Generating a Profile of the Near Dual Population

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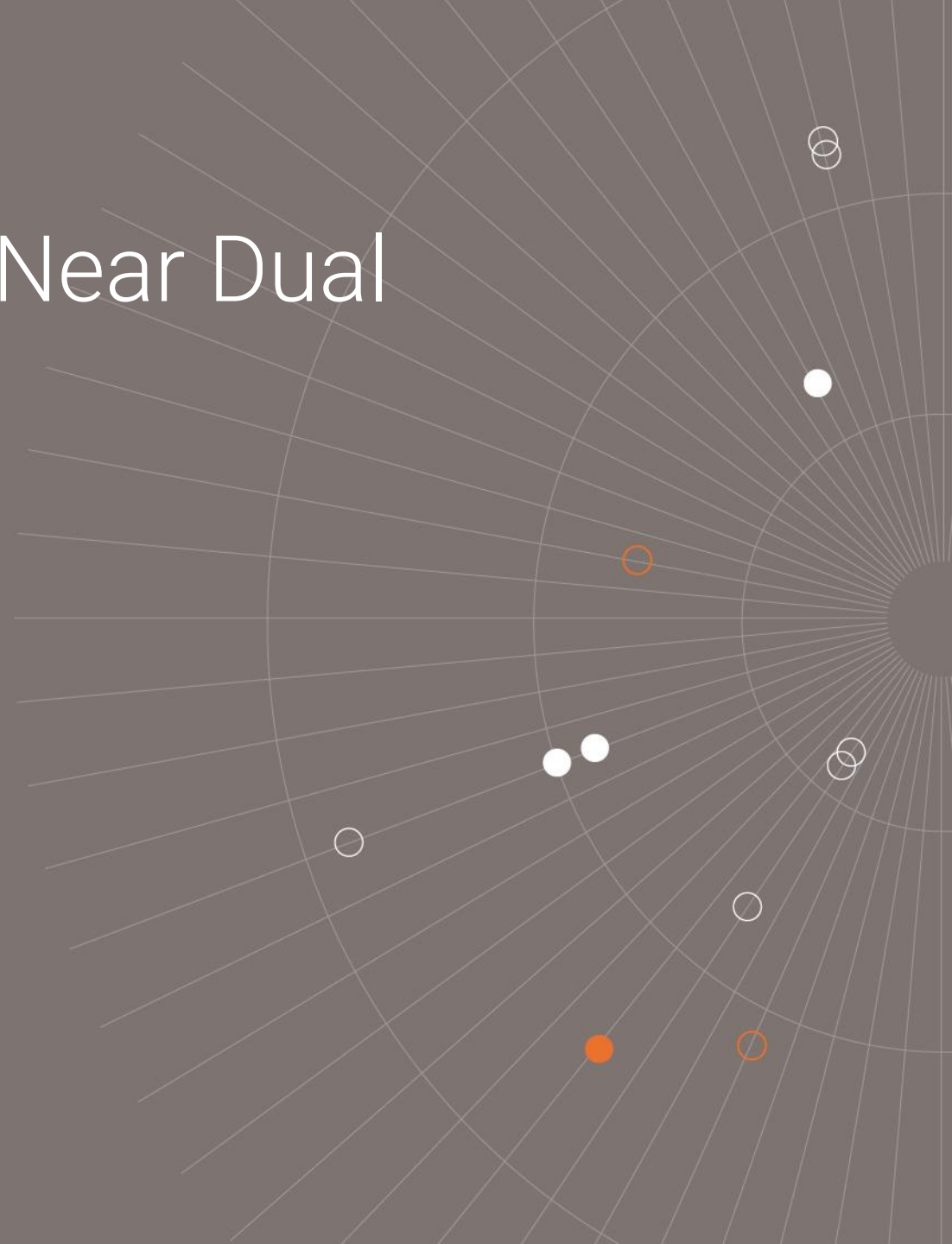