

# **Data Analysis Brief: Comparing Managed Care Enrollment Trends among Dually Eligible Individuals to Medicare-only Beneficiaries, 2012 through 2021**

*Prepared by the Centers for Medicare & Medicaid Services (CMS) Medicare-Medicaid Coordination Office  
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## ***Ten-year Managed Care Enrollment Trends: 2012-2021***

This Data Analysis Brief examines Medicare managed care enrollment trends of people who are dually eligible for Medicare and Medicaid (also known as dually eligible individuals) over ten calendar years. We also include the Medicare-only population for comparison purposes.

### **SUMMARY OF KEY FINDINGS**

- There have been increasing proportions of individuals enrolled in Medicare managed care across all enrollment groups over the past decade. For all dually eligible individuals, Medicare managed care penetration grew from 22 percent in 2012 to 51 percent by 2021.
- Among dually eligible individuals, the proportion of individuals enrolled in Medicare managed care continued to vary by level of Medicaid benefits: In 2021, 64 percent of partial-benefit dually eligible individuals were enrolled in Medicare managed care, compared to 46 percent of full-benefit dually eligible individuals.<sup>1</sup>
- Since 2015, a higher proportion of dually eligible individuals have been enrolled in Medicare managed care than Medicare-only beneficiaries. In 2021, 51 percent of all dually eligible individuals were enrolled in Medicare managed care, compared to 40 percent of the Medicare-only population.

### **BACKGROUND**

During the past 25 years, the Medicare coverage choices available to dually eligible individuals have increased significantly, especially with the introduction of the Medicare Part C/Medicare Advantage (MA) program. Under the Balanced Budget Act of 1997 (BBA; P.L. 105-33), health plan options were expanded to allow private commercial insurers to offer an alternative to traditional fee-for-service (FFS) Medicare in the form of specific types of health care plans. Today, these expanded options are collectively known as the “MA program” and include health maintenance organizations (HMOs), provider sponsored organizations (PSOs), preferred provider organizations (PPOs), and private FFS

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<sup>1</sup> Full-benefit dually eligible individuals are Medicare beneficiaries who qualify for the full package of Medicaid benefits. They often separately qualify for assistance with Medicare premiums and cost sharing through the Medicare Savings Programs (MSPs). Partial-benefit dually eligible individuals are enrolled only in Medicare and an MSP (see [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO\\_Factsheet.pdf](https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_Factsheet.pdf)).

(PFFS) plans.<sup>2</sup> The BBA also established the Program of All-inclusive Care for the Elderly (PACE) as a permanent Medicare coverage option (section 1894 of the Social Security Act) and allowed states the option to pay for PACE under Medicaid (section 1934 of the Social Security Act).

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; P.L. 108-173) further expanded the health plan options available through the MA program by authorizing Special Needs Plans (SNPs) to better coordinate benefits for beneficiary populations with special needs (i.e., dually eligible individuals, enrollees who reside in institutions, or beneficiaries with certain chronic conditions). SNPs became a permanent part of the Medicare program through the Bipartisan Budget Act of 2018 (P.L. 115-123).

More recently, through the Financial Alignment Initiative,<sup>3</sup> ten states have tested a capitated integrated delivery-payment model to improve coordination of care and align financial incentives for dually eligible individuals.<sup>4</sup> In this model, available only to full-benefit dually eligible individuals, participating health plans known as Medicare-Medicaid Plans (MMPs) provide coverage for both Medicare and Medicaid benefits.

In this brief, we refer to enrollment in MA plans, MMPs, and PACE programs as “Medicare managed care.”

## DETAILED FINDINGS

- **Medicare managed care penetration has increased over time, with a greater rate of increase for dually eligible individuals than for Medicare-only beneficiaries.** Among dually eligible individuals, the proportion enrolled in Medicare managed care increased from 22 percent in 2012 to 51 percent by 2021. For comparison, the proportion of Medicare-only beneficiaries enrolled in managed care over the same time span increased from 27 percent to 40 percent. The overall proportion of all dually eligible individuals enrolled in Medicare managed care surpassed that of Medicare-only beneficiaries for the first time beginning in 2015 and has since been continuing this upward trend.

