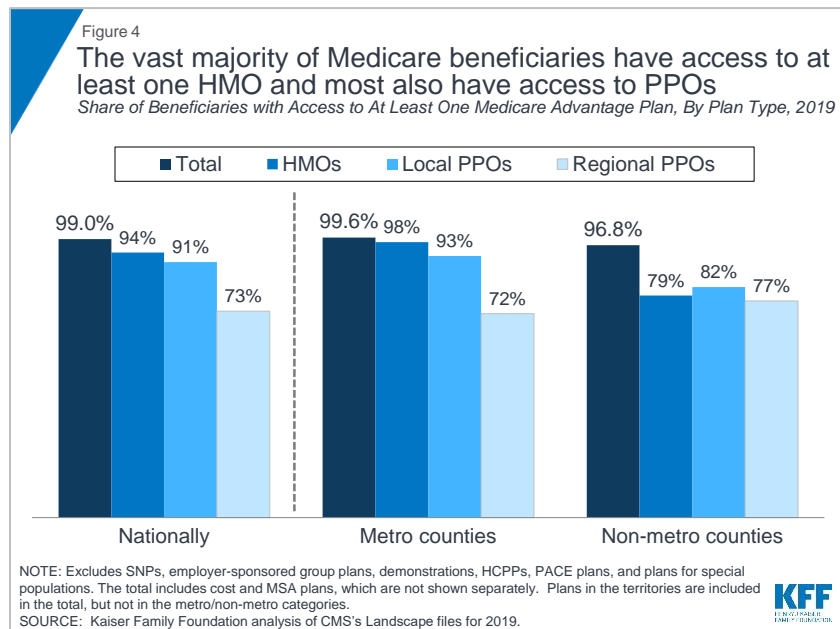
On average, beneficiaries in metropolitan areas will be able to choose from nearly twice as many Medicare Advantage plans as beneficiaries in non-metropolitan areas (26 plans versus 14 plans, respectively). In six percent of counties (accounting for 30% of beneficiaries), beneficiaries can choose from more than 30 plans in 2019, including four counties in Ohio (Mahoning, Medina, Trumbull, and Summit)



and two counties in Pennsylvania (Bucks and Lancaster) where more than 50 plans will be available (Figure 3). In contrast, in 8 percent of counties (accounting for 2% of beneficiaries), beneficiaries can choose from two or fewer Medicare Advantage plans, including 57 counties in which only one plan will be available to beneficiaries. No Medicare Advantage plans will be offered in 115 counties in 2019, down from 149 counties in 2018; these counties account for one percent of beneficiaries, most of whom live in relatively rural areas in California. Eight other states also have counties in which no Medicare Advantage plans will be offered in 2019 (AK, CO, IA, ID, NE, NV, VA, and WA). Additionally, no Medicare Advantage plans are available in territories other than Puerto Rico.

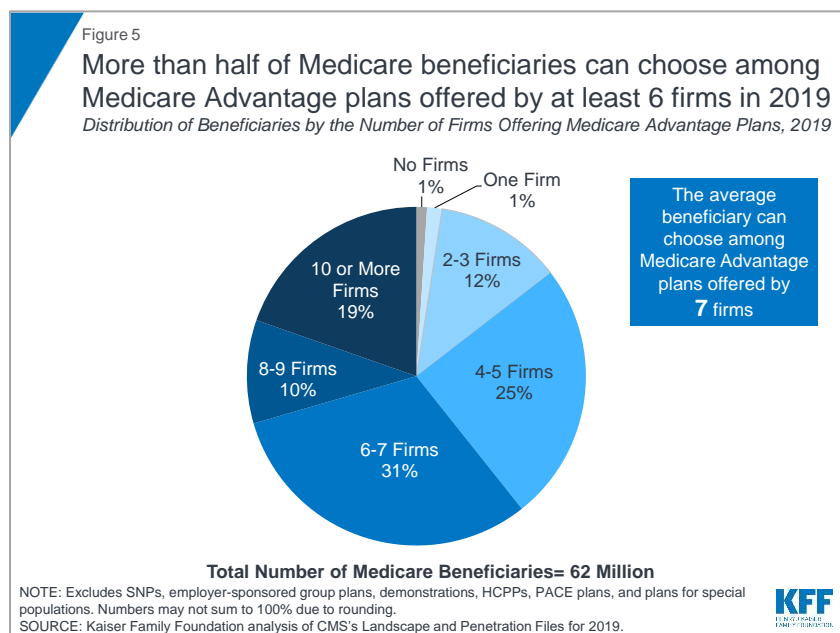
Access to Medicare Advantage Plans, by Plan Type

As in recent years, virtually all Medicare beneficiaries (99%) will continue to have access to a Medicare Advantage plan as an alternative to traditional Medicare (Figure 4). Almost all beneficiaries in metropolitan areas (99.6%) and the vast majority of beneficiaries in non-metropolitan areas (97%) will continue to have access to at least one Medicare Advantage plan, similar to percentages in prior years. In non-metropolitan counties, a smaller share of beneficiaries will have access to HMOs or local PPOs, and a slightly larger share of beneficiaries will have access to regional PPOs.