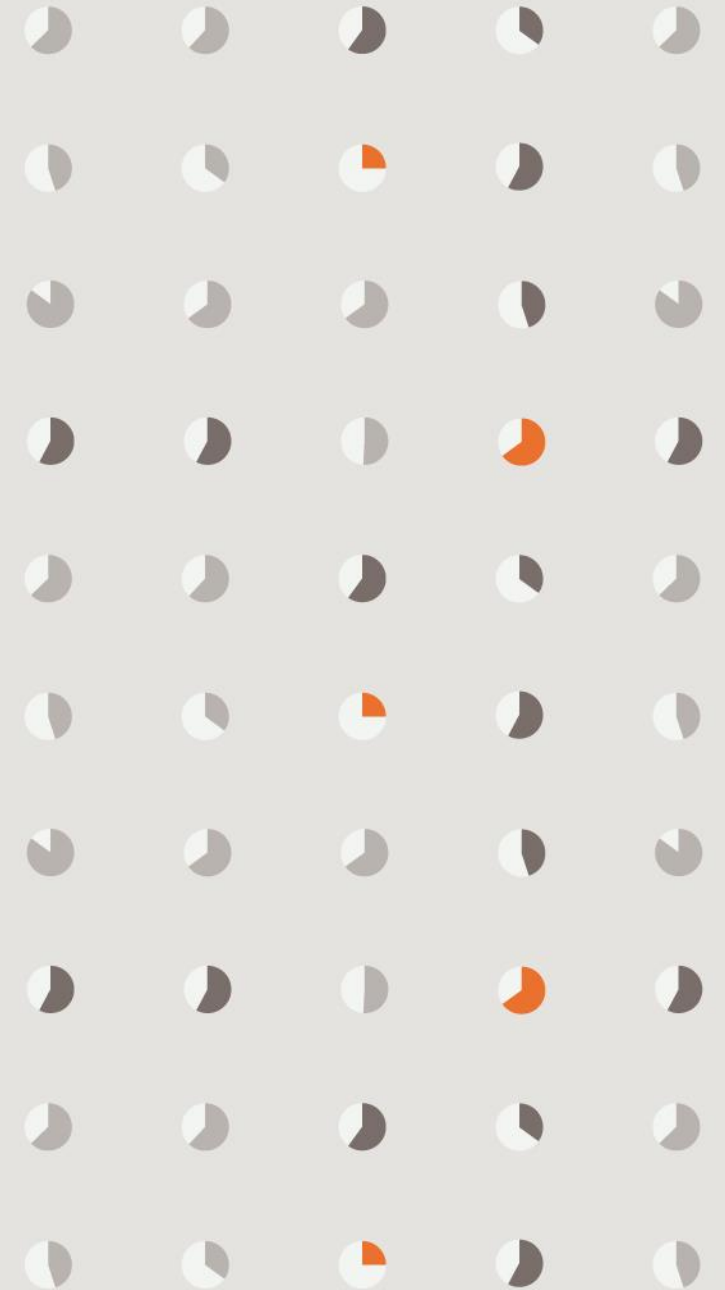
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Table of Contents

