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Medicare Advantage 2016 Spotlight: Enrollment Market Update

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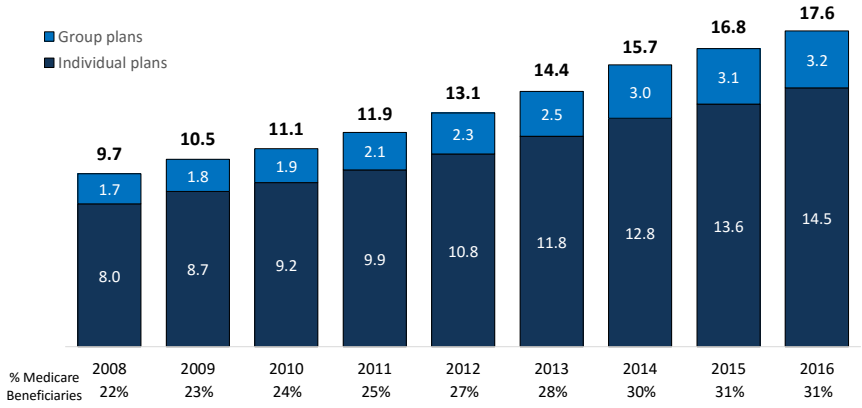
The number and share of Medicare beneficiaries enrolled in Medicare Advantage has steadily climbed over the past decade, and this trend in enrollment growth is continuing in 2016. The growth in enrollment has occurred despite reductions in payments to plans enacted by the Affordable Care Act of 2010 (ACA).[1] As of 2016, the payment reductions have been fully phased-in in 78 percent of counties, accounting for 70 percent of beneficiaries and 68 percent of Medicare Advantage enrollees.

This Data Spotlight reviews national and state-level Medicare Advantage enrollment trends as of March 2016 and examines variations in enrollment by plan type and firm. It analyzes the most recent data on premiums, out-of-pocket limits, Part D cost sharing, and plans' quality ratings. Key findings include:

- Medicare Advantage enrollment has increased in virtually all states over the past year. Almost one in three people on Medicare (31% or 17.6 million beneficiaries) is enrolled in a Medicare Advantage plan in 2016 (**Figure 1**). The penetration rate exceeds 40 percent in 5 states.
- Over 3 million enrollees (18%) are in a group plan in 2016.
- UnitedHealthcare and Humana together account for 39 percent of enrollment in 2016; enrollment continues to be highly concentrated among a handful of firms, both nationally and in local markets. If Aetna acquired Humana with no divestitures in 2016, the combined firm would account for 25 percent of Medicare Advantage enrollees nationwide.

Figure 1

Total Medicare Private Health Plan Enrollment, Among the Individual and Group Markets, 2008-2016



NOTE: Includes Special Needs Plans as well as other Medicare Advantage plans. Numbers may not sum to total due to rounding. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2008-2016.

- On average, premiums paid by enrollees were relatively constant between 2015 and 2016 ($37 per month in 2016 versus $38 per month in 2015), although premiums vary widely across states, counties, and plan types.
- Medicare Advantage plans, unlike traditional Medicare, are required to provide an out-of-pocket limit (not to exceed $6,700) for services covered under Parts A and B. In 2016, the average enrollee had an out-of-pocket limit of $5,223 – nearly $1,000 higher than it was in 2011 ($4,313). More than one-third of all enrollees in Medicare Advantage prescription drug plans in 2016 (37%) are in plans with limits at the maximum.

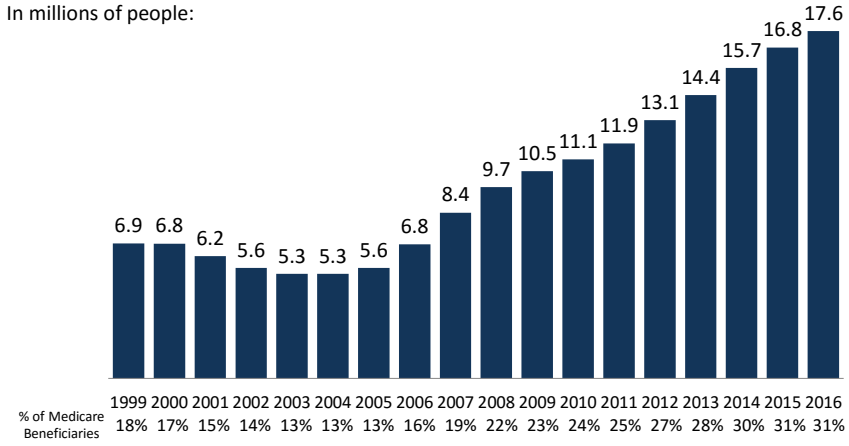
Overall Trends in Enrollment

Nationwide Enrollment

In 2016, 17.6 million beneficiaries – 31 percent of the Medicare population – are enrolled in a Medicare Advantage plan (**Figure 2**). Total Medicare Advantage enrollment grew by about 0.9 million beneficiaries, or 5 percent, between 2015 and 2016. Although this is a slower rate of growth in percentage terms than any year since 2006, the growth reflects the ongoing expansion of the position Medicare Advantage plays in the Medicare program. The growth in Medicare Advantage enrollment reflects both the influence of seniors aging on to Medicare as well as small shifts in the larger pool of beneficiaries in traditional Medicare switching to Medicare Advantage plans.[2]

Figure 2

Total Medicare Private Health Plan Enrollment, 1999-2016



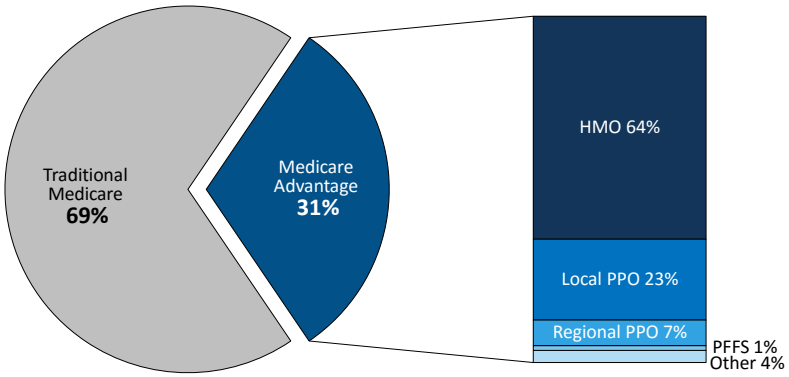
NOTE: Includes MSAs, cost plans, demonstration plans, and Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2008-2016, and MPR, "Tracking Medicare Health and Prescription Drug Plans Monthly Report," 1999-2007; enrollment numbers from March of the respective year, with the exception of 2006, which is from April.

Trends in Enrollment by Plan Type

As has been the case each year since 2007, about two-thirds (64%) of Medicare Advantage enrollees are in HMOs in 2016 (**Figure 3**). Almost one-third of enrollees are in PPOs – with more in local PPOs (23%) than regional PPOs (7%) – and the remainder are in Private Fee-For Service (PFFS) plans (1%) and other types of plans (4%), including cost plans and Medicare Medical Savings Accounts (MSAs).

Figure 3

Distribution of Enrollment in Medicare Advantage Plans, by Plan Type, 2016



Total Medicare Advantage Enrollment, 2016 = 17.6 Million

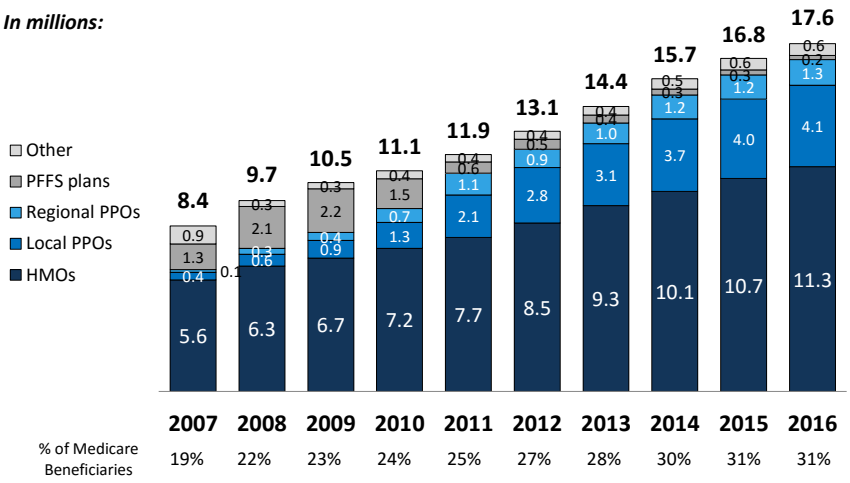
NOTE: PFFS is Private Fee-for-Service plans, PPOs are preferred provider organizations, and HMOs are Health Maintenance Organizations. Other includes MSAs, cost plans, and demonstration plans. Includes enrollees in Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and in territories other than Puerto Rico.
SOURCE: Authors' analysis of the Centers for Medicare and Medicaid Services (CMS) Medicare Advantage enrollment files, 2016.

- **HMOs.** Enrollment in HMOs increased by 0.6 million to 11.3 million beneficiaries in 2016 (**Figure 4** and **Table A1**).
- **PPOs.** Enrollment in local PPOs and regional PPOs increased by 0.1 million each, with 4.1 million beneficiaries in local PPOs and 1.3 million beneficiaries in regional PPOs 2016.

  A key difference between an HMO and a PPO is that the latter provides enrollees with more flexibility to see providers outside of the plan's provider network. Local PPOs, like HMOs, are required to serve areas no smaller than a county, whereas regional PPOs are required to serve areas defined by one or more states with a uniform benefit package across the service area.

Figure 4

Total Medicare Advantage Enrollment, by Plan Type, 2007-2016



NOTE: Other includes MSAs, cost plans and demonstrations. Includes Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2008-2016, and MPR, "Tracking Medicare Health and Prescription Drug Plans Monthly Report," 2007; enrollment numbers from March of the respective year.

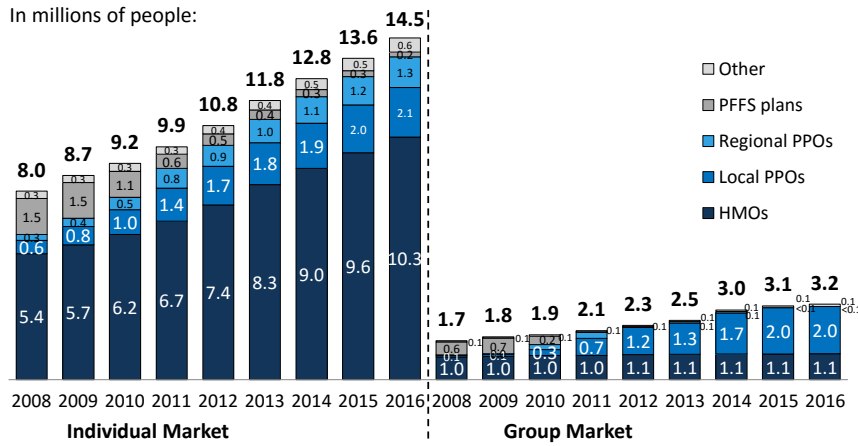
- **PFFS Plans.** Enrollment in PFFS plans (0.2 million) has slowly declined since MIPPA of 2008 required PFFS plans in most parts of the country to have networks of providers, and today, about 1 percent of all Medicare Advantage enrollees are in these plans. Among PFFS plan enrollees, 26 percent are in counties in which PFFS plans are exempted from network requirements.

Group Enrollment

Most Medicare beneficiaries who enroll in Medicare Advantage plans do so as individuals, but a small number enroll through groups, comprised largely of plans sponsored by unions and employers for retirees. Under these arrangements, employers or unions contract with a Medicare Advantage insurer and Medicare pays the insurer a fixed payment per enrollee to provide benefits covered by Medicare, and the employer or union, and often the retiree as well, pays a premium for any additional benefits or lower cost-sharing.[3] About 3.2 million of the 17.6 million enrollees (18%) are in a group plan in 2016 (**Figure 5** and **Table A2**). Employers (and their retirees) appear to continue to favor local PPOs

Figure 5

Medicare Advantage Enrollment in the Individual and Group Markets, by Plan Type, 2008-2016



NOTE: PFFS is Private Fee-for-Service plans, PPOs are preferred provider organizations, and HMOs are Health Maintenance Organizations. Other includes MSAs, cost plans and demonstrations. Includes Special Needs Plans as well as other Medicare Advantage plans. Numbers may not sum to total due to rounding. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2008-2016.

over HMOs, which contrasts with the individual market, with almost double the number of group plan enrollees in local PPOs compared to HMOs.