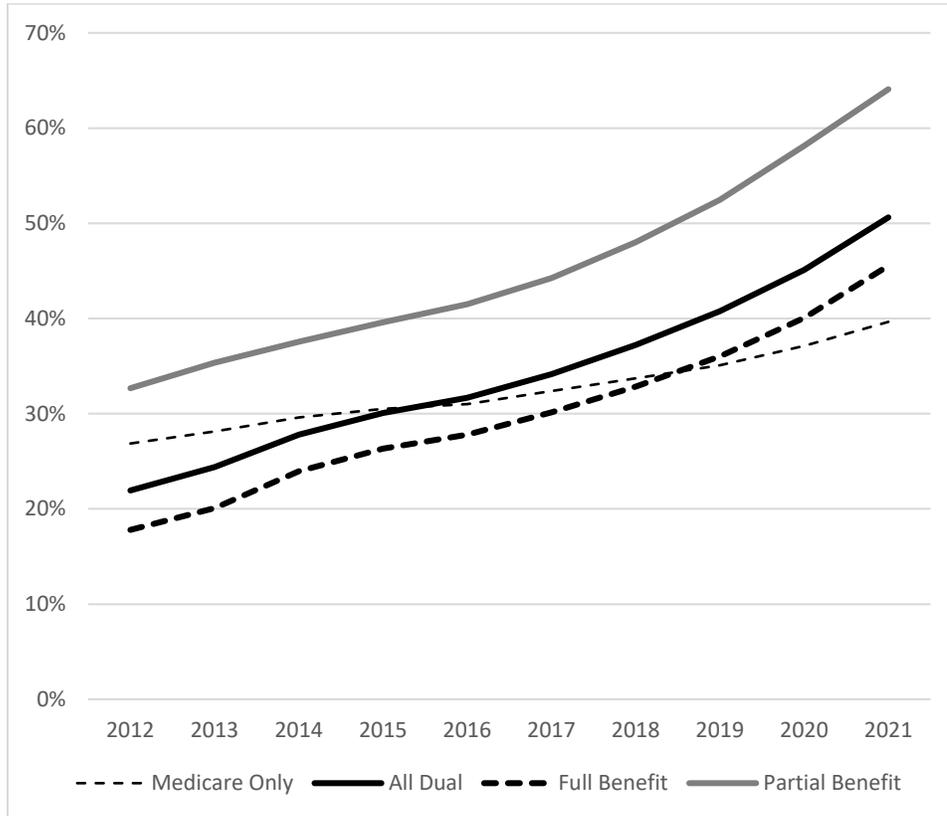
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<sup>2</sup> HMOs and PPOs are managed care plans that have provider networks and can vary plan offerings, premiums, and benefits by county. PSOs are managed care plans operated by a group of doctors and hospitals that then form the provider network. PFFS plans are private plans that pay providers on an FFS basis, as determined by the plan itself.

<sup>3</sup> The Financial Alignment Initiative is being tested under the authority of CMS’ Center for Medicare and Medicaid Innovation. For additional information about the Medicare-Medicaid FAI, see the Medicare-Medicaid Coordination Office (MMCO) website: [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination).

<sup>4</sup> Under the capitated model, the state, CMS, and a health plan enter a three-way contract to provide integrated services, with the plan receiving a prospective blended payment. States currently testing the capitated model include California, Illinois, Massachusetts, Michigan, New York, Ohio, Rhode Island, South Carolina, and Texas. Virginia ended its capitated model demonstration in 2017, and New York transitioned one of its two demonstrations in 2019 from the capitated model to a Medicare Advantage-based initiative. Three other states (Colorado, Minnesota, and Washington) are testing or have tested a non-capitated model.