Research Overview

Why are we pursuing this analysis?

While the definition of the Forgotten Middle captured most of the middle market,* an important subset on the cusp of full Medicaid eligibility remained unaccounted for. This presented the opportunity to study *the Near Duals – the most financially insecure older adults in the middle market*.

This analysis seeks to answer the research question:

Who are the Near Duals, and how do their demographics, health status, and functional needs compare to full duals and the rest of Medicare (65+)?

* In this analysis, the "middle market" refers to older adults who are ineligible for full-benefit Medicaid and are unlikely to have the financial resources to pay for housing and care as they age; it includes Near Duals and the Forgotten Middle.

Who is included in this analysis?

Full Duals

Older adults receiving Medicare and Medicaid services

65+ population that is dually enrolled in both Medicare and full-benefit Medicaid, providing coverage of additional health care needs for a vulnerable population.

Near Duals*

Older adults on the cusp of Medicaid financial eligibility

65+ population experiencing imminent financial precarity with risk of spend down to full benefit Medicaid within 1-2 years.

2021 Income Bounds: $11,206 – $28,594

2021 Asset limit: $26,383

All Other Medicare**

All other older adults in Medicare only

65+ population enrolled in Medicare who are not part of the full dual or Near Dual populations. This estimate represents the remaining Medicare-only beneficiaries, who are largely middle- to high-income.