While the national share of Medicare Advantage enrollees in group plans has never been very large, in some states, the share of Medicare Advantage enrollees in group plans is much larger than average, including West Virginia (54%), Michigan (49%), Kentucky (41%), Illinois (41%), and Maryland (31%). In Ohio, enrollment in group plans dropped between 2015 and 2016, due to the Ohio Public Employees Retirement System's decision to terminate its group Medicare Advantage plan, and instead provide a defined contribution that its retirees can use to help pay for an individual Medicare Advantage, Medigap, or other Medicare supplement plan.[4]

Historically, group Medicare Advantage plans have received higher Medicare payments, on average, than plans in the individual Medicare Advantage market.[5] However beginning in 2017, CMS will be changing its payment methodology for group plans with the goal of more closely aligning payments with the average individual plan bid.[6] This change will be fully phased-in by 2018 and is expected to lower payments to group plans as the Medicare Payment Advisory Commission (MedPAC) has recommended in the past.

Medicare Advantage Enrollment Growth by State

In 2016, enrollment increased in all states in 2015, with the exception of Ohio where enrollment declined by 8 percent, in large part to the Ohio Public Employees Retirement System pulling out of the Medicare Advantage group market and ceasing to sponsor a Medicare Advantage plan (**Table 1**). In 9 states (DE, IA, MD, ME, MS, MT, ND, NH, and SD) and the District of Columbia, enrollment increased by more than 10 percent – double the national average – including four states (DE, IA, ND, and NH) in which enrollment increased by more than 20 percent. All of these states have Medicare Advantage penetration rates far below the national average with relatively few enrollees and their growth rates are sensitive to small changes in enrollment.

In most states, the majority of enrollees are in HMOs; however, in 9 states (AK, HI, IL, IN, IA, KY, MI, MT, and WV), the majority of enrollees are in local PPOs (**Table A1**). Most of these states (MI, IL, and HI being exceptions) are heavily rural and also have Medicare Advantage penetration rates below the national average. Additionally, in a few states (MN, ND, and SD), the preponderance of private plan enrollees are in cost plans, which are paid differently from Medicare Advantage plans and allow enrollees to see any Medicare provider (and pay the cost-sharing they would pay in traditional Medicare).

Enrollment Growth by County, based on Medicare Spending Quartiles. Over the years, Congress and various Administrations have made a number of changes to payment and participation rules for plans. Many of these changes have revolved around plan payment levels, seeking to balance plan participation and plan choices for beneficiaries with parity in payments between traditional Medicare and Medicare Advantage. The ACA reduced payments to all plans, and varied payment policy with the level of traditional Medicare spending in counties, grouped into four quartiles. In 2017, when payments are fully phased in, the payments will range from 95 percent of traditional Medicare spending for counties in the top quartile of Medicare spending to 115 percent of traditional Medicare spending for counties in the bottom quartile of Medicare spending, and 100 percent and 107.5 percent of Medicare spending in the two middle quartiles.

Table 1. Medicare Advantage Enrollment and Penetration Rate, by State, 2015-2016						
State	2015 Total Enrollment	2016 Total Enrollment	Change in Total Enrollment, 2015-2016	Percent Change in Enrollment, 2015-2016	2015 Penetration Rate	2016 Penetration Rate
Total U.S.	**16,761,673**	**17,625,200**	**863,527**	**5%**	**31%**	**31%**
Alabama	238,091	257,218	19,127	8%	25%	26%
Alaska	56	93	N/A	N/A	<1%	<1%
Arizona	425,454	442,282	16,828	4%	38%	38%
Arkansas	114,326	121,543	7,217	6%	19%	20%
California	2,127,666	2,244,709	117,043	6%	38%	39%
Colorado	281,467	293,275	11,808	4%	37%	36%
Connecticut	157,692	165,722	8,030	5%	25%	26%
Delaware	13,841	16,792	2,951	21%	8%	9%
District of Columbia	11,033	12,292	1,259	11%	13%	14%
Florida	1,570,845	1,670,266	99,421	6%	40%	41%
Georgia	460,670	508,161	47,491	10%	31%	33%
Hawaii	110,465	113,451	2,986	3%	46%	46%
Idaho	87,837	90,435	2,598	3%	32%	31%
Illinois	371,007	405,756	34,749	9%	18%	19%
Indiana	264,104	279,338	15,234	6%	23%	24%
Iowa	81,541	98,790	17,249	21%	14%	17%
Kansas	61,600	67,733	6,133	10%	13%	14%
Kentucky	212,948	229,916	16,968	8%	25%	26%
Louisiana	232,445	249,920	17,475	8%	30%	31%
Maine	66,307	75,116	8,809	13%	22%	24%
Maryland	76,375	88,998	12,623	17%	8%	9%
Massachusetts	233,084	246,018	12,934	6%	19%	20%
Michigan	595,239	621,118	25,879	4%	32%	32%
Minnesota	480,474	510,713	30,239	6%	53%	55%
Mississippi	76,776	85,208	8,432	11%	14%	15%
Missouri	311,364	337,119	25,755	8%	28%	29%
Montana	34,758	39,200	4,442	13%	18%	19%
Nebraska	34,982	37,169	2,187	6%	11%	12%
Nevada	146,094	157,379	11,285	8%	33%	34%
New Hampshire	17,295	20,756	3,461	20%	7%	8%
New Jersey	222,846	245,651	22,805	10%	15%	16%
New Mexico	113,807	120,099	6,292	6%	31%	32%
New York	1,212,239	1,243,714	31,475	3%	37%	37%
North Carolina	512,924	547,079	34,155	7%	29%	30%
North Dakota	17,878	21,627	3,749	21%	15%	18%
Ohio	811,503	748,125	-63,378	-8%	38%	34%
Oklahoma	111,013	116,489	5,476	5%	17%	17%
Oregon	323,765	339,461	15,696	5%	44%	44%
Pennsylvania	1,001,864	1,022,462	20,598	2%	40%	40%
Rhode Island	71,009	72,954	1,945	3%	35%	35%
South Carolina	209,812	224,130	14,318	7%	23%	23%
South Dakota	26,400	31,158	4,758	18%	17%	20%
Tennessee	412,042	440,394	28,352	7%	34%	35%
Texas	1,098,678	1,174,621	75,943	7%	31%	32%
Utah	113,034	120,237	7,203	6%	33%	34%
Vermont	8,984	9,671	687	8%	7%	7%
Virginia	206,427	219,382	12,955	6%	16%	16%
Washington	348,467	360,712	12,245	4%	30%	30%
West Virginia	99,454	103,805	4,351	4%	24%	25%
Wisconsin	388,732	410,771	22,039	6%	38%	38%
Wyoming	2,071	2,079	N/A	N/A	2%	2%

NOTE: Includes employer-sponsored plans, special needs plans, and other private plans. N/A indicates based on too few (less than 50) enrollees to report. Total U.S. includes Puerto Rico. Between March 2015 and March 2016, the CMS Division of Consumer Assessment and Plan Performance improved the determinations used to assign Medicare beneficiaries to geographic areas in their monthly Medicare Advantage Penetration files. This edit fixed an undercount of approximately 1% of actual Medicare enrollment, potentially making prior-year penetration rates look comparatively higher.

SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2015-2016.

As of 2016, payment reductions have been fully implemented in 78 percent of all counties nationwide; these counties account for 70 percent of all Medicare beneficiaries nationwide and 68 percent of all Medicare Advantage enrollees. The payment changes authorized by the ACA will be fully phased-in in all states in 2017.

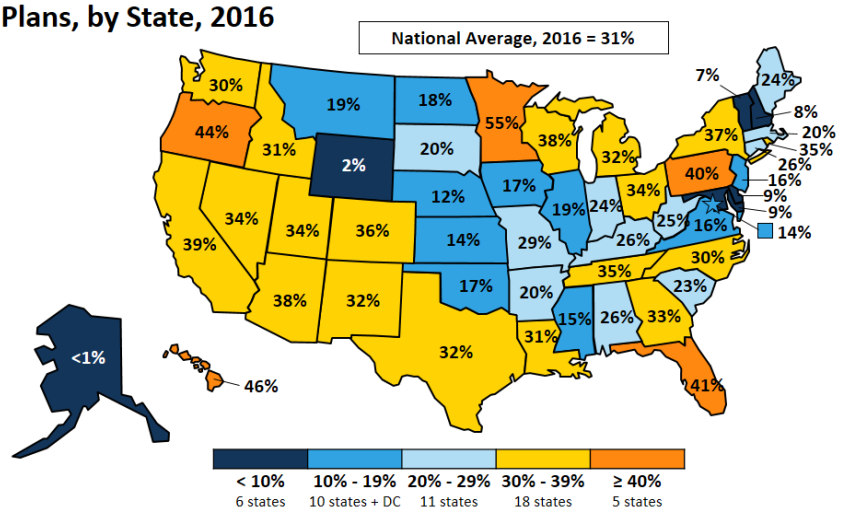
The year-to-year changes in penetration rate continue to be similar across the four quartiles (**Table A3**). Similar to prior years, the penetration rate grew by 6 percent in both the highest quartile counties and in the lowest quartile counties, and by 7 percent each in the two middle quartiles between 2011 and 2016. Overall penetration is also similar across the quartiles (ranging from 28% to 35%) and does not appear to be correlated with payment differences by quartile of traditional Medicare spending.

Medicare Advantage Penetration

In 23 states, at least 30 percent of Medicare beneficiaries are enrolled in Medicare private plans, including 5 states (FL, HI, MN, OR, and PA) in which at least 40 percent of beneficiaries are enrolled in Medicare private plans (**Figure 6**). These five states account for 21 percent of all Medicare private plan enrollees. While Medicare Advantage enrollment is increasing in many states, Medicare Advantage enrollment continues to be very low (less than 10 percent of Medicare beneficiaries) in 6 states (AK, DE, MD, NH, VT, and WY). This variation reflects the history of managed care in the state, the uneven prevalence of employer-sponsored insurance for retirees, and growth strategies pursued by various Medicare Advantage sponsors, among other factors.

Figure 6

Share of Medicare Beneficiaries Enrolled in Medicare Private Plans, by State, 2016



NOTE: Includes MSAs, cost plans and demonstrations. Includes Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS State/County Market Penetration Files, 2016.

Premiums

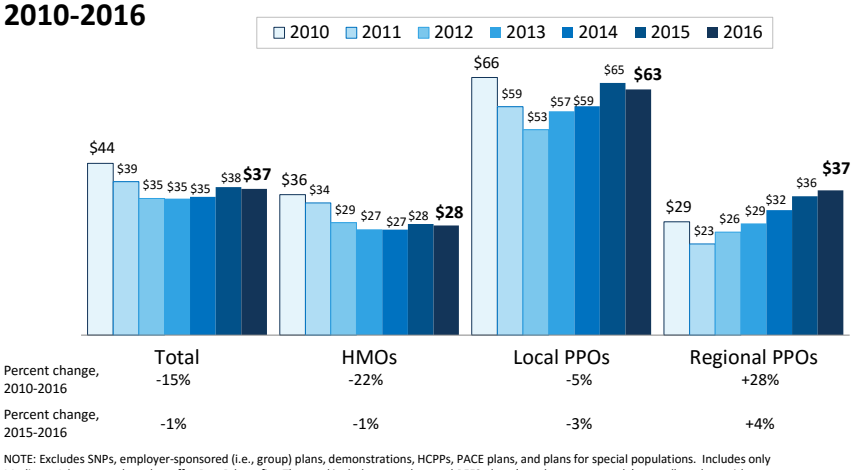
Medicare Advantage enrollees are responsible for paying the Part B premium, in addition to any premium charged by the plan. The Medicare Advantage premium paid by enrollees reflects the difference between the plan's costs of providing Part A and B benefits and any supplemental benefits offered, and the federal payment to the plan for Part A and B benefits. Plans receive a percentage of the difference between their bid and the maximum federal payment (known as a rebate) and are required to use this amount to offer extra benefits, reduce cost sharing, or reduce the Part B premium. If the plan includes the Medicare Part D prescription drug benefit, as most plans do, the plan may also use the rebate to reduce the Part D premium. This brief analyzes premiums for Medicare Advantage plans that offer prescription drug benefits (MA-PDs) because the vast majority (89%) of Medicare Advantage enrollees is in MA-PDs and Medicare Advantage enrollees who seek Part D prescription drug benefits are, for the most part, required to get them through their plan if the plan offers prescription drugs.

