Middle Market Health Care Coverage

NORC | The SCAN Foundation
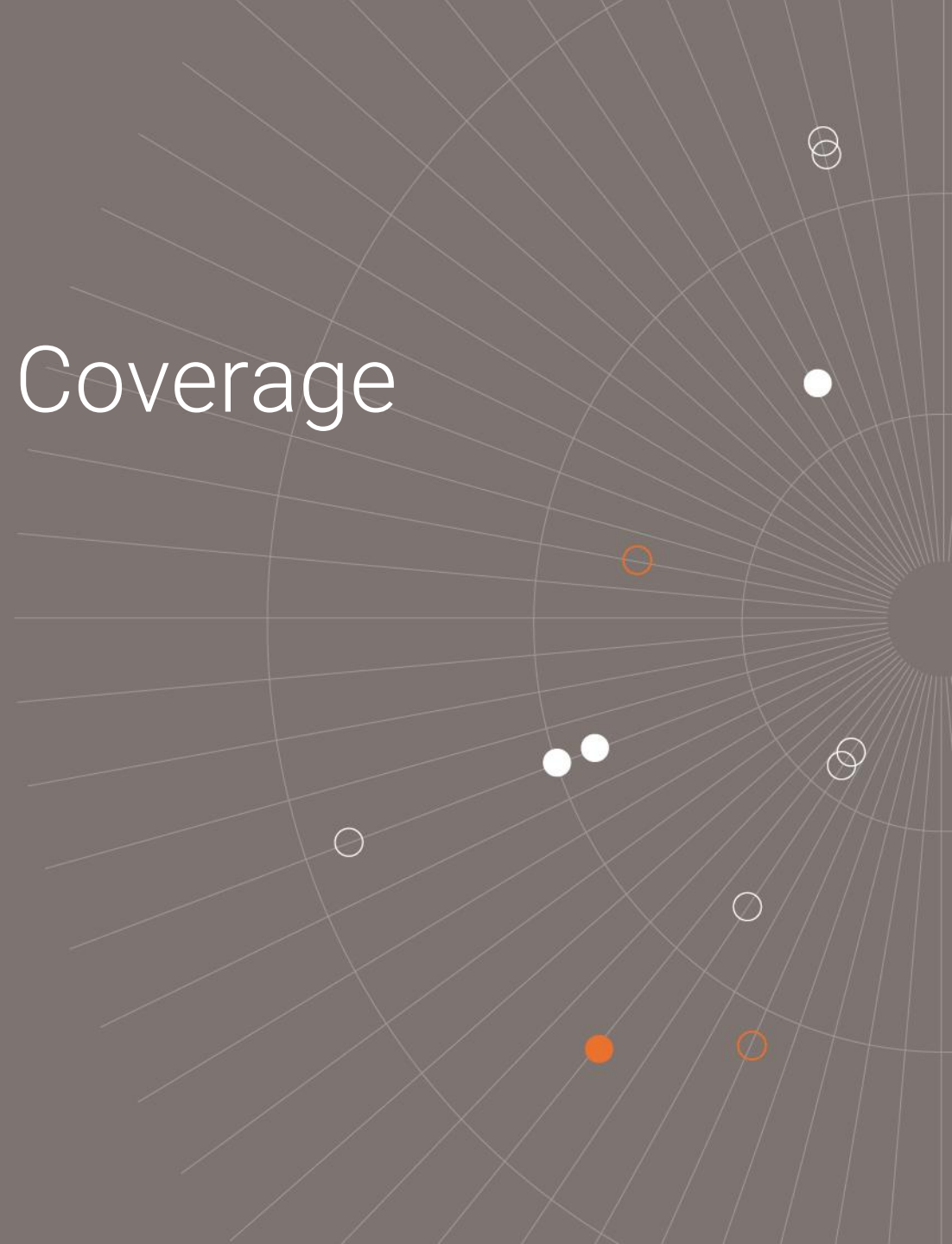
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Why are we pursuing this analysis?

To understand whether the middle market – covering Near Duals and the Forgotten Middle – would benefit from health care policy reforms, we first need **data on their coverage patterns and preferences**.

This analysis seeks to answer the research question:

How do full duals, Near Duals, middle-moderate, and high-income groups vary in their **health plan coverage**, and what can that tell us about the **drivers of consumer choice within Medicare Advantage**?

Who is included in this analysis?

Full Duals	**Near Duals***	**Middle-Moderate****	**High-Income**
Older adults receiving Medicare and full Medicaid services	**Older adults on the cusp of Aged, Blind, Disabled Medicaid financial eligibility**	**Middle- to moderate-income Medicare-only older adults**	**Older adults in the highest income brackets receiving Medicare services**
65+ population that is dually eligible for both Medicare and full-benefit Medicaid, providing coverage of additional health care needs for a vulnerable population.	65+ population experiencing financial insecurity with risk of spend down to full-benefit Medicaid within 1-2 years.	65+ population in the middle quartiles of financial resources, including income and assets but excluding housing.	65+ population in the top quartile of financial resources, including income and assets but excluding housing.
	2021 Income Bounds: $11,206 – $28,594 *2021 Asset Limit: $26,383*		

Analyzing these populations allows us understand health plan enrollment trends and drivers of consumer choice across a range of populations.

*May include partial duals who are enrolled in MSP and those eligible for MSP but not enrolled
**This population represents a proxy of the Forgotten Middle. It utilizes a different population construction methodology and dataset from previous Forgotten Middle studies.

Why focus on the Near Dual population?

There is a knowledge gap around Near Duals

While NORC has conducted several analyses on the Forgotten Middle, there are **limited comprehensive, up-to-date studies** on Near Duals

The near dual population is highly financially insecure

Near duals are **among the most vulnerable groups** within the middle market – just one major financial shock away from imminent Medicaid spend-down.

New evidence is needed to inform policymaking

Near Duals have **few policy options** dedicated to support their aging needs at the federal and state levels.

Key Findings

Medicare Advantage (MA) Enrollment

In 2017, under half of Near Duals and full duals were enrolled in MA. By 2021, MA enrollment rose to nearly two-thirds within both populations, far surpassing that of other beneficiaries.

Carrier Concentration

Among MA enrollees, coverage remains concentrated in just a few national carriers, while enrollment concentration among regional carriers has decreased from 2017 to 2021.

Supplemental Benefits

Near Duals and full duals are more likely to be enrolled in MA plans that offer supplemental benefits – traditional, EPHRB*, and SSBCI** – compared to higher income beneficiaries. These data indicate that supplemental benefits could be a factor in their plan selection criteria.