Analyzing these populations allows us to contextualize the demographics, health status, and functional needs of this newly defined Near Dual population.

*May include partial duals who are enrolled in MSP and those eligible for MSP but not enrolled
**The Forgotten Middle population overlaps both the Near Duals and All Other Medicare.

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

Demographics

Near Duals and full duals have similar gender and age distributions, **skewing female and older** compared to all other Medicare beneficiaries. By definition, Near Duals' financial status is also closer to that of full duals compared to all other Medicare.

Geography and Living Situation

Near Duals are **more likely to live alone and in rural, medically underserved areas** compared to both full duals and all other Medicare beneficiaries, heightening the challenges in accessing care services.

Health Needs

Near Duals and full duals have similarly high rates of multiple chronic conditions, with 63% and 66% having 4+ chronic conditions, respectively.

Functional Status

Near Duals and full duals look more like each other in many functional status measures, like **mobility impairment and mild IADL*** limitations. Full duals outpace other beneficiaries in ADL** limitations, which makes sense as ADL limitations are a component of certain Medicaid eligibility pathways.
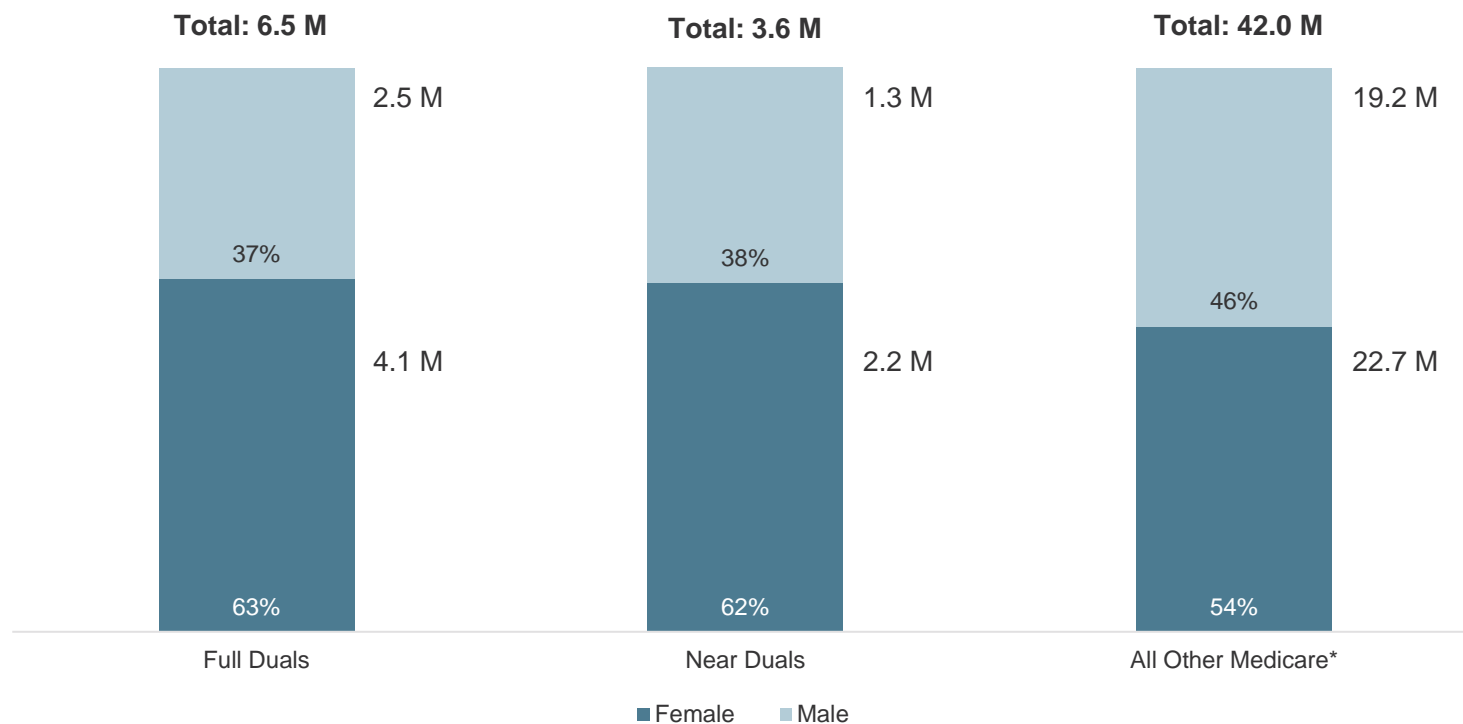
*IADL = Instrumental activities of daily living
** ADL = Activities of daily living