Average Premium Trends

The average MA-PD enrollee pays a monthly premium of about $37 in 2016, about $1 per month (1%) less than in 2015 (**Figure 7**).[7] Actual premiums paid by enrollees vary widely, across and within counties, by plan type and other plan characteristics. Average premiums range from $28 per month for HMO enrollees to $63 per month for local PPOs and $76 per month for PFFS plan enrollees (**Table A4**). Since the ACA was enacted in 2010, average Medicare Advantage premiums paid by HMO enrollees and local PPO enrollees have decreased and average premiums paid by regional PPOs and PFFS enrollees have increased.

Figure 7

Weighted Average Monthly Premiums for Medicare Advantage Prescription Drug Plans, Total and by Plan Type, 2010-2016



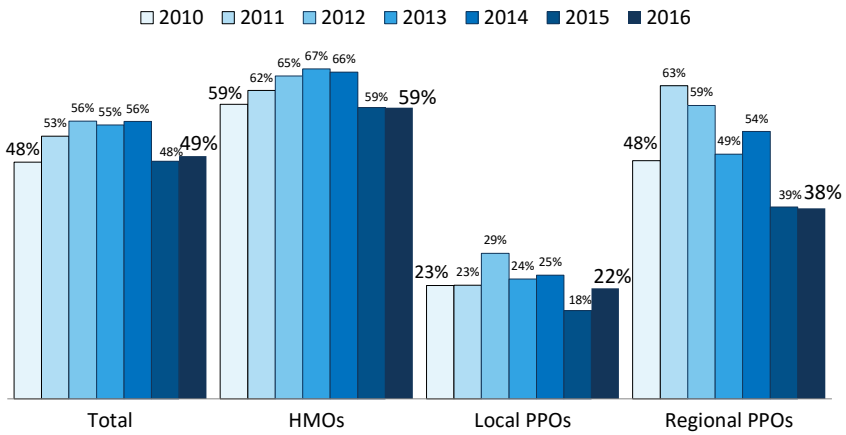
NOTE: Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Includes only Medicare Advantage plans that offer Part D benefits. The total includes cost plans and PFFS plans (not shown separately), as well as plans with zero premiums. The premiums for a subset of sanctioned plans were not available in 2011; these plans were excluded from this analysis. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS's Landscape Files for 2010–2016 and March Enrollment files for 2010-2016.

Zero Premium Plans

In 2016, as in prior years, most Medicare beneficiaries (81%) had a choice of at least one "zero premium" MA-PD,[8] plans that charge no additional premium for coverage, other than the monthly Part B premium. Between 2015 and 2016, the share of enrollees in zero premium MA-PDs remained relatively unchanged (48% in 2015 versus 49% in 2016), about the same share as in 2010 (**Figure 8**).

Figure 8

Share of Enrollees in Medicare Advantage Prescription Drug Plans with Zero Premium, Total and by Plan Type, 2010-2016



NOTE: Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Includes only Medicare Advantage plans that offer Part D benefits. The total includes cost plans and PFFS plans, which are not shown separately. The premiums for a subset of sanctioned plans were not available in 2011; these plans were excluded from this analysis. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Enrollment files, 2010-2016.

Similar to prior years, a larger share of HMO enrollees is enrolled in zero premium plans (59%) than regional PPO enrollees (38%) or local PPO enrollees (22%). No zero premium PFFS plans were offered in 2015 or 2016 (**Table A4**).

Premium Variation Across States

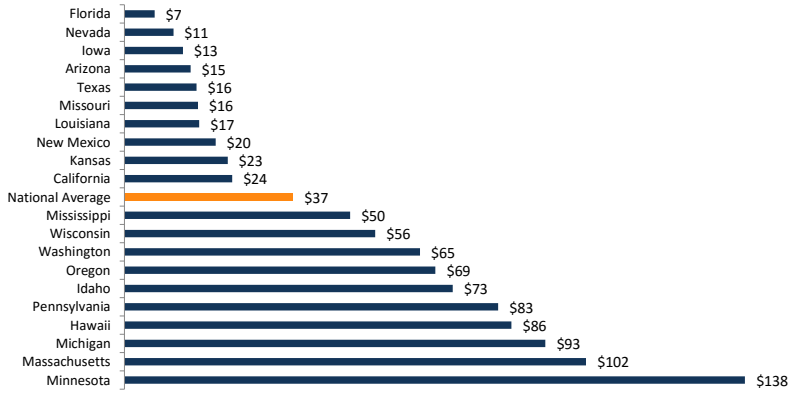
Comparing premiums across states is complicated by the fact that premiums reflect many factors, including the underlying costs of care in a given county relative to the national average, the level of payments to Medicare Advantage plans in the area, and firms' strategy about whether to use plans' rebates to offer extra benefits, reduce cost-sharing, or lower premiums. Additionally, as previously discussed, premiums vary across plan types and enrollment by plan type varies across states.

Average monthly MA-PD premiums paid per enrollee range from $7 (Florida) to $138 (Minnesota, which is mainly cost rather than risk-based plans plans), relative to the $37 per month average premium in 2016 (**Figure 9**).[9] Average monthly premiums exceed $70 in seven states: Hawaii, Massachusetts, Michigan, Minnesota, North Dakota ($123; not displayed in exhibit), Pennsylvania, and Idaho. In contrast, average monthly premiums are less than $20 in seven states: Arizona, Iowa, Florida, Louisiana, Missouri, Nevada, and Texas. (States with fewer than 50,000 Medicare Advantage enrollees are not displayed in the exhibit.)

Figure 9

Weighted Average Monthly Premiums for Medicare Advantage Prescription Drug Plans, by State, 2016

Ten States with the Lowest and Ten States with the Highest Average Monthly Premiums



NOTE: States with fewer than 50,000 enrollees not included in analysis. Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Includes only Medicare Advantage plans that offer Part D benefits. The national average includes Puerto Rico, which is not shown separately. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS's Landscape Files and March Enrollment files for 2016.

Premiums also vary greatly within a state since plans and federal payments to plans vary by county. For example, MA-PD enrollees pay an average of $3 per month in Los Angeles County, California but $64 per month in San Francisco County, California. Similarly, MA-PD enrollees pay, on average, $18 per month in Queens, New York but $75 per month in Albany, New York.

Cost Sharing

Medicare Advantage plans are required to provide all Medicare covered services, and have some flexibility in setting cost-sharing for specific Medicare-covered services. In addition, since 2011 Medicare Advantage plans have been required to limit enrollees' out-of-pocket expenditures for services covered under Parts A and B – in contrast with traditional Medicare.

Out-Of-Pocket Limits

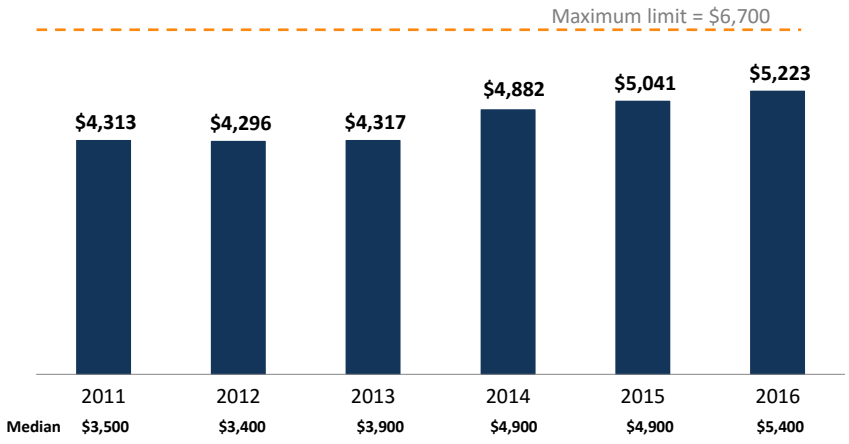
In 2011, CMS began requiring all Medicare Advantage plans to limit enrollees' out-of-pocket expenditures for Part A and B in-network services to no more than $6,700 annually, and recommended a limit of $3,400 or lower.[10]

In 2016, the average out-of-pocket limit an MA-PD enrollee faces is $5,223, up from $5,041 in 2015 and $4,313 in 2011 (**Figure 10**). More than half of all enrollees (52%) are in plans with limits above $5,000 in 2016, up from 46 percent in 2015. More than one-third of all enrollees in 2016 (37%) are in plans with limits at the $6,700 maximum, as compared to 32 percent in 2015 and 17 percent in 2011 (data not shown).

HMO enrollees have generally had lower out-of-pocket limits than enrollees in local PPOs or regional PPOs, and this remains the case in 2016 (**Figure 11**). Virtually all regional PPO enrollees (99%) and nearly two-thirds of local PPO enrollees (62%) are in plans with limits above $5,000 in 2016. In comparison, 45 percent of HMO enrollees are in plans with limits above $5,000 in 2016. Yet, across all plan types, the share of enrollees in plans with limits above $5,000 has greatly increased and, similarly, the share of enrollees in plans with limits at or below the recommended limit has decreased across all plan types since 2011.

Figure 10

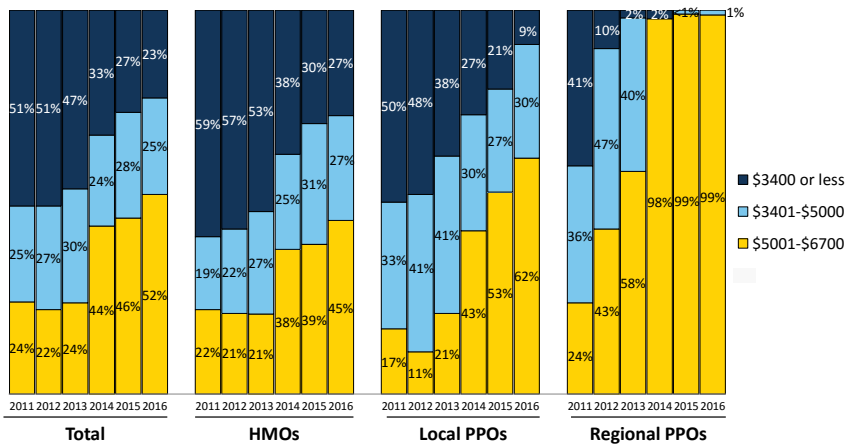
Average Out-of-Pocket Limit for Enrollees in Medicare Advantage Prescription Drug Plans, 2011-2016



NOTE: Excludes special needs plans (SNPs) and employer group health plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico. Includes only Medicare Advantage plans that offer Part D benefits.
SOURCE: Authors' analysis of CMS Enrollment files, 2011-2016.

Figure 11

Out-of-Pocket Limits for Enrollees in Medicare Advantage Prescription Drug Plans, by Plan Type, 2011-2016



NOTE: Excludes special needs plans (SNPs) and employer group health plans. Percentages may not sum to 100% due to rounding. In 2016, plans with 2% of enrollees were missing information about out-of-pocket limits, including <1% of HMO enrollees, <1% of Local PPO enrollees, 14% of other plan enrollees (cost and pace), and 100% of PFFS enrollees. Includes only Medicare Advantage plans that offer Part D benefits.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and landscape files, 2011-2016.