MA Cost Protections

Compared to higher income groups, a greater proportion of Near Duals are enrolled in MA plans that offer more cost sharing protections, such as Part B premium givebacks and $0 Part D drug deductibles and premiums.
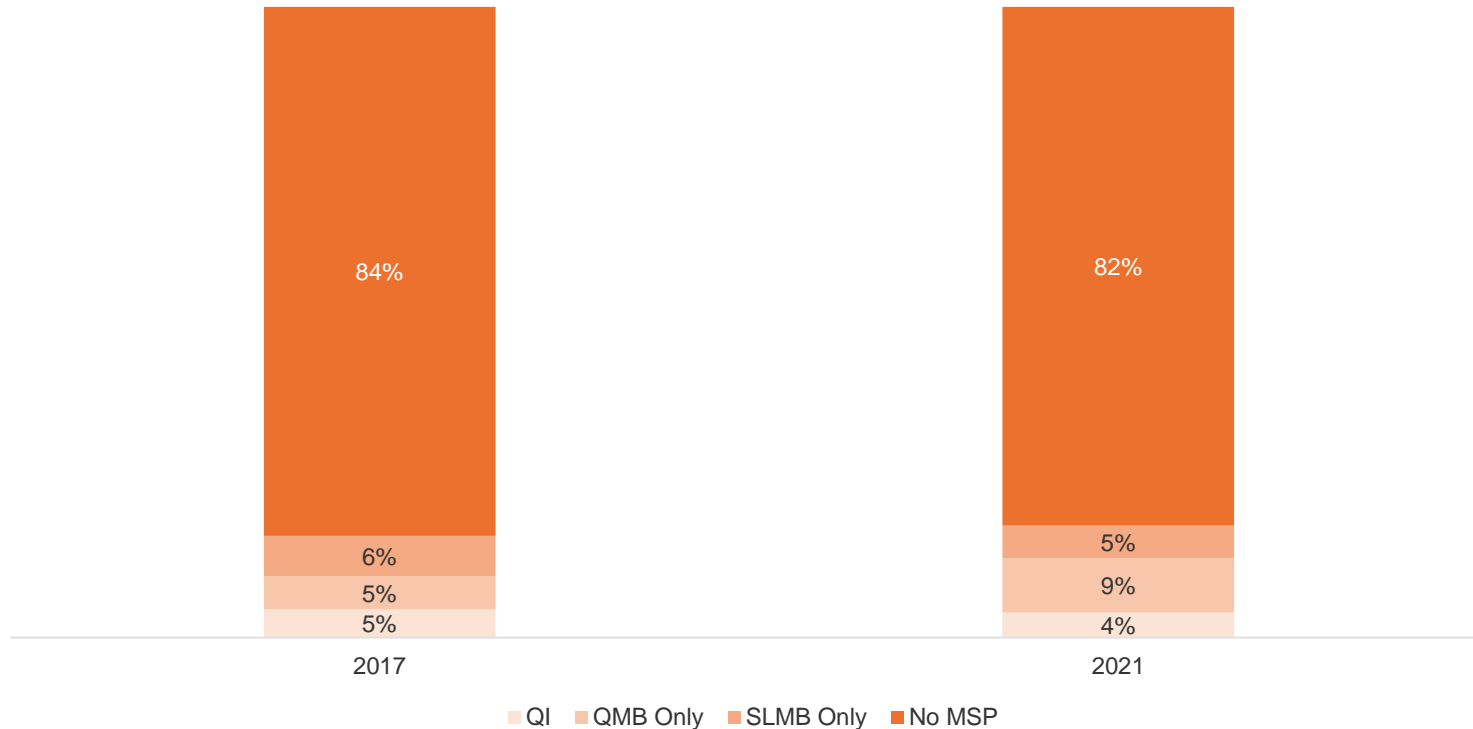
*Expanded Primarily Health-Related Benefits
**Special Supplemental Benefits for the Chronically Ill

Research Overview

Coverage & Plan Type

In 2021, 18% of Near Duals were enrolled in Medicare Savings Programs (MSP) to help pay for specific Part A and B Medicare costs

Near Dual Enrollment in Medicare Savings Programs, 2017 & 2021

	2017	2021
No MSP	84%	82%
SLMB Only	6%	5%
QMB Only	5%	9%
QI	5%	4%

Legend: ■ QI ■ QMB Only ■ SLMB Only ■ No MSP

Source: NORC analysis of 2017 and 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05
QI = Qualifying Individual, QMB = Qualified Medicare Beneficiary, SLMB = Specified Low-Income Medicare Beneficiary
The fourth MSP called Qualified Disabled and Working Individuals (QDWI) Program is not included in the analysis as enrollment is too small to report[5]

QMB, SLMB and QI are different types of MSPs which provide Medicare Part A and B wrap around coverage.[1] QMB has the lowest income threshold of the program at 100% FPL which was $12,880 in 2021.[2]

Even though MSP income criteria coincides with the Near Duals income bounds, a very low percentage − only 16% in 2017 and 18% in 2021 − of Near Duals are enrolled in MSPs.[3]
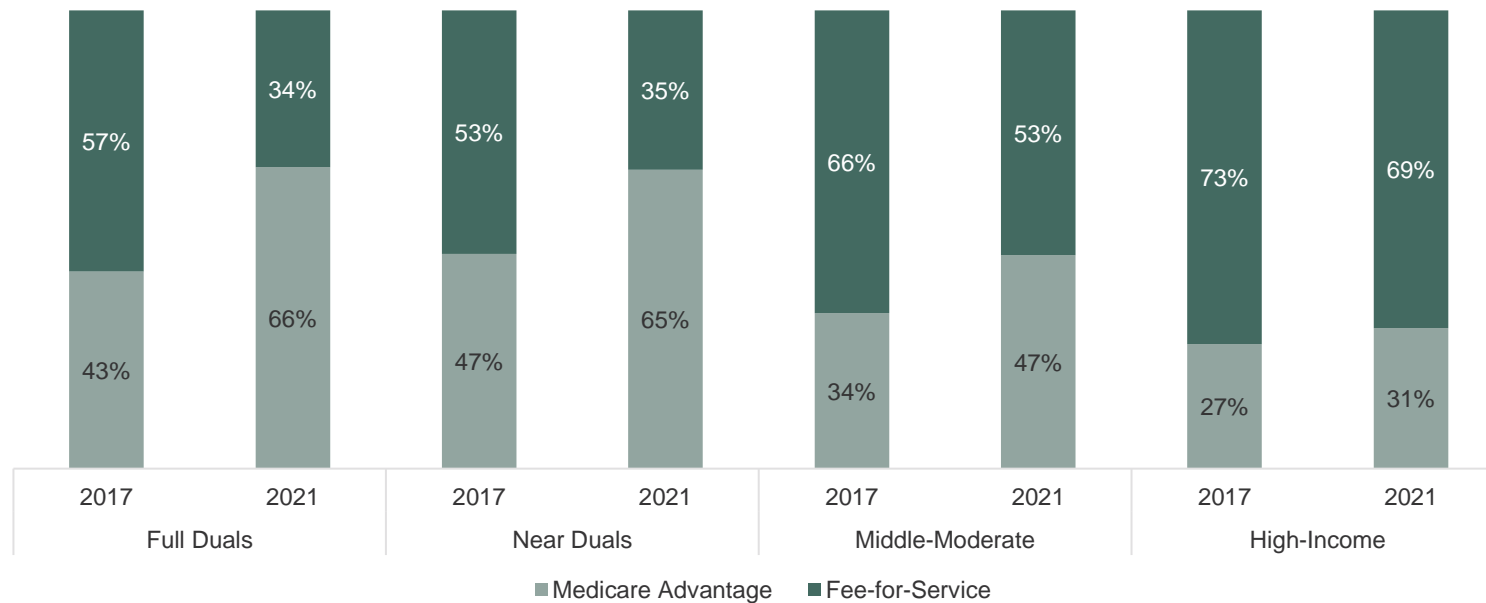
Research from NORC and others have found historical under-utilization of MSPs, with participation rates under 50% for older adults. [4]