Key Findings

Demographics & SDOH

Women are overrepresented among Near Dual and full dual populations compared to all other Medicare beneficiaries

Sex Distribution of Beneficiaries, 2021

Total: 6.5 M

2.5 M

37%

4.1 M

63%

Full Duals

Total: 3.6 M

1.3 M

38%

2.2 M

62%

Near Duals

Total: 42.0 M

19.2 M

46%

22.7 M

54%

All Other Medicare*

■ Female ■ Male

Our analysis finds that the Near Dual population consisted of roughly 6.5M individuals in 2021 – nearly double the population of individuals 65+ who were fully dually eligible.

Women are more likely to be either near or full dual, likely due to their lower lifetime earnings and higher burden of chronic conditions, as well as their greater longevity compared to men. [1]

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05

[1]The Inequities in the Cost of Chronic Disease: Why It Matters for Older Adults, NCOA. April 2022.

Both Near Duals and full duals tend to be older compared to all other Medicare beneficiaries

Age Distribution of Beneficiaries, 2021

Full Duals
- 2%
- 17%
- 25%
- 56%

Near Duals
- 1%
- 14%
- 30%
- 55%

All Other Medicare*
- 8%
- 31%
- 61%

Legend: ■ 65-74 ■ 75-84 ■ 85-94 ■ 95+
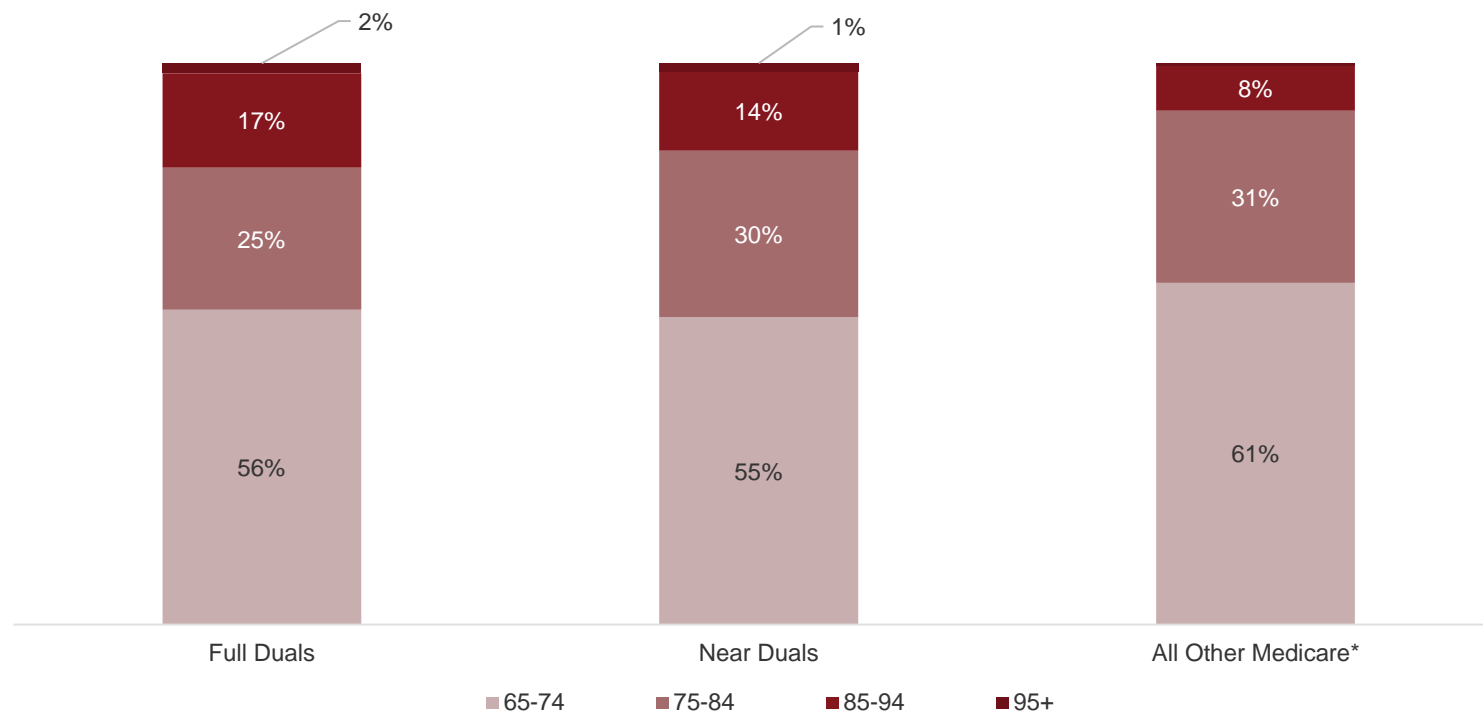
In this analysis, all three Medicare beneficiary cohorts are age restricted and only include older adults aged 65+.

Older adults face increasing health and functional challenges as they age.[1] Such challenges are problematic for an aging Near Dual population, as Near Duals often lack access to affordable long-term care.

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05 .

[1]The Forgotten Middle in 2033. NORC. October 2022.

Near Duals are a more racially diverse group than all other Medicare beneficiaries but less diverse than the full dual population