Part D Cost Sharing

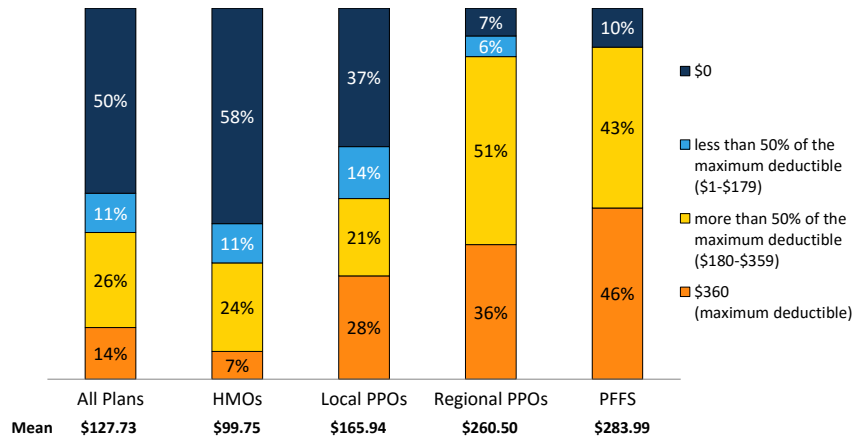
The standard Medicare Part D benefit in 2016, for both stand-alone prescription drug plans (PDPs) and MA-PDs, has a $360 deductible and 25 percent coinsurance up to an initial coverage limit of $3,310 in total drug costs, followed by a coverage gap (the so-called "donut hole") where beneficiaries pay a larger share of total costs until their total out of pocket Part D spending reaches $4,850. After exceeding this catastrophic threshold, beneficiaries pay 5 percent of the cost of drugs.[11]

Part D Deductibles

Both free-standing (stand-alone) prescription drug plans (PDPs) and Medicare Advantage plans have the flexibility to vary the cost-sharing design of their Part D benefit; however, CMS limits the plans' deductibles and in 2016 the deductible cannot exceed $360. In 2016, just 14 percent of MA-PD enrollees are in a plan with the maximum Part D deductible. Half (50%) are in plans with no Part D deductible and the rest (36%) have deductibles less than $360 (**Figure 12**). Since sponsors of MA-PDs can use their rebate dollars and bonus payments to lower Part D costs, enrollees in MA-PDs historically have had lower Part D deductibles (and premiums) than enrollees in PDPs.[12] Among Medicare Advantage enrollees, those in HMOs (58%), followed by local PPOs (37%), are most likely to be in a plan with no deductible.

Figure 12

Enrollment in Medicare Advantage Prescription Drug Plans, by Part D Deductible and Plan Type, 2016



NOTE: Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Totals may not add to 100% due to rounding. All plans includes cost plans, which are not shown separately. Less than 1% of enrollment is in plans missing data on deductibles. In 2016, the maximum deductible is $360.
SOURCE: Authors' analysis of CMS's Enrollment and Landscape Files for 2016.

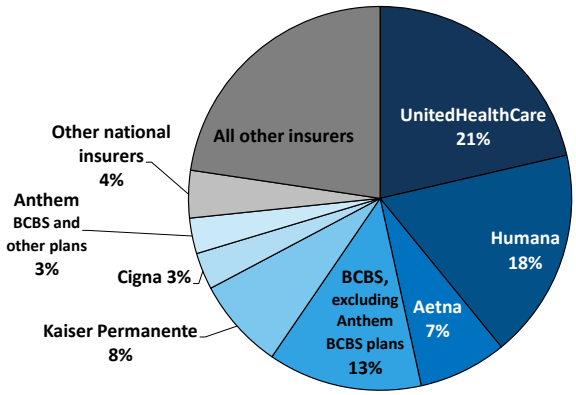
Medicare Advantage Enrollment, by Firm

Enrollment by Firm

Medicare Advantage enrollment tends to be highly concentrated among a small number of firms (**Figure 13**). In 2016, six firms or affiliates accounted for about three-quarters (73%) of the market, including UnitedHealthcare, Humana, Blue Cross Blue Shield (BCBS) affiliated plans, Kaiser Permanente, Aetna, and Cigna. UnitedHealthcare, Humana, and the BCBS affiliates together account for just over half (54%) of Medicare Advantage enrollment. Enrollment in UnitedHealthcare's plans grew more than any other firm, increasing by more than 360,000 beneficiaries between 2015 and 2016 (**Table A5**).

Figure 13

Medicare Advantage Enrollment, by Firm or Affiliate, 2016



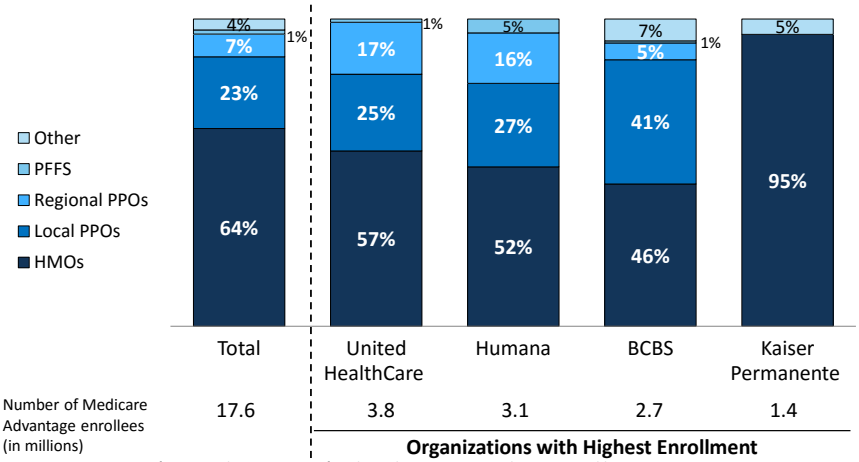
Total Medicare Advantage Enrollment, 2016 = 17.6 Million

NOTE: All other insurers includes firms with less than 2% of total enrollment. BCBS are BlueCross and BlueShield affiliates and excludes Anthem BCBS plans. Anthem includes BCBS plans, which comprise 2% of all enrollment (approximately 410,000 enrollees), and other plans, which comprise about 1% of all enrollment (about 149,000 enrollees). Other national insurers includes about 692,800 enrollees across the following firms: Wellcare, Centene, and Universal American. Percentages may not sum to 100% due to rounding.
SOURCE: Authors'analysis of CMS Enrollment files, 2016.

Firms differ in how they position themselves in the market, including the plan types they offer. Almost all of Kaiser Permanente's enrollees (95%) are in HMOs with the remainder (5%) in cost plans (**Figure 14**). In contrast, enrollment in UnitedHealthcare and Humana plans is mostly in HMOs, but also includes significant shares in local PPOs and regional PPOs. Humana's distribution of enrollment across plan types continues the shift from earlier years when a much larger share of Humana's enrollees was in PFFS plans. Enrollment in BCBS plans is split between HMOs (46%) and local PPOs (41%), with the remainder in regional PPOs and other plan types including PFFS plans.

Figure 14

Distribution of Medicare Advantage Enrollees in the Firms and Affiliates with the Highest Enrollment, by Plan Type, 2016



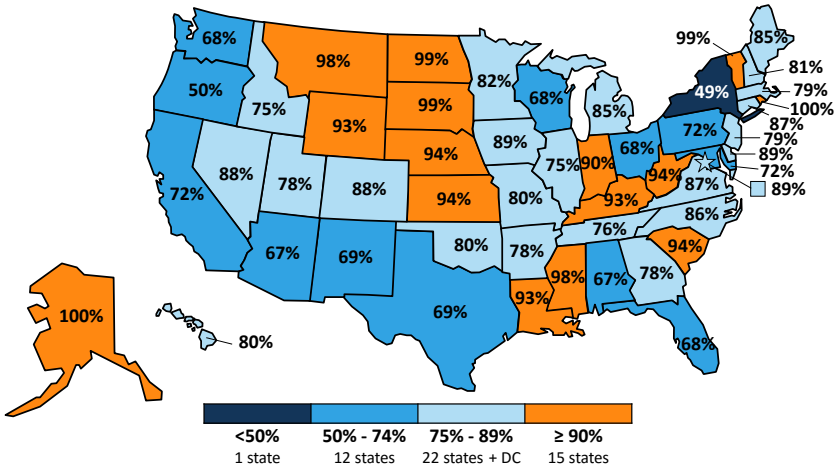
NOTE: PFFS is Private Fee-for-Service plans, PPOs are preferred provider organizations, and HMOs are Health Maintenance Organizations. Numbers may not sum total due to rounding. Other includes MSAs, cost plans, and demonstration plans. BCBS is Blue Cross/Blue Shield affiliates, which includes Anthem BCBS plans.
SOURCE: Authors' analysis of CMS Enrollment files, 2016.

Market Concentration by State

In most states, a few firms dominate Medicare Advantage enrollment (**Figure 15**). Similar to prior years, in every state other than New York, the three largest firms or BCBS affiliates account for at least 50 percent of enrollment. In 37 states and the District of Columbia, at least 75 percent of enrollees are in plans offered by one of three firms.

Figure 15

Combined Market Share of the Three Firms or Affiliates with the Largest Number of Medicare Advantage Enrollees by State, 2016



SOURCE: Authors' analysis of CMS State/County Market Penetration Files, 2016.

In 13 states, one company has more than half of all Medicare Advantage enrollment – an indicator that these markets may not be very competitive (**Table A6**). With the exception of North Dakota and South Dakota, all of these states are dominated by either UnitedHealthcare, Humana, or BCBS affiliated plans. (Medica Holding Company's plans dominate Medicare Advantage enrollment in the Dakotas.)

UnitedHealthcare has the largest share of enrollment in 19 states and is among the top three firms in an additional 18 states and the District of Columbia. Humana has the largest enrollment in 10 states and is among the top 3 firms in another 19 states. Plans offered by BCBS affiliates have the most enrollees in 9 states and are among the top firms in another 16 states. Kaiser Permanente's presence is more geographically focused than other major national firms, with a heavy concentration in California, Colorado, the District of Columbia and Maryland. Kaiser Permanente has more enrollees than any other firm in California, the District of Columbia and Maryland. In some states, locally operated plans play a much larger role than the national firms, and include EmblemHealth (CT), Martin's Point Health Care (ME), Tufts Associated HMO (MA), New West (MT), Presbyterian Healthcare Services (NM), and Medica Holding Company (ND and SD).

Potential Effects of Proposed Mergers

Enrollment in Medicare Advantage plans has been highly concentrated within a handful of firms throughout its history. If the acquisition of Humana by Aetna and the acquisition of Cigna by Anthem are approved, then Medicare Advantage enrollment could become more concentrated, particularly if few divestitures are required.

If no divestitures are required in the acquisition of Humana by Aetna, then the combined firm would account for 25 percent of Medicare Advantage enrollment nationwide – more than UnitedHealthcare, which accounts for 21 percent of enrollment this year (**Table A7**). In 2016, Aetna's total (individual and group) enrollment increased by 100,000 whereas Humana's stayed flat because large increases in enrollment in individual Humana plans were offset by a decline in enrollment in group Humana plans due to the Ohio Public Employees Retirement System terminating their contract with Humana.

The acquisition of Cigna by Anthem would have a less visible impact on the national Medicare Advantage market. In 2016, Anthem had about 410,000 enrollees in BCBS licensed Medicare Advantage plans and about 150,000 in other plans. Nationwide, Anthem accounts for 3 percent of all Medicare Advantage enrollment and Cigna accounts for another 3 percent, so the combined entity would reflect about 6 percent of Medicare Advantage enrollment, if no divestitures were required. However, the effects of mergers are likely to vary substantially across states and even within states based on locality depending on where Medicare Advantage firms offer their plans and how many beneficiaries are enrolled in them. For example, Anthem (which was formerly known as Wellpoint) gained scale when it merged with BCBS licensees in a number of states. It now offers its Medicare Advantage plans through its BCBS affiliated plans (offered in CA, CO, CT, GA, IN, KY, ME, MO, NH, NV, NY, OH, VA, and WI),[13] as well as through independently licensed products.

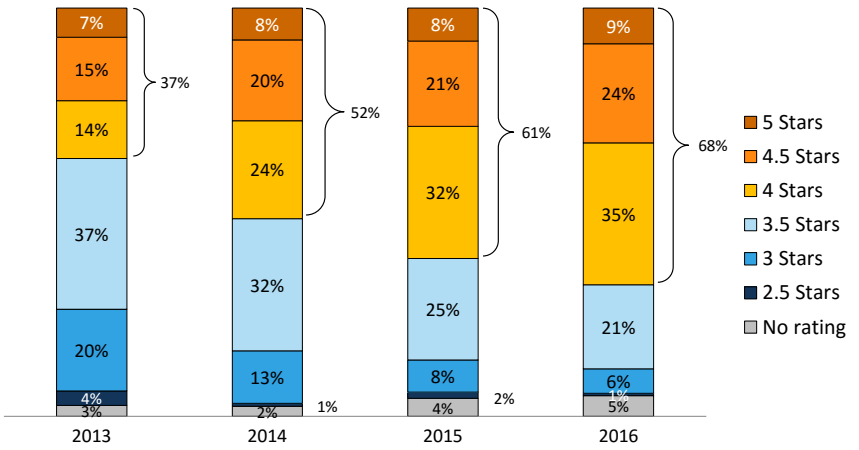
Star Quality Ratings

For many years, CMS has posted quality ratings of Medicare Advantage plans to provide beneficiaries with additional information about plans offered in their area. All plans are rated on a 1 to 5 star scale, with 1 star representing poor performance, 3 stars representing average performance, and 5 stars representing excellent performance. CMS assigns quality ratings at the contract level, rather than for each individual plan, meaning that each plan covered under the same contract receives the same quality rating (and most contracts cover multiple plans of the same type). Since 2012, Medicare Advantage plans with 4 or more stars and plans without ratings have been receiving bonus payments based on quality ratings.[14] Beneficiaries can enroll in a plan with 5 stars at any time during the year, not just during the annual open enrollment period.