[1]Medicare Savings Programs. Medicare.gov.
[2]Beneficiaries Dually Eligible for Medicare & Medicaid. CMS. February 2022
[3] Duals Data Book. MACPAC. February 2022
[4]Medicare Savings Programs: New Estimates Continue to Show Many Eligible Individuals Not Enrolled. MACPAC. August 2017.
[5]Medicare Savings Programs: Enrollment Trends. MACPAC. January 2024

MA penetration increased across all populations between 2017 and 2021, but most dramatically for low and middle-moderate income beneficiaries

Distribution of Beneficiary Cohorts Among Medicare Advantage and Fee-for-Service*, 2017 & 2021

	Full Duals		Near Duals		Middle-Moderate		High-Income	
	2017	2021	2017	2021	2017	2021	2017	2021
Fee-for-Service	57%	34%	53%	35%	66%	53%	73%	69%
Medicare Advantage	43%	66%	47%	65%	34%	47%	27%	31%

■ Medicare Advantage   ■ Fee-for-Service

By 2021, nearly two thirds of all full duals and Near Duals were enrolled in MA, compared to under half of middle-moderate older adults and under a third of high-income older adults.
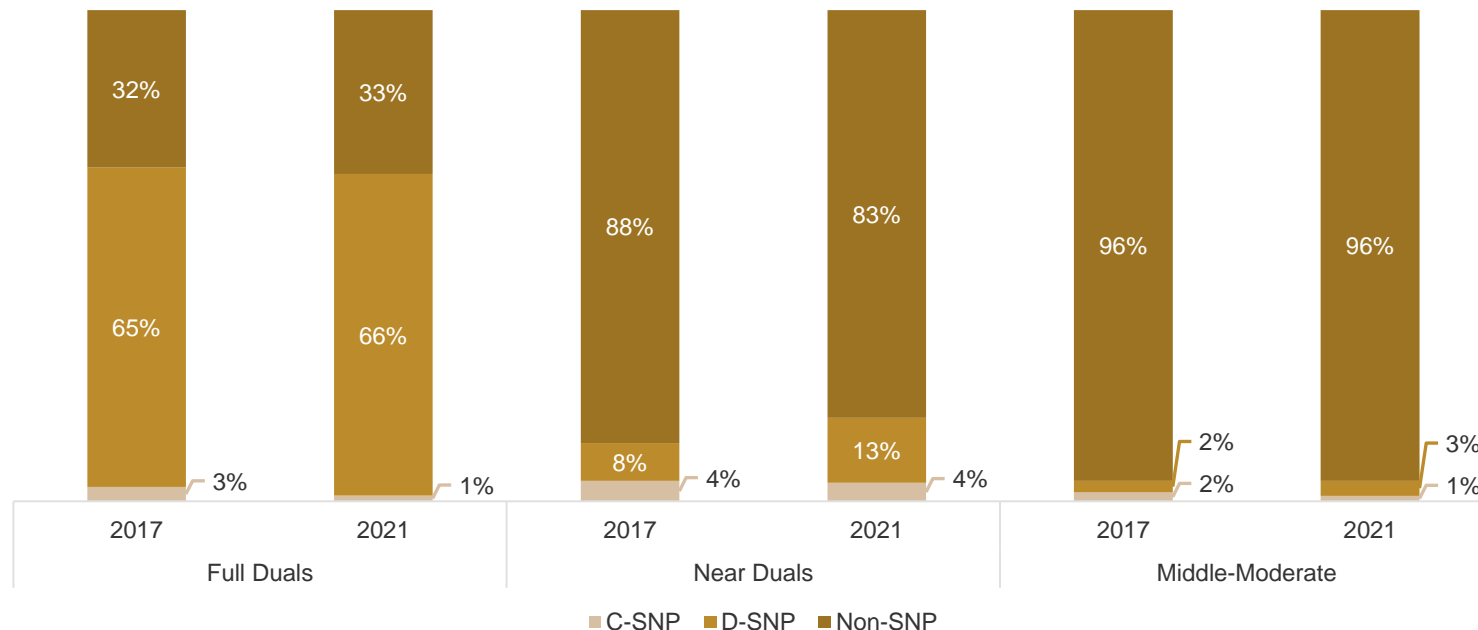
In 2017, 33% of Medicare beneficiaries overall were enrolled in MA, which increased to 47% by 2021.[1,2] Between 2017 and 2021, NORC's data found that full duals, Near Duals, and the middle-moderate groups' MA enrollment grew by 23, 18, and 13 percentage points, respectively. Growth in the highest income bracket saw the slowest growth at only 4 percentage points.

Source: NORC analysis of 2017 and 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05
*A portion of Fee-for-Service includes beneficiaries enrolled in Accountable Care Organizations (ACOs)

1. Medicare Advantage 2017 Spotlight: Enrollment Market Update. KFF. June 2017
2. Medicare Advantage Overview: A Primer on Enrollment and Spending. ASPE. May 2023

Near Dual enrollment in Dual Eligible Special Needs Plans (D-SNP) increased by five percent in four years while it remained stable for full duals

Proportion of Beneficiaries Enrolled in a Special Needs Plan (SNP), 2017 & 2021

Legend: ■ C-SNP ■ D-SNP ■ Non-SNP

Full Duals — 2017: Non-SNP 32%, D-SNP 65%, C-SNP 3%; 2021: Non-SNP 33%, D-SNP 66%, C-SNP 1%

Near Duals — 2017: Non-SNP 88%, D-SNP 8%, C-SNP 4%; 2021: Non-SNP 83%, D-SNP 13%, C-SNP 4%

Middle-Moderate — 2017: Non-SNP 96%, D-SNP 2%, C-SNP 2%; 2021: Non-SNP 96%, D-SNP 3%, C-SNP 1%

Between 2017 to 2021, Near Duals enrollment in a D-SNP increased by five percentage points.

SNPs target enrollment to beneficiaries with significant or specialized care needs, with D-SNPs enrolling partial dual or full dual beneficiaries only.*

SNP enrollment continued to grow outside this study period – national enrollment in any SNP increased by 24%between 2022 and 2023.[1,2]