Racial Distribution of Beneficiaries, 2021

Full Duals
- 34% White
- 6% Other**
- 34% Hispanic
- 26% Black

Near Duals
- 65% White
- 3% Other**
- 14% Hispanic
- 18% Black

All Other Medicare*
- 83% White
- 6% Other**
- 4% Hispanic
- 6% Black

■ Black ■ Hispanic ■ Other** ■ White
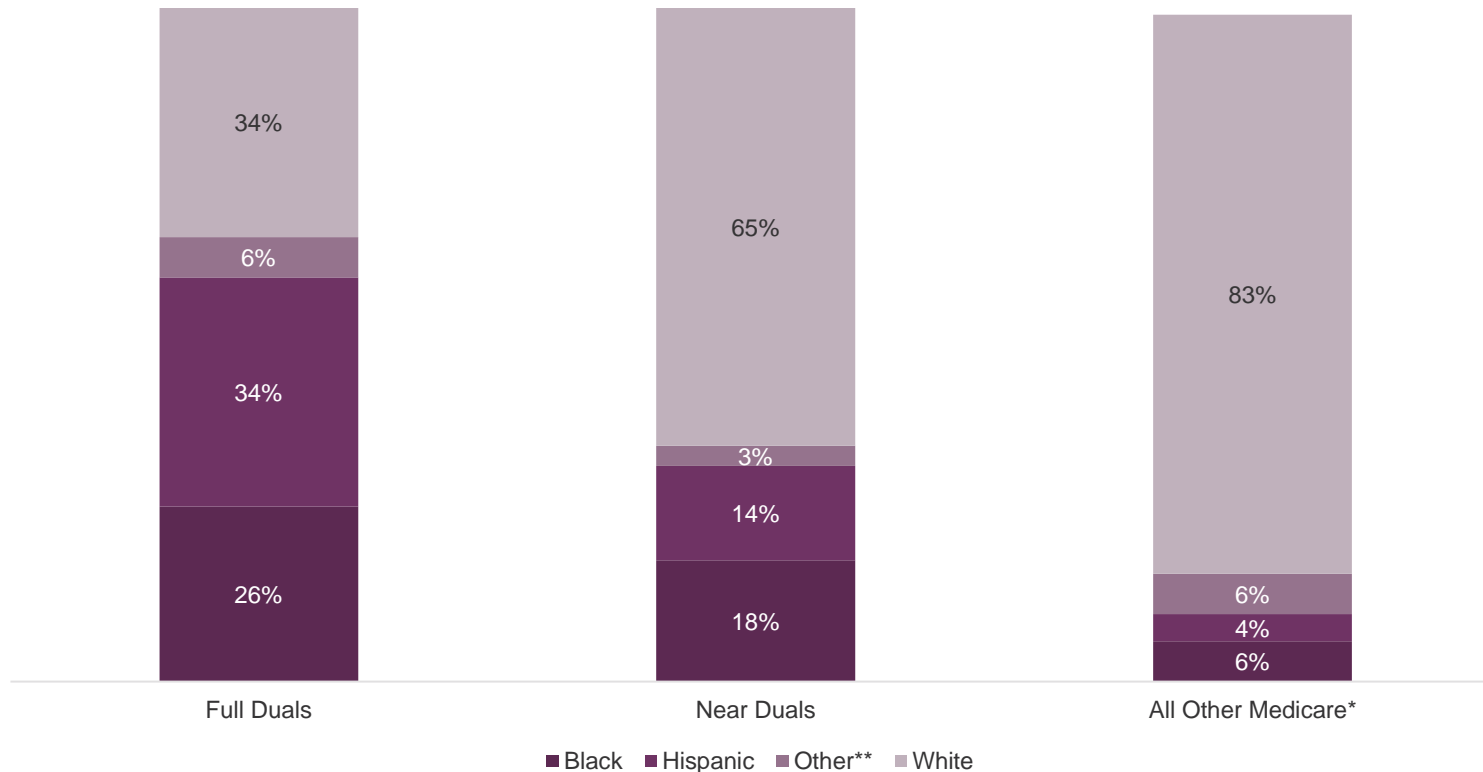
The Near Dual population is substantially more diverse than all other Medicare beneficiaries, with 35% of the Near Duals observed to be older adults of color, compared to 16% of all other Medicare beneficiaries.

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
**The "Other" group includes Native American, Asian, Other Races, and Unknown. See Appendix for full breakdown by race
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05

Near Duals are more likely to live alone than both full duals and all other Medicare beneficiaries

Home Composition of Beneficiaries, 2021

	Full Duals	Near Duals	All Other Medicare*
Other	13%	15%	8%
Multigenerational or with Sibling	19%	14%	8%
With Children Only	15%	9%	3%
With Partner Only	12%	13%	54%
Lives Alone	41%	49%	27%

■ Lives Alone   ■ With Partner Only   ■ With Children Only   ■ Multigenerational or with Sibling   ■ Other