Between 2013 and 2016, the share of enrollees in plans with 4 or more stars has steadily increased, from 37 percent in 2013 to 68 percent in 2016 (**Figure 16**). Much of the increase in enrollment in plans with four or more stars has occurred in the plans with 4 or 4.5 stars, while the share of enrollees in plans with 5 stars has been relatively stable.

Figure 16

Enrollment in Medicare Advantage Contracts, by Contracts' Star Quality Rating, 2013-2016



NOTE: Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Totals may not add to 100% due to rounding. Less than 1% of enrollees were in plans with 2 stars in 2013 and 2014.
SOURCE: Authors' analysis of CMS's Landscape and Enrollment Files for 2013 – 2016.

Notably, while a larger share of beneficiaries is in a Medicare Advantage plan with relatively high star ratings, seniors have said in focus groups that they do not use the star ratings to select their plan.[15] Nonetheless, the star ratings may be correlated with factors that seniors do use to select their plan, including provider networks, and plan benefits and costs, and thus may be correlated with enrollment.

Discussion

Enrollment in Medicare Advantage plans continues to grow nationally, by state, and across quartiles of traditional Medicare spending, despite concerns about the reductions in payments enacted in the ACA. Medicare Advantage premiums have remained relatively flat. However, plans' limits on out-of-pocket costs have steadily grown, increasing by almost $1,000 on average since 2011, indicating that enrollees with significant medical needs have less financial protection in plans than they have in the past. Additional work is needed to understand plans' cost-sharing and provider networks, including changes over time and variation across plans. A key concern is whether beneficiaries have the information they need to make fully informed health plan choices from one year to the next, taking into account changes in their plan's coverage and/or provider network, and changes in their own health care needs.

Looking to the future, both the Congressional Budget Office and the Health and Human Services (HHS) Office of the Actuary (OACT) project that Medicare Advantage enrollment and penetration rate will continue to grow over the next decade, with CBO projecting that about 41 percent of Medicare beneficiaries will be enrolled in Medicare Advantage in 2026. Enrollment will likely grow more in some parts of the country than in others, reflecting the diversity of markets and the coverage decisions of beneficiaries. This growth may prompt some to question at what point the balance between traditional Medicare and Medicare Advantage will tip in favor of Medicare Advantage, with the preponderance of beneficiaries in Medicare Advantage plans, and what this will mean both for beneficiaries in traditional Medicare and those in Medicare Advantage.[16]

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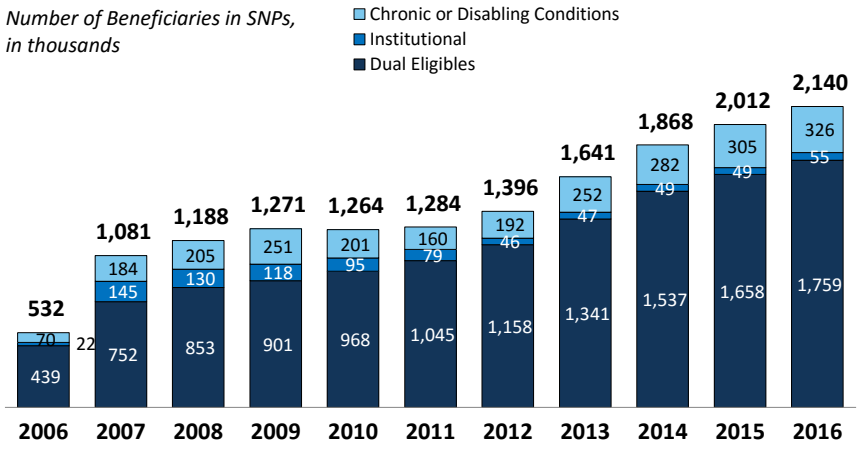
Appendix A: Special Needs Plans

Special Needs Plans (SNPs) restrict enrollment to specific types of beneficiaries with significant or relatively specialized care needs, including beneficiaries: (1) dually eligible for Medicare and Medicaid (D-SNPs); (2) requiring a nursing home or institutional level of care (I-SNPs); or (3) with severe chronic or disabling conditions (C-SNPs.)

Enrollment in SNPs increased modestly from 2.0 million to 2.1 million beneficiaries between 2015 and 2016 (**Figure A1** and **Table A8**). In 2016, SNP enrollees account for about 12 percent of total Medicare Advantage enrollment, but account for a larger share of the Medicare Advantage enrollment in some states. In five states and the District of Columbia, enrollment in SNPs comprises more than one-fifth of Medicare Advantage enrollment (35% in DC, 28% in SC, 22% in AZ, 21% in AR, and 20% in AL and MS; data not shown).

Figure A1

Number of Beneficiaries in Special Needs Plans, by Type, 2006 – 2016



NOTE: Numbers may not sum to the total due to rounding. Includes enrollment in Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2006-2016.

Similar to prior years, most SNP enrollees are in HMOs (86%), with 11 percent enrolled regional PPOs and 3 percent in local PPOs. The majority of SNP enrollees (82%) are in plans serving those dually eligible for Medicare and Medicaid (D-SNPs). Enrollment of dually eligible beneficiaries in D-SNPs varies greatly by state, and is particularly prevalent in Hawaii (50%) and Arizona (40%) (**Table A8**).

Separately, several states are undertaking demonstrations with CMS to improve the alignment of Medicare and Medicaid for dually eligible beneficiaries using a capitated model, with the first state (Washington) beginning enrollment in its demonstration in July 2013. As of March 2016, more than 400,000 dual eligibles were enrolled in the demonstrations (**Table A9**). Most of these enrollees are not included in the SNP enrollment statistics provided here because they operate under unique authority and CMS classifies them as demonstrations. Minnesota is an exception because the demonstration uses its existing D-SNPs to improve the administrative alignment of Medicare and Medicaid in the state's D-SNPs. In most states operating demonstrations for dual eligibles, enrollment in D-SNPs has increased since the demonstrations began in 2013. In the few states in which enrollment in D-SNPs has declined since 2013 (CA, MI, and MN), the decline has been much smaller than the total enrollment in the state demonstration. As a consequence, in all states operating demonstrations, the total number of dual eligibles in capitated Medicare arrangements has increased since 2013. It is unclear whether D-SNPs will continue to operate alongside the demonstrations in these states or how the demonstrations will affect the growth in D-SNP enrollment over time.

Appendix B: Tables

Table A1. Medicare Advantage Enrollment by State and Plan Type, 2016							
State	Total	Distribution of Enrollment, by State and Plan Type					
		% in HMOs	% in Local PPOs	% in Regional PPOs	% in PFFS Plans	% in Cost Plans	% in Other Plans
Total U.S.	**17,625,200**	**64%**	**23%**	**7%**	**1%**	**3%**	**<1%**
Alabama	257,218	61%	33%	6%	<1%	0%	<1%
Alaska	93	0%	100%	0%	0%	0%	0%
Arizona	442,282	92%	6%	2%	1%	<1%	0%
Arkansas	121,543	42%	16%	26%	16%	0%	<1%
California	2,244,709	96%	3%	0%	<1%	<1%	<1%
Colorado	293,275	81%	9%	0%	1%	8%	1%
Connecticut	165,722	86%	11%	3%	0%	0%	0%
Delaware	16,792	55%	44%	0%	0%	0%	1%
District of Columbia	12,292	15%	36%	0%	0%	49%	0%
Florida	1,670,266	71%	7%	22%	<1%	<1%	<1%
Georgia	508,161	32%	44%	22%	2%	0%	0%
Hawaii	113,451	41%	56%	3%	0%	0%	0%
Idaho	90,435	56%	43%	0%	1%	0%	0%
Illinois	405,756	45%	52%	2%	1%	<1%	0%
Indiana	279,338	24%	57%	18%	1%	0%	<1%
Iowa	98,790	30%	60%	0%	1%	9%	<1%
Kansas	67,733	43%	48%	2%	6%	0%	<1%
Kentucky	229,916	20%	56%	22%	1%	0%	0%
Louisiana	249,920	87%	5%	8%	<1%	0%	<1%
Maine	75,116	63%	32%	0%	5%	0%	0%
Maryland	88,998	31%	25%	0%	0%	44%	<1%
Massachusetts	246,018	76%	18%	4%	0%	0%	1%
Michigan	621,118	39%	56%	4%	1%	0%	<1%
Minnesota	510,713	23%	7%	0%	<1%	69%	0%
Mississippi	85,208	53%	16%	29%	2%	0%	0%
Missouri	337,119	66%	21%	11%	2%	0%	<1%
Montana	39,200	4%	91%	0%	5%	0%	0%
Nebraska	37,169	59%	24%	<1%	17%	<1%	<1%
Nevada	157,379	89%	11%	0%	0%	0%	0%
New Hampshire	20,756	51%	30%	0%	19%	0%	0%
New Jersey	245,651	74%	25%	<1%	0%	0%	<1%
New Mexico	120,099	64%	35%	0%	1%	0%	<1%
New York	1,243,714	73%	16%	8%	2%	<1%	<1%
North Carolina	547,079	44%	49%	6%	1%	0%	<1%
North Dakota	21,627	0%	7%	0%	<1%	92%	1%
Ohio	748,125	53%	38%	7%	<1%	1%	<1%
Oklahoma	116,489	66%	27%	3%	4%	0%	<1%
Oregon	339,461	63%	36%	0%	<1%	0%	<1%
Pennsylvania	1,022,462	63%	35%	1%	1%	0%	<1%
Rhode Island	72,954	94%	4%	2%	0%	0%	<1%
South Carolina	224,130	30%	20%	46%	4%	0%	<1%
South Dakota	31,158	<1%	22%	0%	1%	76%	0%
Tennessee	440,394	69%	29%	2%	0%	0%	<1%
Texas	1,174,621	58%	24%	13%	2%	2%	<1%
Utah	120,237	82%	18%	0%	0%	0%	0%
Vermont	9,671	11%	18%	52%	19%	0%	0%
Virginia	219,382	40%	25%	12%	13%	9%	1%
Washington	360,712	86%	14%	0%	<1%	0%	<1%
West Virginia	103,805	8%	82%	5%	5%	0%	0%
Wisconsin	410,771	48%	32%	4%	3%	13%	1%
Wyoming	2,079	8%	18%	0%	69%	0%	5%

NOTE: Total U.S. includes Puerto Rico. Includes employer-sponsored plans, special needs plans, and other private plans. Other includes MSAs and demonstration plans.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2016.