Source: NORC analysis of 2017 and 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05
Note: D-SNP enrollment accounts for less than 1.5% of the High-Income group in both 2017 and 2021.
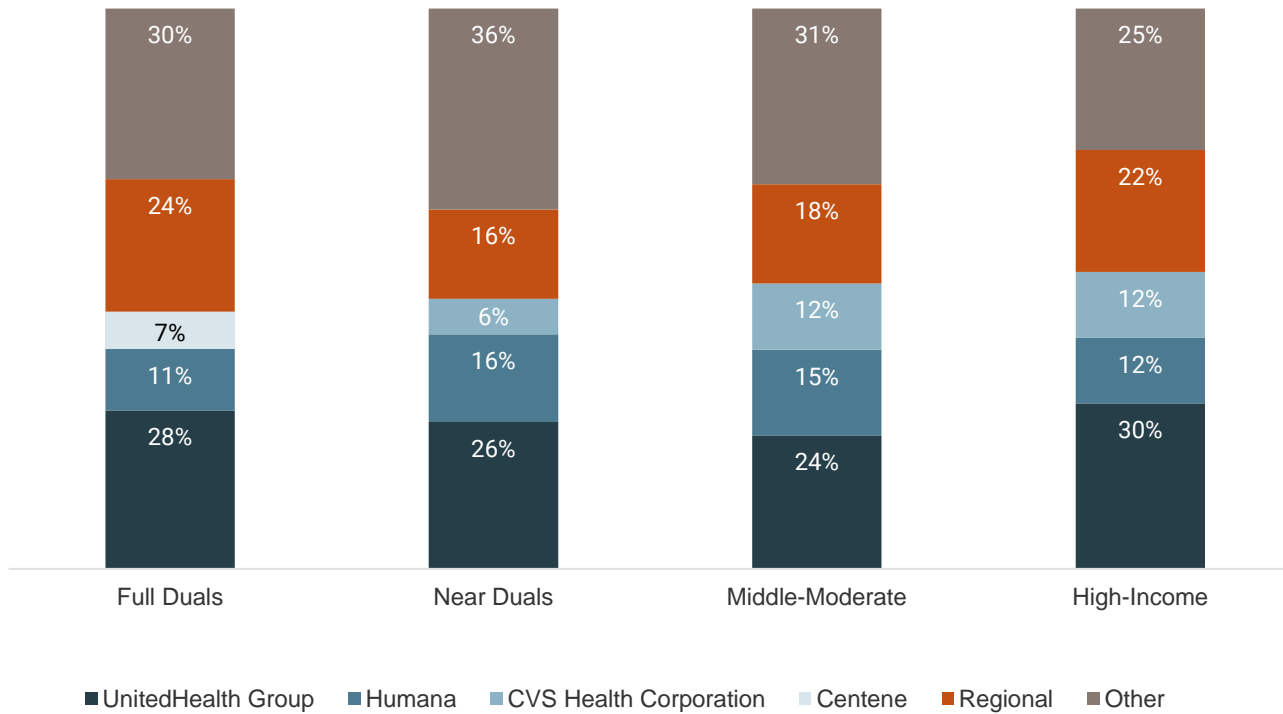*NORC looked at Chronic Condition SNPs (C-SNPs) and Dual Eligible SNPs (D-SNPs). A third type of SNP – Institutional SNP – was excluded from this analysis.

1. Dual Eligible Special Needs Plans (D-SNPs). CMS. September 2023.
2. Medicare Advantage in 2023: Enrollment Update and Key Trends. KFF. August 2023

Medicare Advantage enrollment is concentrated in a handful of carriers across income groups

Enrollment in Top 3 National vs Top 10 Regional MA Carriers, 2021

	Full Duals	Near Duals	Middle-Moderate	High-Income
Other	30%	36%	31%	25%
Regional	24%	16%	18%	22%
Centene	7%	6%	12%	12%
CVS Health Corporation	11%	16%	15%	12%
UnitedHealth Group	28%	26%	24%	30%

■ UnitedHealth Group ■ Humana ■ CVS Health Corporation ■ Centene ■ Regional ■ Other

The largest national MA carrier – UnitedHealth Group – has a greater share of enrollment than the top 10 regional* MA carriers combined across all income groups.

Full duals and high-income beneficiaries are more likely to be enrolled in a top 10 regional plan than Near Duals or middle-moderate beneficiaries.
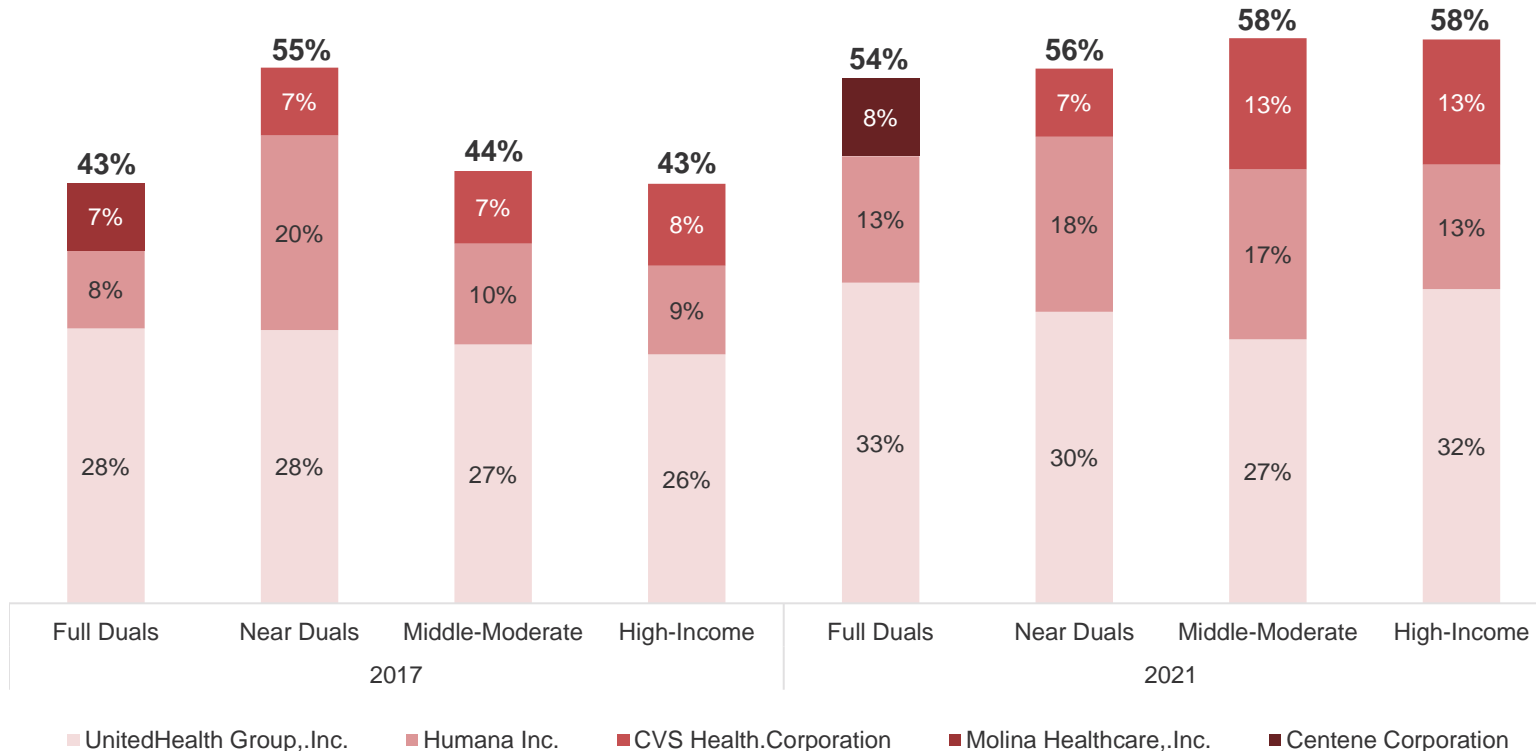
Source: NORC analysis of 2017 and 2021 Master Beneficiary Summary File (MBSF) and MA Plan Directory
Findings are statistically significant at p < 0.05
*Note: NORC defined a regional MA carrier as covering nine or fewer states.