Number of Firms

The average Medicare beneficiary will be able to choose from plans offered by 7 firms, on average, in 2019, an increase from 6 firms in 2018 (Figure 5). Nearly one in five beneficiaries (19%) will be able to choose from plans offered by 10 or more firms. The number of firms offering Medicare Advantage plans will be highest in Los Angeles County (14 firms), the New York City boroughs of Kings and Queens (14 firms each), and Miami-Dade County (13 firms). In each



of these metropolitan counties, per capita spending for the traditional Medicare and the share of beneficiaries enrolled in Medicare Advantage plans are much higher than the national average. In contrast, in 194 counties, most of which are rural counties with relatively few Medicare beneficiaries, only one firm will offer Medicare Advantage plans in 2019, a reduction from 441 such counties in 2018.

New Market Entrants and Exits

Medicare Advantage continues to be an attractive market for insurers, with 14 firms entering the Medicare Advantage market for the first time in 2019 (Table A2). Seven the new entrants will be offering HMOs

available for individual enrollment, one of which will also offer local PPOs. Eight of the new entrants will be offering SNPs, with five entrants offering I-SNPs, four entrants offering D-SNPs, and one offering C-SNPs for people with diabetes or chronic heart failure.

One of the new entrants, Devoted Health, has received venture capital funding, joining about a dozen other venture capital-funded firms offering Medicare Advantage plans in 2019. Lasso Healthcare will offer MSAs in 17 states, many of which have a relatively small share of beneficiaries in Medicare Advantage plans. MSAs operate similar to Health Savings Accounts, and include few (about 6,000) beneficiaries in 2018. Mutual of Omaha, a large insurance corporation, will be entering both the Medicare Advantage market and the stand-alone prescription drug plan (PDP) market for the first time in 2019.

Five insurers will be exiting the Medicare Advantage market in 2019. Four of these insurers offered D-SNPs in 2018, one of which also offered C-SNPs for people with chronic heart failure in 2018. MedStar, a large health care system in the DC metropolitan area, offered Medicare Advantage plans for several years, but will be exiting the Medicare Advantage market in 2019. While these market exits comprise a relatively small share of the insurers in the Medicare Advantage market (with over 200 insurers, including employer/union sponsored plans as well as other plans), the exits are evidence that not all plans in the Medicare Advantage market are profitable. Together, the five insurers exiting the Medicare Advantage market had about 23,000 enrollees in 2018, far less than one percent of the 20 million beneficiaries enrolled in Medicare Advantage in 2018.

Premiums

The vast majority of Medicare Advantage plans for individual enrollment (90%) will include prescription drug coverage (MA-PDs), and about 45 percent of these plans will charge no premium, other the Part B premium, similar to 2018. Nine out of ten beneficiaries (90%) will have access to a MA-PD with no monthly premium in 2019. The average premium for MA-PDs (not weighted by enrollment) will be \$40 per month in 2019, down from \$46 per month in 2018. Medicare Advantage enrollees typically choose low premium plans, and enrollment-weighted premiums are often lower than the average premium.

Discussion

More Medicare Advantage plans will be offered in 2019 than any year since 2009. While five insurers will be exiting the Medicare Advantage market, they comprise a relatively small share of the insurers offering Medicare Advantage plans, and include about 0.1 percent of Medicare Advantage enrollees. Fifteen insurers will be entering the market for the first time in 2019 – suggesting that the market remains very attractive to insurers. Some parts of the country (such as Florida) continue to be particularly attractive to insurers. As in prior years, some (mostly rural) counties are less attractive to insurers, with fewer firms and plans available. Overall, less than 1 percent of beneficiaries will not have access to a Medicare Advantage plan in 2019, similar to prior years. As Medicare Advantage enrollment continues to grow, insurers seem to be responding by offering more plans and choices to the people on Medicare.

Gretchen Jacobson and Tricia Neuman are with the Kaiser Family Foundation; and Anthony Damico is an independent consultant.