Table A2. Medicare Advantage Enrollment in the Individual and Group Markets, by State, 2016													
		Individual Plans						Group Plans					
State	Total	All Individual	HMOs	Local PPOs	Regional PPOs	PFFS	Other	All Group	HMOs	Local PPOs	Regional PPOs	Other	% enrollees in group plans
Total U.S.	**17,625,200**	**14,473,588**	**10,278,136**	**2,111,516**	**1,287,511**	**231,761**	**564,664**	**3,151,612**	**1,068,851**	**2,008,123**	**12,987**	**61,651**	**18%**
Alabama	257,218	241,678	157,014	68,213	15,358	931	162	15,540	16	15,418	106	-	6%
Alaska	93	-	-	-	-	-	-	93	-	93	-	-	100%
Arizona	442,282	398,593	378,333	10,263	6,949	2,804	244	43,689	26,892	16,770	16	11	10%
Arkansas	121,543	116,265	50,880	13,838	32,089	19,317	141	5,278	-	5,278	-	-	4%
California	2,244,709	1,733,754	1,714,717	8,934	-	4,277	5,826	510,955	443,662	67,293	-	-	23%
Colorado	293,275	246,191	204,556	16,011	-	3,611	22,013	47,084	32,555	10,189	-	4,340	16%
Connecticut	165,722	152,025	141,853	5,925	4,247	-	-	13,697	1,391	12,306	-	-	8%
Delaware	16,792	11,986	9,091	2,732	-	-	163	4,806	210	4,596	-	-	29%
District of Columbia	12,292	8,939	1,837	3,980	-	-	3,122	3,353	-	480	-	2,873	27%
Florida	1,670,266	1,561,877	1,163,430	27,430	368,595	1,282	1,140	108,389	15,625	88,804	3,960	-	6%
Georgia	508,161	375,060	158,571	96,262	111,318	8,909	-	133,101	6,264	126,670	167	-	26%
Hawaii	113,451	85,666	31,314	50,895	3,457	-	-	27,785	15,605	12,180	-	-	24%
Idaho	90,435	88,839	50,545	37,259	-	1,035	-	1,596	-	1,596	-	-	2%
Illinois	405,756	239,658	169,440	57,229	7,707	3,637	1,645	166,098	13,648	151,895	555	-	41%
Indiana	279,338	229,101	66,331	108,924	50,646	3,171	29	50,237	-	49,656	581	-	18%
Iowa	98,790	79,462	29,236	39,881	-	1,148	9,197	19,328	50	19,278	-	-	20%
Kansas	67,733	60,613	27,892	26,761	1,306	4,363	291	7,120	1,021	6,087	12	-	11%
Kentucky	229,916	136,771	46,972	36,156	50,681	2,962	-	93,145	100	92,662	383	-	41%
Louisiana	249,920	230,752	205,839	6,766	17,587	232	328	19,168	11,194	4,555	3,419	-	8%
Maine	75,116	62,618	47,697	11,483	-	3,438	-	12,498	-	12,498	-	-	17%
Maryland	88,998	61,033	27,432	7,829	-	-	25,772	27,965	59	14,499	-	13,407	31%
Massachusetts	246,018	210,229	164,118	32,548	10,060	-	3,503	35,789	23,510	12,279	-	-	15%
Michigan	621,118	315,524	167,607	116,976	22,182	7,414	1,345	305,594	74,952	229,197	1,445	-	49%
Minnesota	510,713	466,576	113,296	27,993	-	347	324,940	44,137	5,019	9,949	-	29,169	9%
Mississippi	85,208	83,065	45,289	11,272	24,662	1,842	-	2,143	25	2,105	13	-	3%
Missouri	337,119	300,165	210,359	44,092	37,281	8,269	164	36,954	10,777	26,119	58	-	11%
Montana	39,200	37,231	1,528	33,656	-	2,047	-	1,969	-	1,969	-	-	5%
Nebraska	37,169	33,304	21,921	4,928	11	6,324	120	3,865	27	3,838	-	-	10%
Nevada	157,379	149,566	136,353	13,213	-	-	-	7,813	2,998	4,815	-	-	5%
New Hampshire	20,756	15,445	10,603	988	-	3,854	-	5,311	38	5,273	-	-	26%
New Jersey	245,651	189,566	161,681	26,196	883	-	806	56,085	19,712	36,373	-	-	23%
New Mexico	120,099	99,589	63,779	34,379	-	1,071	360	20,510	12,646	7,864	-	-	17%
New York	1,243,714	1,026,856	783,797	105,483	103,375	28,902	5,299	216,858	121,730	94,955	132	41	17%
North Carolina	547,079	411,032	239,910	131,624	30,464	7,665	1,369	136,047	1,531	134,465	51	-	25%
North Dakota	21,627	21,477	-	1,400	-	81	19,996	150	-	150	-	-	1%
Ohio	748,125	557,581	386,068	105,960	53,730	3,633	8,190	190,544	11,513	175,424	254	3,353	25%
Oklahoma	116,489	105,831	71,622	25,711	3,559	4,720	219	10,658	4,847	5,811	-	-	9%
Oregon	339,461	287,962	179,549	106,940	-	422	1,051	51,499	35,651	15,848	-	-	15%
Pennsylvania	1,022,462	821,942	595,353	204,563	5,901	11,086	5,039	200,520	51,863	148,657	-	-	20%
Rhode Island	72,954	67,708	64,355	1,599	1,499	-	255	5,246	3,971	1,275	-	-	7%
South Carolina	224,130	209,715	68,161	29,830	102,414	8,934	376	14,415	-	14,113	302	-	6%
South Dakota	31,158	30,721	77	6,423	-	419	23,802	437	-	420	-	17	1%
Tennessee	440,394	416,114	301,146	104,973	9,740	-	255	24,280	1,652	22,566	62	-	6%
Texas	1,174,621	972,839	673,084	87,576	157,961	25,215	29,003	201,782	8,376	193,297	109	-	17%
Utah	120,237	116,340	98,539	17,801	-	-	-	3,897	194	3,703	-	-	3%
Vermont	9,671	8,478	950	705	5,004	1,819	-	1,193	126	1,067	-	-	12%
Virginia	219,382	189,680	87,827	32,470	27,317	27,583	14,483	29,702	-	22,610	-	7,092	14%
Washington	360,712	315,379	273,103	40,719	-	1,093	464	45,333	37,228	8,105	-	-	13%
West Virginia	103,805	47,404	8,102	29,446	4,668	5,188	-	56,401	366	55,938	97	-	54%
Wisconsin	410,771	366,307	196,816	87,898	16,860	11,276	53,457	44,464	39	41,812	1,265	1,348	11%
Wyoming	2,079	1,696	161	-	-	1,440	95	383	-	383	-	-	18%

NOTE: Total U.S. includes Puerto Rico. Other includes MSAs, cost plans, and demonstration plans. No enrollees in employer sponsored group health plans were in PFFS pl
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2016.

Table A3. Medicare Advantage enrollment and penetration rates in HMOs and other plan types, by counties' costs, 2011-2016															
		2011		2012		2013		2014		2015		2016		% change enrollment, 2011-2016	difference in penetration rate, 2011-2016
		Enrollment	Penetration	Enrollment	Penetration	Enrollment	Penetration	Enrollment	Penetration	Enrollment	Penetration	Enrollment	Penetration		
Total	Highest cost counties	5,327,009	26%	5,841,874	27%	6,424,806	29%	6,960,471	31%	7,405,680	32%	7,776,616	32%	46%	6%
	Third quartile	2,597,314	23%	2,860,238	25%	3,153,687	26%	3,490,111	28%	3,741,407	29%	3,948,433	30%	52%	7%
	Second quartile	1,780,554	21%	1,979,929	23%	2,188,981	24%	2,460,406	27%	2,634,441	28%	2,769,759	28%	56%	7%
	Lowest cost counties	2,213,450	29%	2,407,614	31%	2,594,141	32%	2,821,093	34%	2,980,145	35%	3,130,392	35%	41%	6%
HMOs	Highest cost counties	4,143,823	20%	4,448,435	21%	4,864,646	22%	5,171,382	23%	5,482,057	23%	5,750,414	24%	39%	4%
	Third quartile	1,536,786	14%	1,683,128	14%	1,877,124	16%	2,027,660	16%	2,151,469	17%	2,315,023	17%	51%	4%
	Second quartile	838,808	10%	977,524	11%	1,114,918	12%	1,243,714	13%	1,342,806	14%	1,442,932	15%	72%	5%
	Lowest cost counties	1,222,611	16%	1,355,503	17%	1,493,211	18%	1,612,992	19%	1,738,779	20%	1,838,618	21%	50%	5%
non-HMOs	Highest cost counties	1,183,186	6%	1,393,439	7%	1,560,160	7%	1,789,089	8%	1,923,623	8%	2,026,202	8%	71%	3%
	Third quartile	1,060,528	9%	1,177,110	10%	1,276,563	11%	1,462,451	12%	1,589,938	12%	1,633,410	12%	54%	3%
	Second quartile	941,746	11%	1,002,405	12%	1,074,063	12%	1,216,692	13%	1,291,635	14%	1,326,827	13%	41%	2%
	Lowest cost counties	990,839	13%	1,052,111	13%	1,100,930	14%	1,208,101	15%	1,241,366	15%	1,291,774	15%	30%	2%

NOTE: Includes employer-sponsored plans, special needs plans, and other private plans. Includes Puerto Rico.

SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2011-2016.

Table A4. Weighted Average Premiums and the Share of Enrollees with Zero Premium in Medicare Advantage Prescription Drug Plans (MA-PDs), 2010-2016							
	2010	2011	2012	2013	2014	2015	2016
Weighted Average Monthly Premiums for MA-PDs							
Total	$44	$39	$35	$35	$35	$38	$37
HMOs	$36	$34	$29	$27	$27	$28	$28
Local PPOs	$66	$59	$53	$57	$59	$65	$63
Regional PPOs	$29	$23	$26	$29	$32	$36	$37
PFFS Plans	$55	$43	$42	$51	$63	$68	$76
Share of Enrollees in MA-PDs with Zero Premium							
Total	48%	53%	56%	55%	56%	48%	49%
HMOs	59%	62%	65%	67%	66%	59%	59%
Local PPOs	23%	23%	29%	24%	25%	18%	22%
Regional PPOs	48%	63%	59%	49%	54%	39%	38%
PFFS Plans	15%	23%	29%	17%	17%	0%	0%

NOTE: Excludes SNPs, employer-sponsored (i.e., group) plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Includes only Medicare Advantage plans that offer Part D benefits. The total includes cost plans (not shown separately), as well as plans with zero premiums. The premiums for a subset of sanctioned plans were not available in 2011; these plans were excluded from this analysis. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.

SOURCE: Authors' analysis of CMS's Landscape Files for 2010–2016 and March Enrollment files for 2010-2016.

Table A5. Medicare Advantage Enrollment by Firm, 2015-2016														
Firm or Affiliate	Total enrollment		HMOs		Local PPOs		Regional PPOs		PFFS		Cost		Other	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Total Enrollment														
UnitedHealthcare	3,407,126	3,769,025	1,948,813	2,147,613	830,889	943,794	580,745	638,913	46,679	38,705	-	-	0	0
Humana	3,114,543	3,122,540	1,518,778	1,620,324	948,313	847,505	488,303	513,223	159,149	141,488	-	-	0	0
BCBS	2,624,429	2,679,984	1,187,215	1,240,009	1,106,486	1,086,333	152,563	146,586	17,284	16,527	159,762	190,468	1,119	61
Anthem BCBS	418,026	410,169	218,674	260,112	96,277	50,232	103,075	99,825					0	0
Other BCBS plans	2,206,403	2,269,815	968,541	979,897	1,010,209	1,036,101	49,488	46,761	17,284	16,527	159,762	190,468	1,119	61
Kaiser Permanente	1,285,326	1,357,110	1,223,627	1,289,209	-		-	-	-	-	61,699	66,353	0	1,548
Aetna	1,210,244	1,313,694	438,826	427,825	771,418	884,093	-	1,776	-	-	-	-	0	0
WellCare	338,767	324,371	338,767	324,371	-		-	-	-	-	-	-	0	0
CIGNA	481,716	547,975	476,497	541,105	5,219	6,870	-	-	-	-	-	-	0	0
Other national insurers	525,808	517,489	448,162	434,031	50,991	51,369	-	-	26,655	32,089	-	-	0	0
All others	3,773,714	3,993,012	3,134,426	3,322,500	278,559	299,675	-	-	3,801	2,952	315,975	333,764	40,953	34,121
Total	**16,761,673**	**17,625,200**	**10,715,111**	**11,346,987**	**3,991,875**	**4,119,639**	**1,221,611**	**1,300,498**	**253,568**	**231,761**	**537,436**	**590,585**	**42,072**	**35,730**
Individual Plans														
UnitedHealthcare	2,736,927	2,996,212	1,871,701	2,077,074	237,933	241,652	580,614	638,781	46,679	38,705	-	-	0	0
Humana	2,659,149	2,787,219	1,495,305	1,596,160	529,679	549,203	475,016	500,368	159,149	141,488	-	-	0	0
BCBS	2,077,246	2,117,967	1,066,491	1,130,189	680,098	634,136	152,563	146,586	17,284	16,527	159,762	190,468	1,048	61
Anthem BCBS	400,312	395,014	215,965	258,730	81,272	36,459	103,075	99,825					0	0
Other BCBS plans	1,676,934	1,722,953	850,526	871,459	598,826	597,677	49,488	46,761	17,284	16,527	159,762	190,468	1,048	61
Kaiser Permanente	817,815	884,288	778,305	839,759	-	-	-	-	-	-	39,510	42,981	0	1,548
Aetna	677,870	756,622	388,228	387,348	289,642	367,498	-	1,776	-	-	-	-	0	0
WellCare	338,767	324,371	338,767	324,371	-	-	-	-	-	-	-	-	0	0
CIGNA	478,016	544,766	472,797	537,896	5,219	6,870	-	-	-	-	-	-	0	0
Other national insurers	492,362	484,583	414,716	401,125	50,991	51,369	-	-	26,655	32,089	-	-	0	0
All others	3,356,826	3,577,560	2,798,673	2,984,214	236,230	260,788	-	-	3,801	2,952	277,169	295,526	40,953	34,080
Total	**13,634,978**	**14,473,588**	**9,624,983**	**10,278,136**	**2,029,792**	**2,111,516**	**1,208,193**	**1,287,511**	**253,568**	**231,761**	**476,441**	**528,975**	**42,001**	**35,689**
Group Plans														
UnitedHealthcare	670,199	772,813	77,112	70,539	592,956	702,142	131	132	-	-	-	-	0	0
Humana	455,394	335,321	23,473	24,164	418,634	298,302	13,287	12,855	-	-	-	-	0	0
BCBS	547,183	562,017	120,724	109,820	426,388	452,197	-	-	-	-	-	-	71	0
Anthem BCBS	17,714	15,155	2,709	1,382	15,005	13,773	-	-	-	-	-	-	0	0
Other BCBS plans	529,469	546,862	118,015	108,438	411,383	438,424	-	-	-	-	-	-	71	0
Kaiser Permanente	467,511	472,822	445,322	449,450	-	-	-	-	-	-	22,189	23,372	0	0
Aetna	532,374	557,072	50,598	40,477	481,776	516,595	-	-	-	-	-	-	0	0
WellCare	-	-	-	-	-	-	-	-	-	-	-	-	0	0
CIGNA	3,700	3,209	3,700	3,209	-	-	-	-	-	-	-	-	0	0
Other national insurers	33,446	32,906	33,446	32,906			-	-	-	-	-	-	0	0
All others	416,888	415,452	335,753	338,286	42,329	38,887	-	-	-	-	38,806	38,238	0	41
Total	**3,126,695**	**3,151,612**	**1,090,128**	**1,068,851**	**1,962,083**	**2,008,123**	**13,418**	**12,987**	**0**	**0**	**60,995**	**61,610**	**71**	**41**