Medicare Advantage enrollment is highly concentrated among national carriers, with UnitedHealth's share at over 25% for all income groups

Enrollment in Top Three MA National Carriers, 2017 & 2021

Legend:
- UnitedHealth Group,.Inc.
- Humana Inc.
- CVS Health.Corporation
- Molina Healthcare,.Inc.
- Centene Corporation

2017
- Full Duals — 43% (7%, 8%, 28%)
- Near Duals — 55% (7%, 20%, 28%)
- Middle-Moderate — 44% (7%, 10%, 27%)
- High-Income — 43% (8%, 9%, 26%)

2021
- Full Duals — 54% (8%, 13%, 33%)
- Near Duals — 56% (7%, 18%, 30%)
- Middle-Moderate — 58% (13%, 17%, 27%)
- High-Income — 58% (13%, 13%, 32%)

For all income groups except full duals, enrollment is concentrated across five carriers, with the same carriers (UnitedHealth Group, Humana, and CVS Health) in the top three. Full duals also have substantial enrollment in carriers that started with Medicaid presence (Molina and Centene).

This finding is consistent with prior research that as MA enrollment has grown, it has also become increasingly concentrated in a small number of carriers.[1]
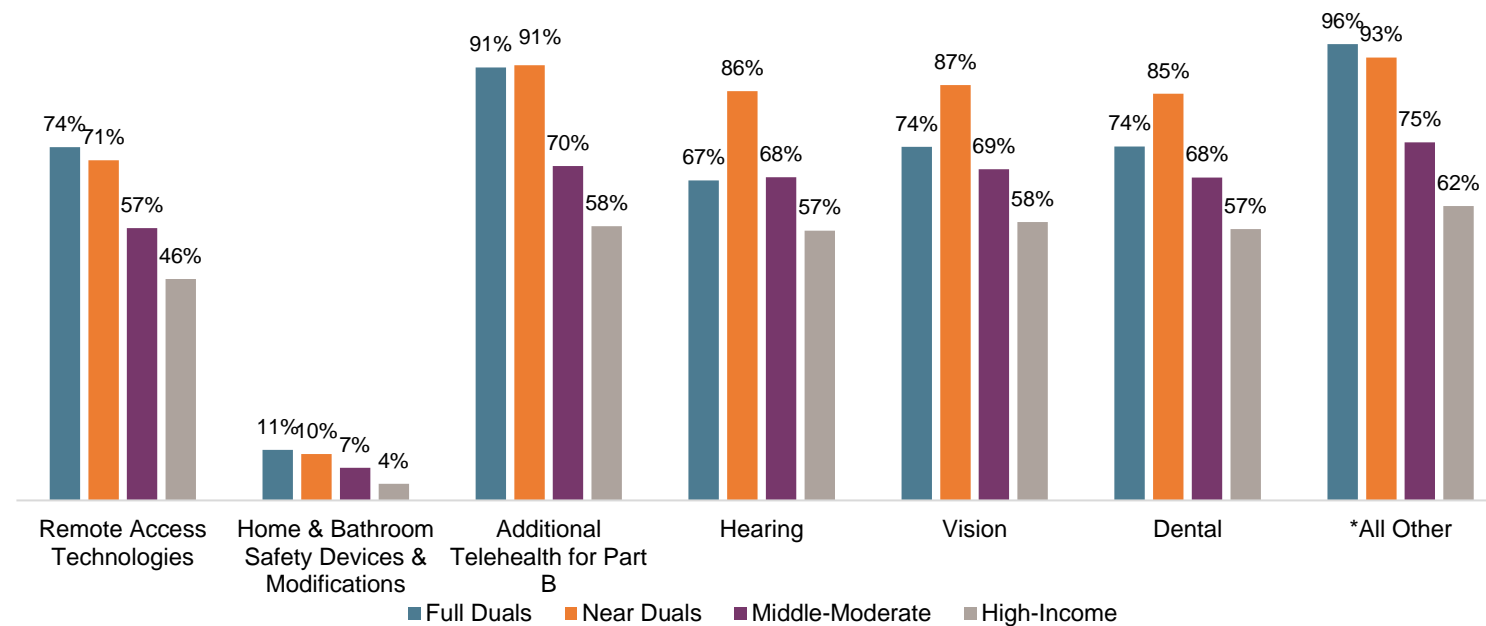
1. Medicare Advantage in 2023: Enrollment Update and Key Trends. KFF. August 2023

Source: NORC analysis of 2017 and 2021 Master Beneficiary Summary File (MBSF) and MA Plan Directory
Findings are statistically significant at p < 0.05
Note: NORC defined a national MA carrier as covering 10 or more states.

MA Benefits

A greater proportion of Near Duals and full duals are enrolled in MA plans that offer traditional supplemental benefits compared to other beneficiaries

MA Beneficiaries Enrolled in Plans Offering Traditional Supplemental Benefits, 2021

	Full Duals	Near Duals	Middle-Moderate	High-Income
Remote Access Technologies	74%	71%	57%	46%
Home & Bathroom Safety Devices & Modifications	11%	10%	7%	4%
Additional Telehealth for Part B	91%	91%	70%	58%
Hearing	67%	86%	68%	57%
Vision	74%	87%	69%	58%
Dental	74%	85%	68%	57%
*All Other	96%	93%	75%	62%

Among MA beneficiaries, Near Duals and full duals enroll in plans that offer traditional supplemental benefits** at a similar rate – and one that is higher than that of middle-moderate and high-income MA beneficiaries.

It is worth noting that publicly available data on supplemental benefit utilization are not available; enrollment in plans with supplemental benefits does not equate with access.