**Figure 1. Proportion of Full-benefit, Partial-benefit, Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (including PACE and MMPs), 2012-2021**

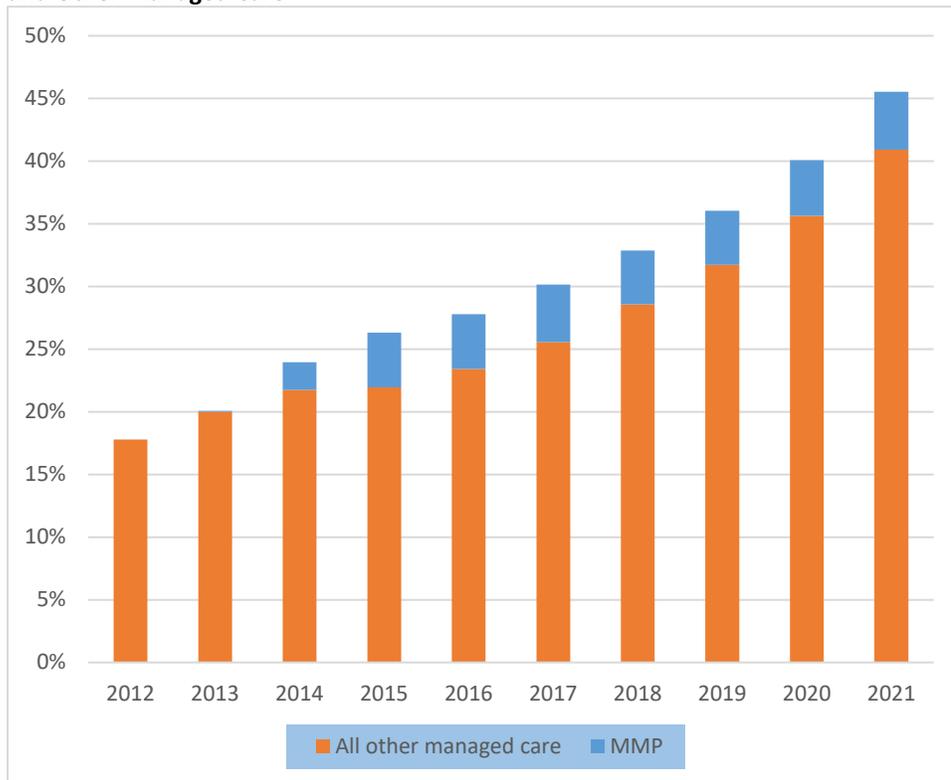


Appendix A presents the detailed findings.

- Managed care options for full-benefit dually eligible individuals expanded in 2014 with the launch of MMPs.<sup>5</sup>** As of 2021, about 4 percent of full benefit dually-eligible individuals were enrolled in MMPs, or more than 400,000 total. Overall, managed care enrollment among full-benefit dually eligible individuals more than doubled since 2014, from 1.9 million to 4.2 million.

<sup>5</sup> MMPs began phased-in enrollment in late 2013.

**Figure 2. Proportion of Full-Benefit Dually Eligible Individuals in Medicare-Medicaid Plans and Other Managed Care**



Appendix B presents the detailed findings.

- Nevertheless, partial-benefit dually eligible individuals have consistently had the highest Medicare managed care enrollment rates.** Medicare managed care enrollment among partial-benefit dually eligible individuals grew from 33 percent in 2012 to 64 percent in 2021. In contrast, among full-benefit dually eligible individuals, managed care enrollment increased from 18 percent to 46 percent over the same period.

## DATA SOURCES AND METHODOLOGY

This analysis employed Common Medicare Environment (CME) data from the CMS Chronic Conditions Data Warehouse (CCW). All Medicare beneficiaries, including those with Medicare Part A or Part B only, were included in the denominator of total Medicare beneficiaries in this analysis.

This analysis used state-reported “State MMA File” data to identify dually eligible individuals. As required by the MMA, states submit these files to CMS on an at-least monthly basis to report which of their Medicaid beneficiaries are also eligible to receive Medicare along with their dual eligibility type. However, federal regulations at 42 CFR 423.910 now require states, effective April 1, 2022, to submit files daily. The State MMA File is considered the most current, accurate, and consistent source of information on beneficiaries’ dual eligibility status for any given month. For more information on defining dually eligible individuals in CMS administrative data sources, refer to the following resource: [www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO\\_DualEligibleDefinition.pdf](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_DualEligibleDefinition.pdf).