NOTE: BCBS is BlueCross BlueShield affiliates. Other national insurers include Health Net, Universal American, and Anthem non-BCBS plans. Includes Puerto Rico.

SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2015-2016.

Table A6. Market Share of the Top Three Medicare Advantage Firms, by State, 2016										
State	Total		Firm 1		Firm 2		Firm 3		Other Firms
	Enrollment	Share for 3 Firms	Name	Share	Name	Share	Name	Share	Share
Alabama	257,218	67%	BCBS	24%	CIGNA	23%	Humana Inc.	20%	33%
Alaska	93	100%	UnitedHealth Group, Inc.	61%	Aetna Inc.	39%			0%
Arizona	442,282	67%	UnitedHealth Group, Inc.	40%	BCBS	14%	Humana Inc.	12%	33%
Arkansas	121,543	78%	Humana Inc.	35%	UnitedHealth Group, Inc.	29%	BCBS	14%	22%
California	2,244,709	72%	Kaiser Foundation Health Plan, Inc.	47%	UnitedHealth Group, Inc.	18%	SCAN Health Plan	7%	28%
Colorado	293,275	88%	UnitedHealth Group, Inc.	41%	Kaiser Foundation Health Plan, Inc.	34%	Humana Inc.	13%	12%
Connecticut	165,722	87%	EmblemHealth, Inc.	34%	UnitedHealth Group, Inc.	32%	Aetna Inc.	21%	13%
Delaware	16,792	89%	Aetna Inc.	44%	CIGNA	34%	UnitedHealth Group, Inc.	11%	11%
District of Columbia	12,292	89%	Kaiser Foundation Health Plan, Inc.	49%	UnitedHealth Group, Inc.	32%	CIGNA	8%	11%
Florida	1,670,266	68%	Humana Inc.	36%	UnitedHealth Group, Inc.	24%	BCBS	8%	32%
Georgia	508,161	78%	UnitedHealth Group, Inc.	46%	Humana Inc.	22%	Aetna Inc.	10%	22%
Hawaii	113,451	80%	BCBS	32%	Kaiser Foundation Health Plan, Inc.	28%	UnitedHealth Group, Inc.	20%	20%
Idaho	90,435	75%	BCBS	37%	PacificSource Health Plans	23%	UnitedHealth Group, Inc.	16%	25%
Illinois	405,756	75%	UnitedHealth Group, Inc.	38%	Humana Inc.	25%	Aetna Inc.	11%	25%
Indiana	279,338	90%	Humana Inc.	37%	UnitedHealth Group, Inc.	30%	BCBS	23%	10%
Iowa	98,790	89%	Aetna Inc.	36%	UnitedHealth Group, Inc.	33%	Humana Inc.	20%	11%
Kansas	67,733	94%	Aetna Inc.	43%	Humana Inc.	42%	UnitedHealth Group, Inc.	8%	6%
Kentucky	229,916	93%	Humana Inc.	60%	BCBS	18%	UnitedHealth Group, Inc.	15%	7%
Louisiana	249,920	93%	Humana Inc.	65%	PH Holdings, LLC	22%	Vantage Holdings, Inc.	6%	7%
Maine	75,116	85%	Martin's Point Health Care, Inc.	48%	Aetna Inc.	22%	UnitedHealth Group, Inc.	14%	15%
Maryland	88,998	72%	Kaiser Foundation Health Plan, Inc.	44%	CIGNA	16%	UnitedHealth Group, Inc.	12%	28%
Massachusetts	246,018	79%	Tufts Associated HMO, Inc.	43%	UnitedHealth Group, Inc.	18%	BCBS	18%	21%
Michigan	621,118	85%	BCBS	57%	Spectrum Health System	18%	Henry Ford Health System	11%	15%
Minnesota	510,713	82%	BCBS	39%	Medica Holding Company	25%	UCare Minnesota	18%	18%
Mississippi	85,208	98%	Humana Inc.	63%	WellCare Health Plans, Inc.	21%	CIGNA	13%	2%
Missouri	337,119	80%	UnitedHealth Group, Inc.	32%	Aetna Inc.	29%	Humana Inc.	20%	20%
Montana	39,200	98%	BCBS	47%	New West Health Services	36%	Humana Inc.	14%	2%
Nebraska	37,169	94%	UnitedHealth Group, Inc.	47%	Aetna Inc.	33%	Humana Inc.	14%	6%
Nevada	157,379	88%	UnitedHealth Group, Inc.	45%	Humana Inc.	33%	Renown Health	11%	12%
New Hampshire	20,756	81%	UnitedHealth Group, Inc.	53%	Humana Inc.	15%	BCBS	12%	19%
New Jersey	245,651	79%	UnitedHealth Group, Inc.	43%	Aetna Inc.	26%	BCBS	10%	21%
New Mexico	120,099	69%	Presbyterian Healthcare Services	37%	UnitedHealth Group, Inc.	18%	Health Care Service Corporation	14%	31%
New York	1,243,714	49%	UnitedHealth Group, Inc.	21%	BCBS	17%	Healthfirst, Inc.	11%	51%
North Carolina	547,079	86%	UnitedHealth Group, Inc.	33%	Humana Inc.	33%	BCBS	21%	14%
North Dakota	21,627	99%	Medica Holding Company	91%	Humana Inc.	7%	Sanford Health Plan	1%	1%
Ohio	748,125	68%	BCBS	27%	Aetna Inc.	25%	Humana Inc.	16%	32%
Oklahoma	116,489	80%	Humana Inc.	28%	UnitedHealth Group, Inc.	27%	CommunityCare Managed Healthcare Plans of OK, Inc.	25%	20%
Oregon	339,461	51%	Centene	20%	Kaiser Foundation Health Plan, Inc.	17%	BCBS	14%	49%
Pennsylvania	1,022,462	72%	BCBS	36%	Aetna Inc.	21%	UPMC Health System	15%	28%
Rhode Island	72,954	100%	BCBS	71%	UnitedHealth Group, Inc.	28%	PACE Organization of Rhode Island	<1%	<1%
South Carolina	224,130	94%	UnitedHealth Group, Inc.	46%	Humana Inc.	44%	CIGNA	5%	6%
South Dakota	31,158	99%	Medica Holding Company	76%	Humana Inc.	16%	Aetna Inc.	6%	1%
Tennessee	440,394	76%	Humana Inc.	30%	BCBS	25%	CIGNA	21%	24%
Texas	1,174,621	69%	UnitedHealth Group, Inc.	32%	Humana Inc.	24%	Aetna Inc.	13%	31%
Utah	120,237	78%	UnitedHealth Group, Inc.	48%	Intermountain Health Care, Inc.	19%	BCBS	11%	22%
Vermont	9,671	99%	UnitedHealth Group, Inc.	83%	MVP Health Care, Inc.	14%	Aetna Inc.	2%	1%
Virginia	219,382	87%	Humana Inc.	60%	UnitedHealth Group, Inc.	18%	Kaiser Foundation Health Plan, Inc.	9%	13%
Washington	360,712	68%	UnitedHealth Group, Inc.	27%	Group Health Cooperative	25%	BCBS	16%	32%
West Virginia	103,805	94%	Humana Inc.	70%	Aetna Inc.	16%	BCBS	8%	6%
Wisconsin	410,771	68%	UnitedHealth Group, Inc.	35%	Humana Inc.	18%	Ministry Health Care, Inc.	15%	32%
Wyoming	2,079	93%	UnitedHealth Group, Inc.	75%	Aetna Inc.	9%	BCBS	9%	7%

NOTE: Territories are excluded. BCBS is Blue Cross and Blue Shield affiliated health plans.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2016.

Table A7. Medicare Advantage Market Share by Firm, by State, 2016								
State	Total Medicare Advantage Enrollment	Medicare Advantage Penetration Rate	Humana Medicare Advantage Market Share	Aetna Medicare Advantage Market Share	Combined Aetna-Humana Market Share	Cigna Medicare Advantage Market Share	Anthem Medicare Advantage Market Share	Combined Anthem-Cigna Market Share
Total U.S.	**17,625,200**	**31%**	**18%**	**7%**	**25%**	**3%**	**3%**	**6%**
Alabama	257,218	26%	20%	1%	21%	23%	<1%	23%
Alaska	93	<1%		39%	39%			
Arizona	442,282	38%	12%	1%	13%	12%	3%	14%
Arkansas	121,543	20%	35%	7%	42%	2%		2%
California	2,244,709	39%	3%	1%	4%		4%	4%
Colorado	293,275	36%	13%	1%	14%		<1%	<1%
Connecticut	165,722	26%	0%	21%	21%		8%	8%
Delaware	16,792	9%	10%	44%	53%	34%		34%
District of Columbia	12,292	14%	0%	7%	7%	8%		8%
Florida	1,670,266	41%	36%	6%	42%	3%	2%	5%
Georgia	508,161	33%	22%	10%	32%	9%	1%	9%
Hawaii	113,451	46%	12%	<1%	12%			
Idaho	90,435	31%	9%	<1%	9%			
Illinois	405,756	19%	25%	11%	36%	5%	<1%	5%
Indiana	279,338	24%	37%	3%	40%	1%	15%	16%
Iowa	98,790	17%	20%	36%	56%			
Kansas	67,733	14%	42%	43%	86%	1%		1%
Kentucky	229,916	26%	60%	2%	62%		16%	16%
Louisiana	249,920	31%	65%	1%	66%			
Maine	75,116	24%	6%	22%	29%		3%	3%
Maryland	88,998	9%	2%	8%	10%	16%		16%
Massachusetts	246,018	20%	<1%	1%	1%		<1%	<1%
Michigan	621,118	32%	9%	2%	11%			
Minnesota	510,713	55%	6%	<1%	7%			
Mississippi	85,208	15%	63%	1%	64%	13%		13%
Missouri	337,119	29%	20%	29%	48%	<1%	2%	2%
Montana	39,200	19%	14%	<1%	15%			
Nebraska	37,169	12%	14%	33%	47%			
Nevada	157,379	34%	33%	4%	37%		4%	4%
New Hampshire	20,756	8%	15%	2%	17%		12%	12%
New Jersey	245,651	16%	0%	26%	26%	<1%	3%	3%
New Mexico	120,099	32%	13%	1%	14%		2%	2%
New York	1,243,714	37%	2%	5%	7%		6%	6%
North Carolina	547,079	30%	33%	10%	43%	2%		2%
North Dakota	21,627	18%	7%	0%	7%			
Ohio	748,125	34%	16%	25%	41%		25%	25%
Oklahoma	116,489	17%	28%	3%	31%			
Oregon	339,461	44%	1%	<1%	1%			
Pennsylvania	1,022,462	40%	4%	21%	25%	5%	<1%	5%
Rhode Island	72,954	35%		<1%	<1%			
South Carolina	224,130	23%	44%	2%	46%	5%	<1%	5%
South Dakota	31,158	20%	16%	6%	23%			
Tennessee	440,394	35%	30%	1%	31%	21%	2%	23%
Texas	1,174,621	32%	24%	13%	37%	10%	3%	12%
Utah	120,237	34%	6%	8%	15%			
Vermont	9,671	7%	<1%	2%	2%			
Virginia	219,382	16%	60%	5%	65%		3%	3%
Washington	360,712	30%	9%	<1%	9%		<1%	<1%
West Virginia	103,805	25%	70%	16%	86%			
Wisconsin	410,771	38%	18%	<1%	18%		1%	1%
Wyoming	2,079	2%	3%	9%	11%			

NOTE: Totals may not sum to 100% due to rounding. Includes employer-sponsored plans, special needs plans, and other private plans. Total U.S. includes Puerto Rico. Blank cells indicate no plans offered. Anthem includes BCBS plans and other plans.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2016.