Source: NORC analysis of 2021 Master Beneficiary Summary File (MBSF) and Plan Benefit Package (PBP) data
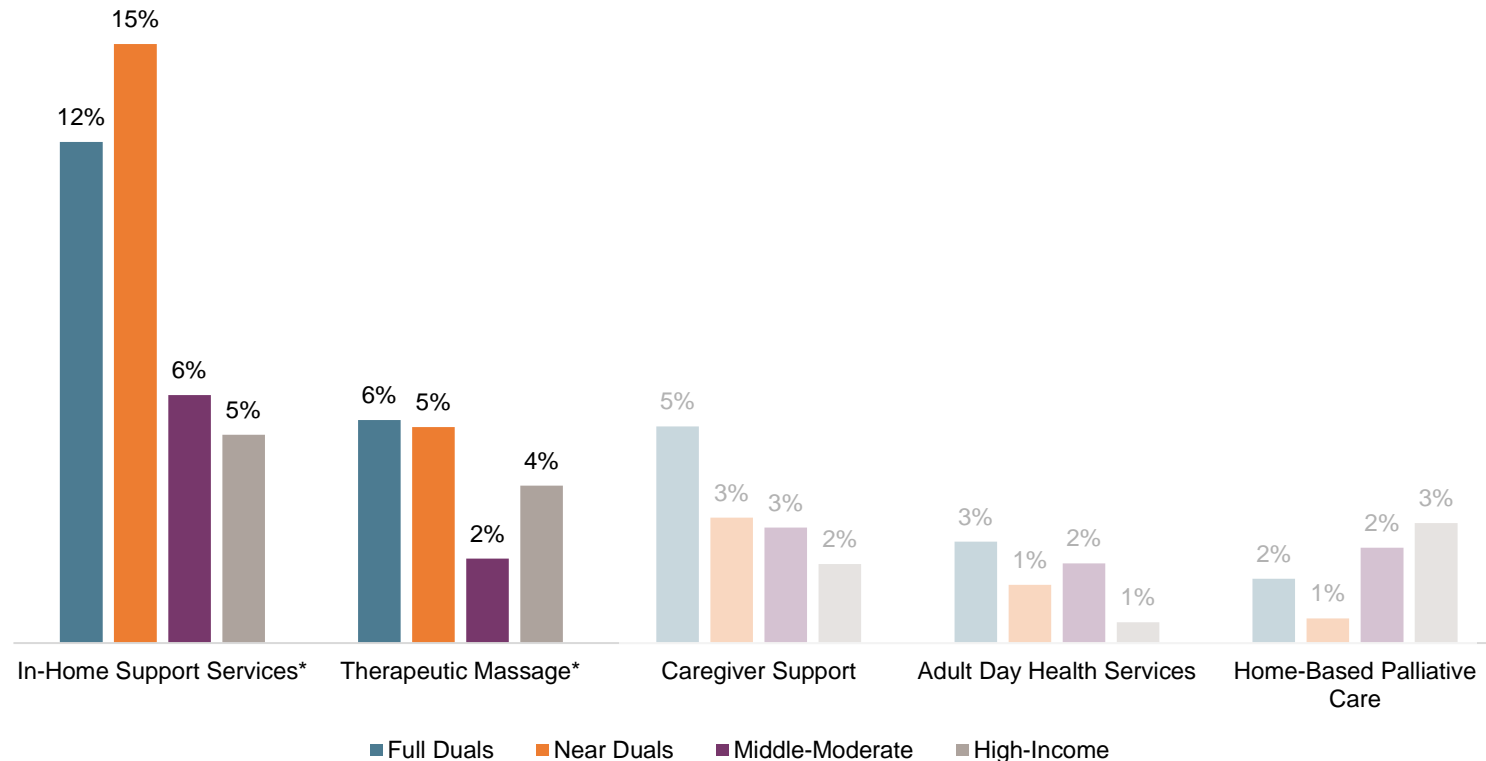Findings are statistically significant at p < 0.05
*All Other = enhanced disease management, fitness benefit, health education, medical nutrition therapy, nutritional/dietary benefit, personal emergency response system (PERS), smoking/tobacco cessation counseling, telemonitoring services, transportation benefit, meals, and acupuncture.
** Traditional supplemental benefits refer to medical benefits such as dental, vision, hearing, etc.

Near Duals and full duals have higher enrollment in plans offering some EPHRB** compared to the middle-moderate and high-income cohorts

MA Beneficiaries Enrolled in Plans That Offer EPHRB,*** 2021

Legend: ■ Full Duals   ■ Near Duals   ■ Middle-Moderate   ■ High-Income

Categories with values:
- In-Home Support Services*: 12%, 15%, 6%, 5%
- Therapeutic Massage*: 6%, 5%, 2%, 4%
- Caregiver Support: 5%, 3%, 3%, 2%
- Adult Day Health Services: 3%, 1%, 2%, 1%
- Home-Based Palliative Care: 2%, 1%, 2%, 3%

EPHRB are non-medical supplemental benefits that first became available in 2019.

Near and full duals have similar enrollment rates in MA plans offering these benefits, and both groups have statistically significantly higher enrollment in plans offering in-home support services and therapeutic massages compared to middle-moderate and high-income Medicare Advantage beneficiaries.

Source: NORC analysis of 2021 Master Beneficiary Summary File (MBSF) and Plan Benefit Package (PBP) data
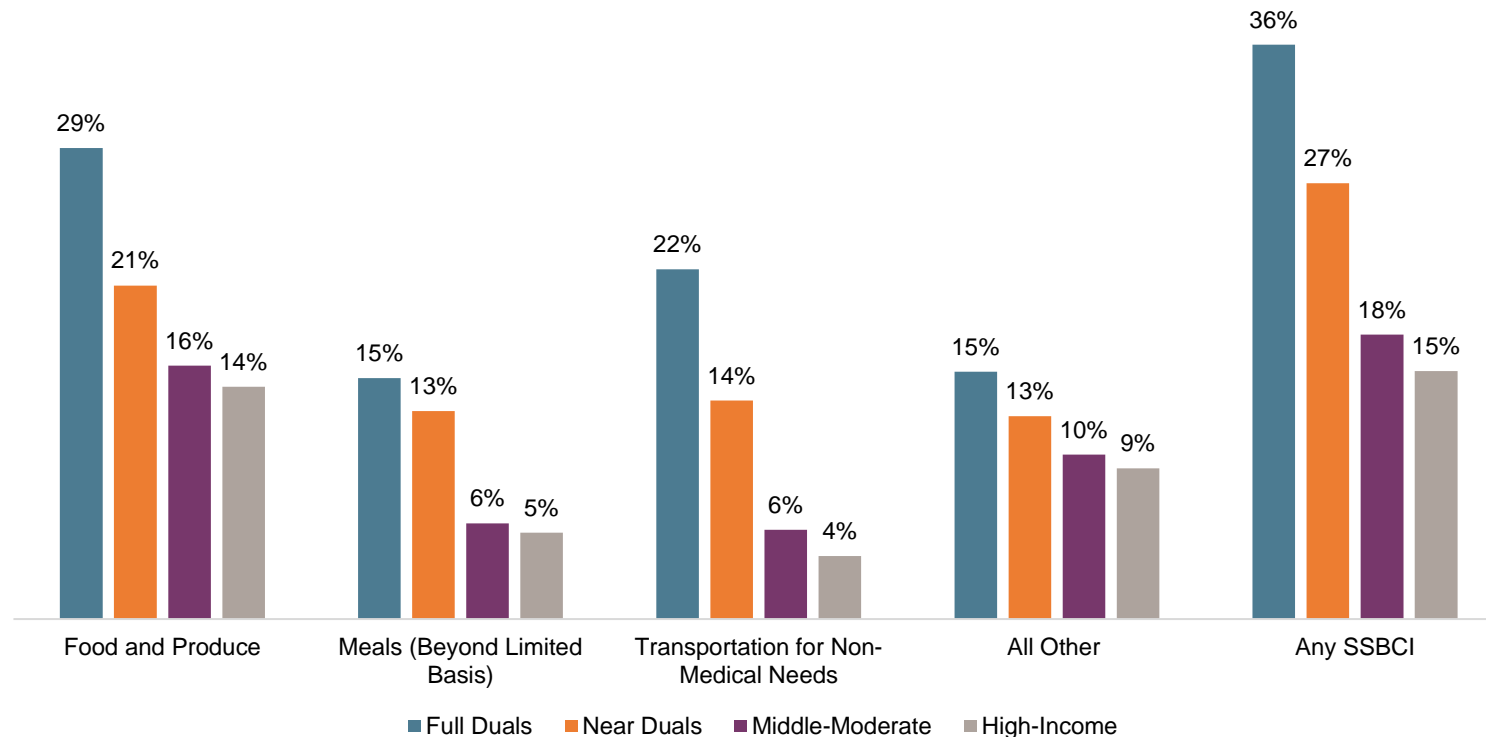*Findings are statistically significant at p < 0.05; findings that are not statistically significant at the p<0.05 value have been greyed out.
**Expanded Primarily Health-Related Benefits
***Enrollment in plans with supplemental benefits represents the current best proxy measure of access to the benefit rather than utilization of the benefit