This analysis included individuals with any Medicare enrollment in the year. Individuals were assigned to one of three enrollment groups in the following hierarchical order: full-benefit dually eligible (at any time during the year), partial-benefit dually eligible, and Medicare-only. Individuals' most recent enrollment of the following plan types was recorded: traditional Medicare FFS, PACE, MMP, and "other" Medicare managed care plans.<sup>6</sup> Graphs in Appendix A and corresponding data tables in Appendix B indicate Medicare managed care enrollment from 2012 through 2021 for dually eligible individuals versus Medicare-only beneficiaries and for full-benefit versus partial-benefit dually eligible individuals.

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<sup>6</sup> This analysis does not include individuals in employer-sponsored plans.

## Appendix A: Managed Care Penetration by Dual Eligibility Status

**Table 1. Proportion of Medicare-only Beneficiaries, All Dually Eligible Beneficiaries, Full-benefit Dually Eligible Individuals, and Partial-benefit Dually Eligible Individuals Enrolled in Medicare Managed Care in Each Year**

Year	Medicare-Only	All Dually Eligible Individuals (Full- and Partial-benefit)	Full-benefit Dually Eligible Individuals	Partial-benefit Dually Eligible Individuals
2012	27%	22%	18%	33%
2013	28%	24%	20%	35%
2014	30%	28%	24%	38%
2015	31%	31%	28%	40%
2016	31%	33%	29%	41%
2017	32%	35%	32%	44%
2018	34%	37%	33%	48%
2019	35%	41%	36%	52%
2020	37%	45%	40%	58%
2021	40%	51%	46%	64%

**Table 2. Number of Medicare-only Beneficiaries, All Dually Eligible Individuals, Full-benefit Dually Eligible Individuals, and Partial-benefit Dually Eligible Individuals Enrolled in Medicare Managed Care in Each Year (in millions)**

Year	Medicare-Only	All Dually Eligible Beneficiaries (Full- and Partial-benefit)	Full-benefit Dually Eligible Beneficiaries	Partial-benefit Dually Eligible Beneficiaries
2012	11.5	2.3	1.4	1.0
2013	12.5	2.6	1.6	1.1
2014	13.5	3.1	1.9	1.2
2015	14.3	3.5	2.2	1.3
2016	14.9	3.7	2.3	1.4
2017	15.9	4.1	2.6	1.5
2018	17.1	4.5	2.9	1.7
2019	18.3	5.0	3.2	1.9
2020	19.8	5.6	3.6	2.0
2021	21.5	6.5	4.3	2.3

## Appendix B: Managed Care Penetration among Full-benefit Dually Eligible Individuals

**Table 3. Proportion of Full-benefit Dually Eligible Individuals Enrolled in Medicare Managed Care in December Each Year, by Plan Type**

Year	Medicare-Medicaid Plans	PACE	Medicare Advantage and Other	Total
2012	n/a	*	18%	<b>18%</b>
2013	*	*	20%	<b>20%</b>
2014	2%	*	22%	<b>24%</b>
2015	4%	*	22%	<b>26%</b>
2016	4%	*	23%	<b>28%</b>
2017	5%	*	26%	<b>30%</b>
2018	4%	*	29%	<b>33%</b>
2019	4%	*	32%	<b>36%</b>
2020	4%	*	36%	<b>40%</b>
2021	5%	*	41%	<b>46%</b>

\*Less than 0.5%

Details may not sum to totals due to rounding.

**Table 4. Number of Full-benefit Dually Eligible Individuals Enrolled in Medicare Managed Care in December Each Year, by Plan Type, in millions**

Year	Medicare-Medicaid Plans	PACE	Medicare Advantage and Other	Total
2012	n/a	*	1.3	<b>1.4</b>
2013	*	*	1.5	<b>1.6</b>
2014	0.2	*	1.7	<b>1.9</b>
2015	0.4	*	1.8	<b>2.2</b>
2016	0.4	*	1.9	<b>2.3</b>
2017	0.4	*	2.1	<b>2.6</b>
2018	0.4	*	2.4	<b>2.9</b>
2019	0.4	*	2.7	<b>3.2</b>
2020	0.4	0.1	3.2	<b>3.6</b>
2021	0.4	0.1	3.8	<b>4.2</b>

\*Fewer than 50,000

Details may not sum to totals due to rounding.