Table A8. Enrollment in Special Needs Plans (SNPs), by Plan Type and State, 2016						
State	Enrollment in Special Needs Plans				Total Dual Eligibles (in 2014)	% of Dual Eligibles in D-SNPs
	Total	Dual eligibles (D-SNPs)	Institutional (I-SNPs)	Chronic or disabling conditions (C-SNPs)		
Total U.S.	**1,852,085**	**1,482,050**	**55,439**	**314,596**	**11,063,740**	**13%**
Alabama	51,365	51,103	262	0	222,740	23%
Alaska	0	0	0	0	17,420	0%
Arizona	96,389	80,156	2,192	14,041	199,180	40%
Arkansas	25,705	12,877		12,828	138,480	9%
California	191,776	145,860	2,451	43,465	1,424,500	10%
Colorado	12,278	9,417	2,772	89	112,220	8%
Connecticut	17,222	14,310	2,912	0	181,120	8%
Delaware	2,232	988	520	724	30,440	3%
District of Columbia	4,253	4,045	80	128	32,580	12%
Florida	301,744	232,581	3,840	65,323	819,220	28%
Georgia	98,080	52,120	2,541	43,419	330,800	16%
Hawaii	20,068	20,068	0	0	39,860	50%
Idaho	2,120	2,120	0	0	45,980	5%
Illinois	14,249	11,561	944	1,744	402,620	3%
Indiana	3,130	1,720	753	657	205,580	1%
Iowa	0	0	0	0	91,920	0%
Kansas	285	0	228	57	71,540	0%
Kentucky	7,246	6,093	79	1,074	198,640	3%
Louisiana	33,419	31,084	0	2,335	218,100	14%
Maine	2,667	2,563	0	104	96,480	3%
Maryland	12,443	5,601	2,870	3,972	148,480	4%
Massachusetts	37,924	37,580	132	212	320,920	12%
Michigan	12,489	12,384	16	89	330,840	4%
Minnesota	36,591	36,591	0	0	149,660	24%
Mississippi	16,675	14,697	0	1,978	172,020	9%
Missouri	27,362	11,653	314	15,395	199,400	6%
Montana	33	33	0	0	27,420	<1%
Nebraska	11	11	0	0	45,340	<1%
Nevada	9,998	0	514	9,484	60,200	0%
New Hampshire	28	28	0	0	35,120	<1%
New Jersey	16,309	14,211	1,898	200	229,660	6%
New Mexico	13,443	13,142	301	0	86,000	15%
New York	218,678	201,444	16,474	760	900,480	22%
North Carolina	25,306	19,764	2,457	3,085	345,240	6%
North Dakota	0	0	0	0	17,540	0%
Ohio	17,368	14,294	1,131	1,943	376,040	4%
Oklahoma	156	0	156	0	124,120	0%
Oregon	27,872	22,193	748	4,931	128,180	17%
Pennsylvania	124,470	111,431	3,383	9,656	469,580	24%
Rhode Island	1,610	11	1,599	0	43,360	<1%
South Carolina	62,133	22,518	0	39,615	164,720	14%
South Dakota	0	0	0	0	22,880	0%
Tennessee	79,561	79,561	0	0	285,100	28%
Texas	162,745	130,210	229	32,306	740,940	18%
Utah	8,036	8,036	0	0	39,620	20%
Vermont	0	0	0	0	30,880	0%
Virginia	5,379	1,737	163	3,479	204,900	1%
Washington	26,226	24,574	1,652	0	200,040	12%
West Virginia	371	371	0	0	93,240	<1%
Wisconsin	24,640	21,309	1,828	1,503	180,020	12%
Wyoming	0	0	0	0	12,380	0%

NOTE: Excludes Puerto Rico. Blank cells indicate no plans offered.

SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2016. Number of dual eligibles by state is derived from the CMS Chronic Conditions Data Warehouse standard analytic files for 2014.

Table A9. Enrollment in Dual Eligible Special Needs Plans and Financial/Administrative Alignment Demonstrations, by State, 2016				
State	Enrollment in Dual Eligible Special Needs Plans (D-SNPs)			Enrollment in Financial Alignment Demonstration
	2013	2016	Change, 2013-2016	
Total U.S.	**1,099,100**	**1,482,050**	**382,950**	**365,826**
Alabama	38,281	51,103	12,822	0
Alaska	0	0	0	0
Arizona	68,495	80,156	11,661	0
Arkansas	9,189	12,877	3,688	0
California	190,668	145,860	(44,808)	126,057
Colorado	8,444	9,417	973	0
Connecticut	4,612	14,310	9,698	0
Delaware	733	988	255	0
District of Columbia	1,756	4,045	2,289	0
Florida	135,100	232,581	97,481	0
Georgia	17,500	52,120	34,620	0
Hawaii	15,442	20,068	4,626	0
Idaho	662	2,120	1,458	0
Illinois	5,617	11,561	5,944	48,192
Indiana	2,998	1,720	(1,278)	0
Iowa	726	0	(726)	0
Kansas	0	0	0	0
Kentucky	683	6,093	5,410	0
Louisiana	18,354	31,084	12,730	0
Maine	2,553	2,563	10	0
Maryland	5,480	5,601	121	0
Massachusetts	23,616	37,580	13,964	12,524
Michigan	15,490	12,384	(3,106)	34,177
Minnesota	36,975	36,591	(384)	36,591
Mississippi	9,336	14,697	5,361	0
Missouri	8,383	11,653	3,270	0
Montana	0	33	33	0
Nebraska	1,073	11	(1,062)	0
Nevada	12	0	(12)	0
New Hampshire	12	28	16	0
New Jersey	23,745	14,211	(9,534)	0
New Mexico	6,076	13,142	7,066	0
New York	124,216	201,444	77,228	5,801
North Carolina	10,585	19,764	9,179	0
North Dakota	0	0	0	0
Ohio	11,754	14,294	2,540	62,177
Oklahoma	0	0	0	0
Oregon	19,271	22,193	2,922	0
Pennsylvania	93,372	111,431	18,059	0
Rhode Island		11	11	0
South Carolina	9,213	22,518	13,305	1,418
South Dakota	0	0	0	0
Tennessee	51,760	79,561	27,801	0
Texas	87,476	130,210	42,734	48,010
Utah	7,497	8,036	539	0
Vermont	0	0	0	0
Virginia	635	1,737	1,102	27,470
Washington	16,988	24,574	7,586	0
West Virginia	44	371	327	0
Wisconsin	14,278	21,309	7,031	0
Wyoming	0	0	0	0

NOTE: Excludes Puerto Rico. Blank cells indicate no plans offered. Excludes dual eligible beneficiaries enrolled in financial/administrative alignment demonstrations who are missing state designation. All enrollment is from March of the respective year.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment and Landscape files, 2013 and 2016.

Endnotes

[1] The ACA reductions in payments to plans will be fully implemented in 2017.

[2] G. Jacobson, P. Neuman, and A. Damico. "At Least Half of New Medicare Advantage Enrollees Had Switched From Traditional Medicare During 2006-11," Health Affairs, vol. 34 no. 1, p. 48-55, January 2015. Also see G. Jacobson, T. Neuman, and A. Damico. "Medigap Enrollment Among New Medicare Beneficiaries: How Many 65-Year Olds Enroll In Plans With First-Dollar Coverage?" Washington DC: Kaiser Family Foundation, April 2015. Available at: http://kff.org/medicare/issue-brief/medigap-enrollment-among-new-medicare-beneficiaries/, Last accessed June 5, 2015.

[3] F. McArdle, T. Neuman and J. Huang. "Retiree Health Benefits at the Crossroads". Washington DC: Henry J. Kaiser Family Foundation, April 2014. Available at: http://kff.org/medicare/report/retiree-health-benefits-at-the-crossroads/.

[4] Sutherly, B. "OPERS Retirees Face Big Changes." The Columbus Dispatch. November 27, 2015. Available at: http://www.dispatch.com/content/stories/local/2015/11/27/opers-retirees-face-big-changes.html.

[5] Medicare Payment Advisory Commission "Chapter 13. The Medicare Advantage Program: Status Report" in Report to Congress: Medicare Payment Policy, Washington DC, March 2015. pp 313-343.

[6] Centers for Medicare and Medicaid Services, "Announcement of Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter," April 4, 2016. Available at: https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2017.pdf.

[7] In the fall of 2015, we calculated that beneficiaries who were enrolled in Medicare Advantage plans at that time would pay a premium of $41 per month in 2016, compared to $38 per month in 2015, which assumed they remained in the same plan. Among Medicare Advantage enrollees in 2016, the average premium actually paid by enrollees ($37 per month) is slightly lower than the amount estimated in the fall, with the difference in estimates reflecting both changes in beneficiaries enrolled in Medicare Advantage plans from 2015 to 2016 and shifts by enrollees among plans and plan types.

[8] G. Jacobson, M. Gold, A. Damico, T. Neuman, and G. Casillas. "Medicare Advantage 2016 Data Spotlight: Overview of Plan Changes," Washington DC: Henry J. Kaiser Family Foundation, December 2015. Available at: http://kff.org/medicare/issue-brief/medicare-advantage-2016-data-spotlight-overview-of-plan-changes/.

[9] In Minnesota, 69% of private plan enrollment is in cost plans, which have higher average premiums than Medicare Advantage plans.

[10] Limits were required for regional PPOs since they were first authorized in 2006.

[11] J. Hoadley, J. Cubanski, and T. Neuman, "Medicare Part D: A First Look At Plan Offerings in 2016" Kaiser Family Foundation, October 2015.

[12] J. Hoadley, J. Cubanski, and T. Neuman, "Medicare Part D at Ten Years: The 2015 Marketplace and Key Trends, 2006-2015," Kaiser Family Foundation, October 2015.

[13] See https://www.anthem.com/health-insurance/about-us/anthem-overview.

[14] CMS conducted a demonstration between 2012 and 2014 that provided bonus payments to the vast majority of plans. For more information, see G. Jacobson, T. Neuman, A. Damico and J. Huang, "Medicare Advantage Plan Star Ratings and Bonus Payments in 2012," Kaiser Family Foundation, November 2011. Available at: http://kff.org/medicare/report/medicare-advantage-2012-star-ratings-and-bonuses/.

[15] G. Jacobson, C. Swoope, M. Perry, and M.C. Slosar. "How are Seniors Choosing and Changing Health Insurance Plans?" Kaiser Family Foundation, May 2014. Available at: http://kff.org/medicare/report/how-are-seniors-choosing-and-changing-health-insurance-plans/.

[16] T. Neuman, G. Casillas, and G. Jacobson. "Medicare Advantage and Traditional Medicare: Is the Balance Tipping?" Washington DC: Henry J. Kaiser Family Foundation, October 2015. Available at: http://kff.org/report-section/medicare-advantage-and-traditional-medicare-is-the-balance-tipping-issue-brief/.