Near Duals and full duals are more likely to be enrolled in plans that offer Special Supplemental Benefits for the Chronically Ill (SSBCI)

MA Beneficiaries Enrolled in Plans that offer SSBCI,* 2021

Legend: ■ Full Duals   ■ Near Duals   ■ Middle-Moderate   ■ High-Income

Category	Full Duals	Near Duals	Middle-Moderate	High-Income
Food and Produce	29%	21%	16%	14%
Meals (Beyond Limited Basis)	15%	13%	6%	5%
Transportation for Non-Medical Needs	22%	14%	6%	4%
All Other	15%	13%	10%	9%
Any SSBCI	36%	27%	18%	15%

Source: NORC analysis of 2021 Master Beneficiary Summary File (MBSF) and Plan Benefit Package (PBP) data
Findings are statistically significant at $p < 0.05$
* Enrollment in plans with supplemental benefits represents the current best proxy measure of access to the benefit rather than utilization of the benefit

SSBCI include a broad range of supplemental benefits to beneficiaries with certain chronic illnesses. Full duals are more likely to be enrolled in plans offering these SSBCI. Near Duals are also more likely to be enrolled in plans offering SSBCI compared to middle-moderate and high-income cohorts. However, there is a lack of data on service utilization and whether these benefits keep beneficiaries living in the community for longer.[1] CMS has increased data reporting requirements starting with plan year 2024, which will include plan spending on 18 categories of benefits and enrollee utilization data.[2]

[1]Medicare Advantage Plans and Supplemental Benefits: Bridging the Data Gap for Equitable Access. Justice in Aging. July 2023
[2] Biden-Harris Administration Launches Effort to Increase Medicare Advantage Transparency. CMS. January 2024

Most Near Duals do not pay a drug deductible or premium in their MA Part D plans

Proportion of MA Beneficiaries with a $0 Drug Deductible or $0 Premium for Part D, 2021

	Full Duals	Near Duals	Middle-Moderate
Neither	50%	31%	35%
Both	20%	45%	35%
$0 Part D Premium Only	2%	11%	15%
$0 Drug Deductible Only	28%	14%	15%

■ $0 Drug Deductible Only ■ $0 Part D Premium Only ■ Both ■ Neither

Source: NORC analysis of 2021 Master Beneficiary Summary File (MBSF) and Plan Benefit Package (PBP) data
Findings are statistically significant at p < 0.05
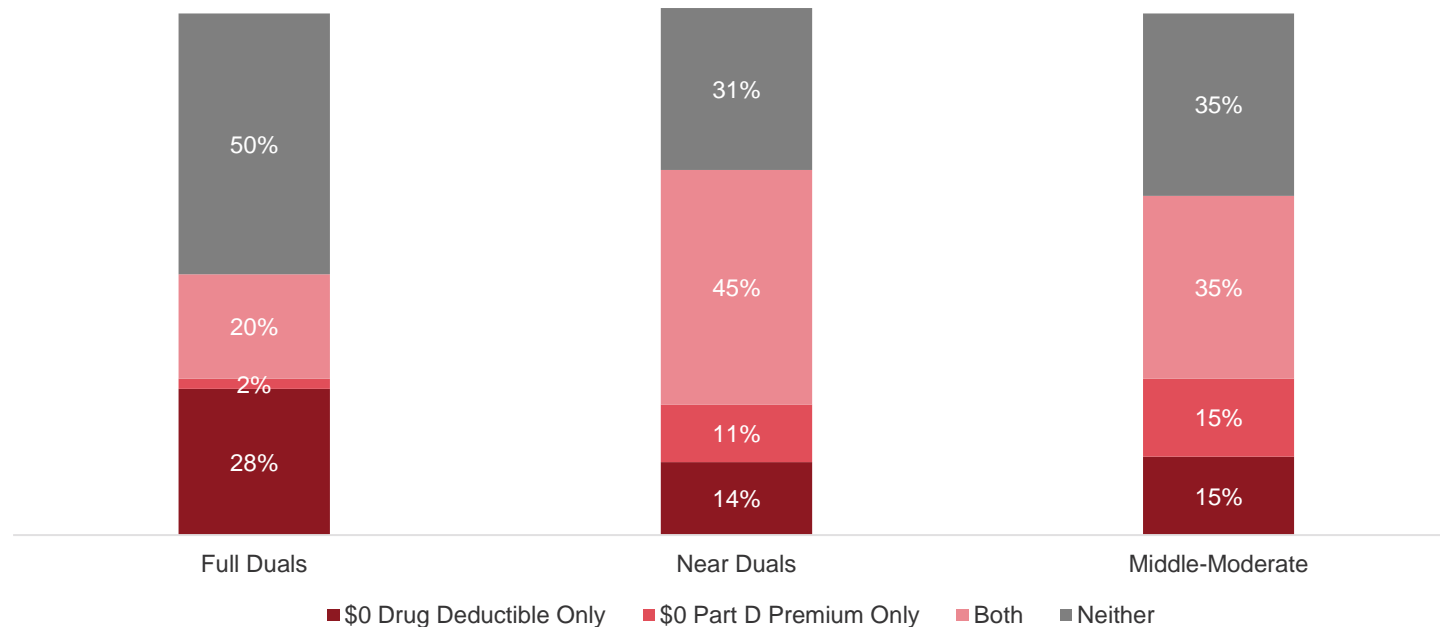
A higher proportion of Near Duals have either a $0 drug deductible, $0 Part D premium, or both in their Part D plans compared to the higher income groups. The proportion of Near Duals in MA plans with supplemental benefits and more generous cost-sharing may offer insights into certain drivers of plan selection.
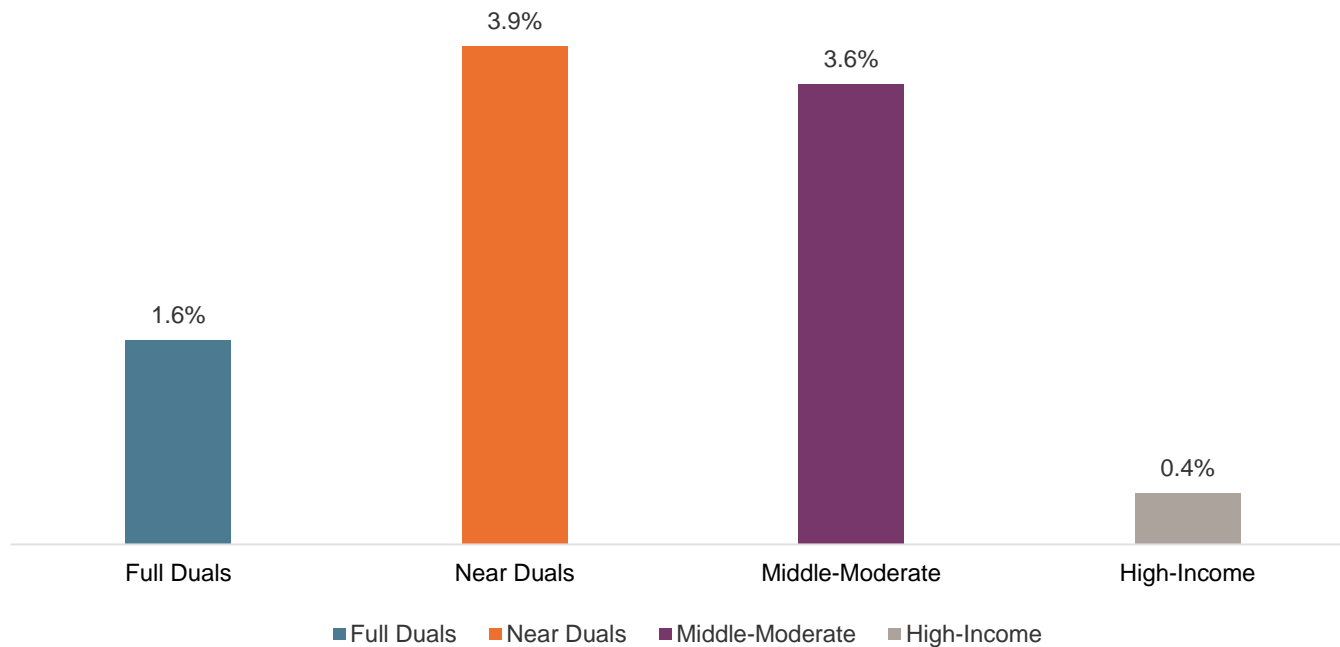
Because full duals automatically qualify for Extra Help (Low-Income Subsidy program) to help pay for the costs of Part D, they generally experience $0 premiums and deductibles even if their plan is not $0.[1]