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at $p < 0.05$

Near Duals are less likely than full duals and all other Medicare beneficiaries to live with someone that can support them as they age.
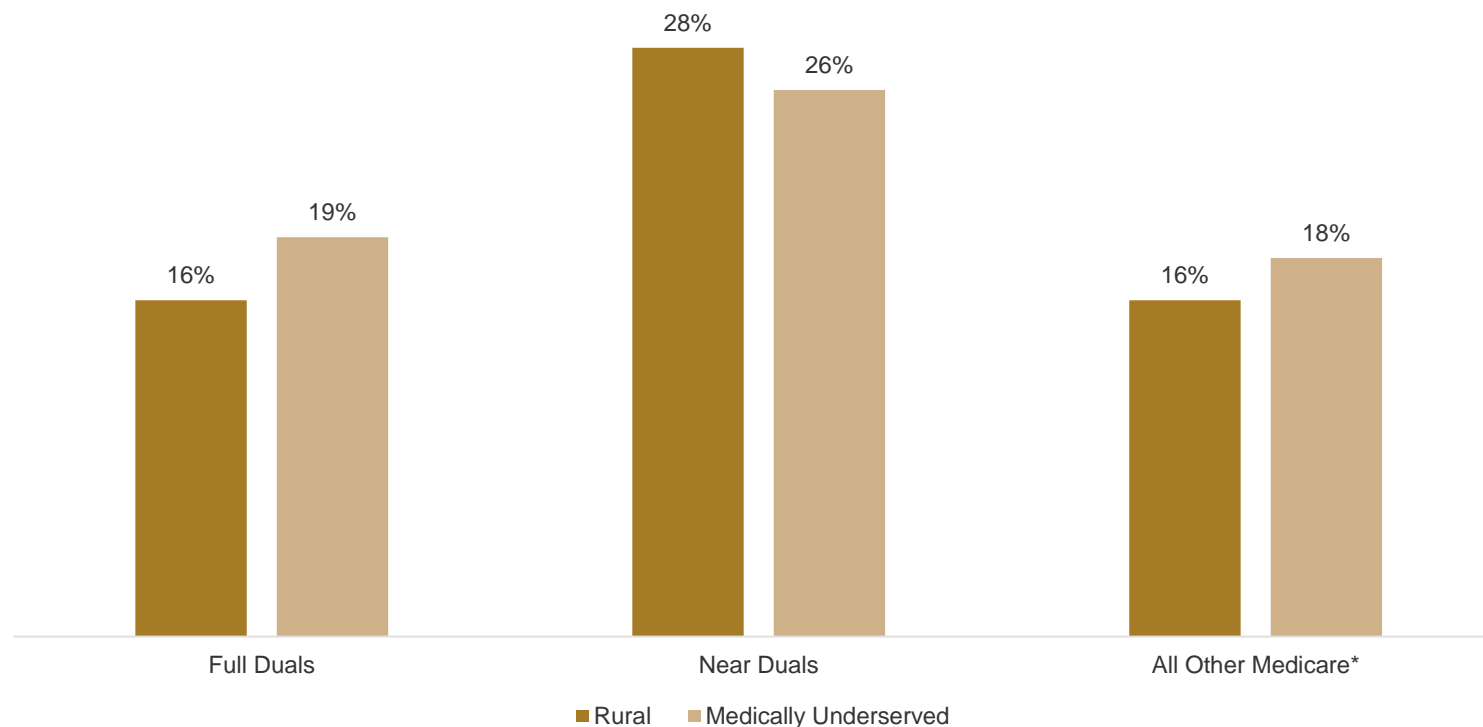
Living alone can have a negative impact on both physical and mental health for older adults and may also indicate a lack of spousal or other familial caregiving support.[1,2]

[1]Social isolation, loneliness in older people pose health risks. National Institute on Aging. April 2019.
[2]Without Safety Net Of Kids Or Spouse, 'Elder Orphans' Need Fearless Fallback Plan. KFF. October 2018

Near Duals are more concentrated in rural and medically underserved areas compared to full duals and all other Medicare beneficiaries

Distribution of Beneficiaries in Rural and Medically Underserved Areas, 2021

Full Duals — Rural 16%, Medically Underserved 19%
Near Duals — Rural 28%, Medically Underserved 26%
All Other Medicare* — Rural 16%, Medically Underserved 18%

■ Rural   ■ Medically Underserved

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data and 2020 CDC/ATSDR Social Vulnerability Index (SVI)
Findings are statistically significant at $p < 0.05$