Table A1. Availability of Medicare Advantage Plans and Insurers, by State, 2019

State	Total Number of Plans	Average Number of Plans Available to Beneficiaries	Average Number of Insurers Offering Plans	Share of Beneficiaries with Access to at Least 1 Plan		
				All Plans	HMOs	Local PPOs
Nationwide	2,734	24	7	99%	94%	91%
Alabama	49	15	5	100%	95%	100%
Alaska	0	0	N/A	0%	0%	0%
Arizona	58	21	8	100%	95%	95%
Arkansas	40	18	6	100%	98%	84%
California	220	27	9	96%	96%	55%
Colorado	49	19	5	100%	83%	94%
Connecticut	28	24	6	100%	100%	100%
Delaware	10	10	4	100%	100%	100%
DC	7	7	3	100%	100%	100%
Florida	254	31	8	100%	99%	99%
Georgia	63	19	6	100%	84%	94%
Hawaii	20	11	5	100%	100%	100%
Idaho	44	16	4	92%	90%	91%
Illinois	101	27	8	100%	98%	93%
Indiana	89	19	6	100%	100%	100%
Iowa	42	11	4	100%	92%	96%
Kansas	50	14	4	100%	62%	77%
Kentucky	53	13	4	100%	87%	99%
Louisiana	51	16	6	100%	100%	100%
Maine	38	21	6	100%	100%	100%
Maryland	26	10	4	100%	90%	73%
Massachusetts	57	28	6	100%	99%	97%
Michigan	74	35	5	100%	100%	100%
Minnesota	69	26	6	100%	100%	99%
Mississippi	26	10	3	100%	76%	73%
Missouri	63	18	4	100%	85%	93%
Montana	14	5	3	100%	79%	85%
Nebraska	18	7	3	87%	68%	68%
Nevada	34	15	5	97%	96%	97%
New Hampshire	30	21	5	100%	100%	100%
New Jersey	49	20	6	100%	100%	100%
New Mexico	25	12	4	100%	58%	100%
New York	173	35	10	100%	100%	100%
North Carolina	69	15	5	100%	94%	95%
North Dakota	19	11	3	100%	0%	50%
Ohio	122	40	9	100%	100%	100%
Oklahoma	37	16	4	100%	79%	89%
Oregon	78	21	7	100%	96%	100%
Pennsylvania	160	40	8	100%	100%	100%
Rhode Island	14	14	3	100%	100%	100%
South Carolina	59	15	5	100%	99%	96%
South Dakota	23	14	4	100%	27%	80%
Tennessee	57	18	6	100%	100%	100%
Texas	137	24	8	100%	92%	94%
Utah	30	14	6	100%	95%	93%
Vermont	9	8	2	100%	100%	100%
Virginia	78	13	4	100%	95%	90%
Washington	106	23	6	91%	90%	84%
West Virginia	33	19	5	100%	100%	100%
Wisconsin	97	24	6	100%	99%	90%
Wyoming	5	2	1	100%	3%	3%

Note: Excludes SNPs, employer-sponsored group plans, demonstrations, HCPPs, PACE plans, and plans for special populations. N/A indicates not applicable. Nationwide totals include Puerto Rico and other territories.

Source: Kaiser Family Foundation analysis of CMS Landscape File, 2019.

Table A2. Entrants and Exiting Insurers in Medicare Advantage Markets, by Plan Type and Plan Locations, 2019

Company Name	Total Number of Plans Offered	Offering Plans for Individual Enrollment?			Offering Special Needs Plans (SNPs)?			States in Which Plans are Offered
		HMOs?	Local PPOs?	Other?	D-SNPs	C-SNPs	I-SNPs	
New Entrants								
American Health Advantage	2						X	OK and TN
BayCare Health Plans	2	X						FL
Clear Spring Health	9	X	X					CO, IL, NC, and VA
Devoted Health	10	X						FL
Doctors HealthCare Plans, Inc.	4	X			X	X		FL
Health Pointe of New York, LLC	1						X	NY
Integra Managed Care	4				X			NY
Lasso Healthcare	3			X (MSA)				AZ, AR, DE, HI, IL, IN, KS, MD, MS, MT, NC, ND, PA, SD, TX, UT, and WY
Longevity Health Plan	2						X	IL, NY
Mutual of Omaha	4	X						KY, OH, and TX
Nascentia Health Plus	3				X		X	NY
Solis Health Plans	8	X			X			FL
Valor Health Plan	1						X	OH
Vitality Health Plan of California	3	X						CA
Exiting Insurers								
Catholic Health Initiatives	4	X						AR, KY, NE, and OH
FamilyCare Health	2	X			X			OR
Jewish Guild for the Blind	1				X			NY
MedStar Family Choice, Inc	6	X			X	X		DC and MD
Premier Health Plan	3	X			X			OH

Note: D-SNPs are plans for people dually eligible for Medicare and Medicaid; C-SNPs are plans for people with certain chronic conditions; and I-SNPs are plans for people that require an institutional level of care. MSAs are Medicare Medical Savings Accounts. Catholic Health Initiatives includes subsidiaries RiverLink Health, HeartlandPlains Health, and QualChoice Advantage.

Source: Kaiser Family Foundation analysis of CMS Landscape Files for 2018 and 2019.