[1]Dually Eligible Individuals – Categories. CMS.

Few MA beneficiaries are enrolled in a plan with a Part B premium giveback benefit, but it is more common in middle-market groups than high-income

MA Beneficiaries Enrolled in Plans with a Part B Premium Giveback Benefit, 2021

Full Duals	1.6%
Near Duals	3.9%
Middle-Moderate	3.6%
High-Income	0.4%

■ Full Duals ■ Near Duals ■ Middle-Moderate ■ High-Income

Some MA plans offer a premium giveback that covers all or part of the standard Medicare Part B monthly premium, which is $174.70 in 2024.[1] This benefit reduces the monthly costs a beneficiary must pay for Medicare.

In most cases, Medicaid covers the premium for Medicare Part B for dual eligible beneficiaries.

Source: NORC analysis of 2021 Master Beneficiary Summary File (MBSF) and Plan Benefit Package (PBP) data
Findings are statistically significant at $p < 0.05$

1. 2024 Medicare Parts A & B Premiums and Deductibles. CMS. October 2023.
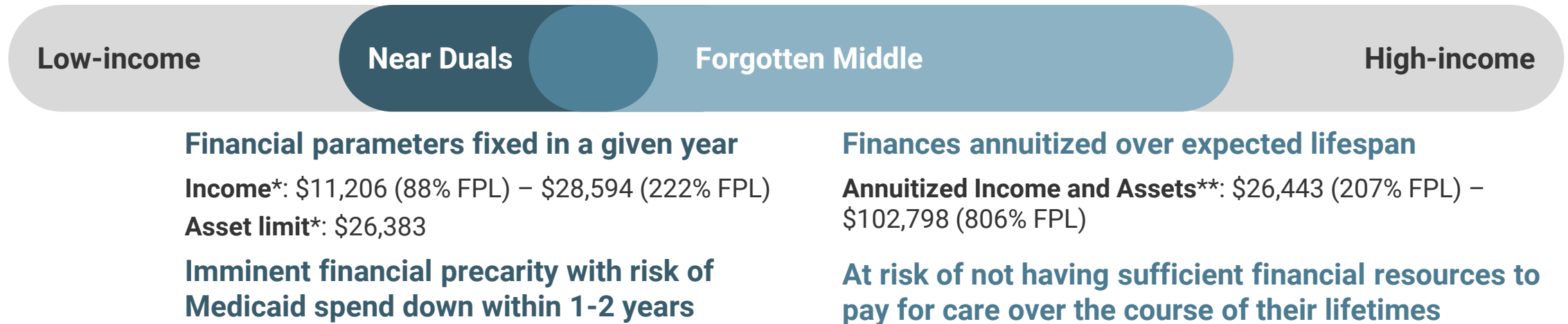
Policy Implications

The data reveal that **MA enrollment has experienced dramatic growth – particularly among full and Near Duals** – with a greater proportion of these populations enrolling in MA plans with supplemental benefits and more cost sharing protections compared to higher income beneficiaries.

While MA plans offering more generous benefits may fill gaps for some Near Duals and middle-moderate beneficiaries, **policy change and further data on benefit utilization is needed** to ensure equitable access to services that can meet the health and long-term care needs of these groups as they age.

Appendix: Methodology

Our latest analyses focuses on the Near Dual population – older adults at risk of imminently spending down to Medicaid

Who are the Near Duals and how do they differ from the Forgotten Middle?

Low-income	Near Duals	Forgotten Middle	High-income

Financial parameters fixed in a given year

Income*: $11,206 (88% FPL) − $28,594 (222% FPL)
Asset limit*: $26,383

Imminent financial precarity with risk of Medicaid spend down within 1-2 years

Finances annuitized over expected lifespan

Annuitized Income and Assets**: $26,443 (207% FPL) − $102,798 (806% FPL)

At risk of not having sufficient financial resources to pay for care over the course of their lifetimes

✳ While there is some overlap, Near Duals and the Forgotten Middle have distinct characteristics and needs that should be considered in future policy proposals

* In 20201 dollars for the purpose of this analysis
** In 2020 dollars. Forgotten Middle financial parameters are segregated by age group. These figures represent the highest and lowest bounds.

NORC leveraged three datasets to define, validate, and analyze the Near Dual population

HRS*

MCBS*

MBSF* & Claims**

NORC established an initial Near Duals cohort in the HRS.

The **HRS** is the "gold standard" for financial analysis of older adults and the data source for previous *Forgotten Middle* studies.

NORC recreated the Near Duals cohort in MCBS to analyze health care related data.

The **MCBS** is a representative national sample of the Medicare population and is the leading source of information on Medicare.

NORC conducted a crosswalk from MCBS respondents to Medicare enrollment and claims data.

The **MBSF** contains beneficiary characteristics and enrollment information for all Medicare enrollees. **Medicare claims and encounter data** were used to analyze health care costs and utilization.

*HRS: Health and Retirement Study
**MCBS: Medicare Current Beneficiary Survey. Leveraged data from respondents living in home and community only.
***MBSF: Master Beneficiary Summary File

NORC then defined three additional populations and linked them to various datasets to understand their coverage patterns

1 **MCBS**

Define study populations of interest:

- *Full Duals*
- *Near Duals*
- *Middle-Moderate*
- *High-Income*

2 **MBSF**

Link populations to Master Beneficiary Summary File (MBSF) to analyze partial dual status, MA vs. FFS, and other measures of coverage.

3 **PBP**

For those enrolled in MA, link to Plan Benefit Package (PBP) files to examine variation in plan benefit design, including supplemental benefits and cost-sharing arrangements offered.