The higher concentration of Near Duals in rural and medically underserved areas compared to other Medicare populations raises policy considerations as rural older adults tend to face distinct challenges in accessing health care, including lack of transportation and primary care and direct workforce shortages.[1,2,3]
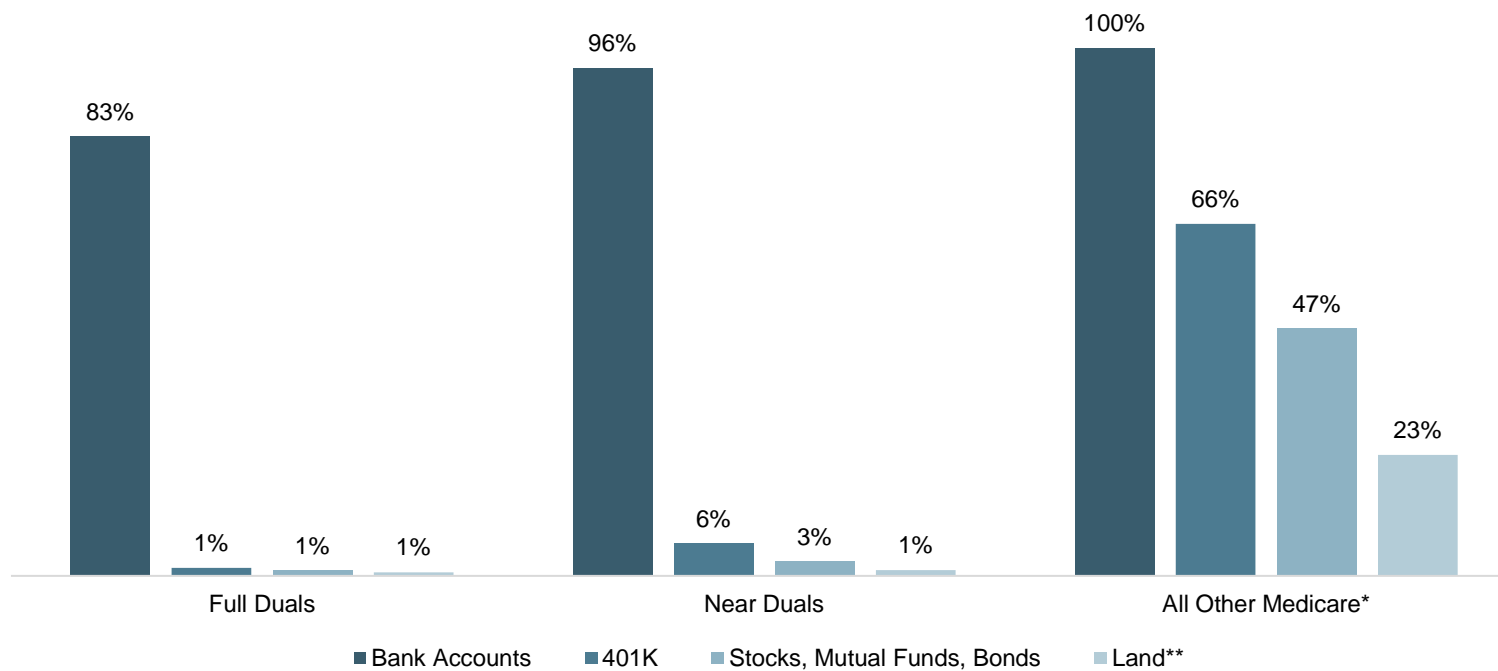
[1]Barriers to Aging in Place in Rural Communities, University of Minnesota Rural Health Research Center, November 2021.
[2]Who Will Care for Rural Older Adults? Measuring the Direct Care Workforce in Rural Areas. Journal of Applied Gerontology. February 2023.
[3]Medically Underserved Areas in the US, University of Medicine and Health Sciences, November 2020.

Very few Near Duals and full duals hold 401(k)s and traditional securities compared to all other Medicare beneficiaries

Percent of Beneficiaries Holding Various Asset Types, 2021

Full Duals: 83%, 1%, 1%, 1%
Near Duals: 96%, 6%, 3%, 1%
All Other Medicare*: 100%, 66%, 47%, 23%

Legend: ■ Bank Accounts ■ 401K ■ Stocks, Mutual Funds, Bonds ■ Land**

Among Near Duals, only 6% have 401(k)s and only 3% hold any stocks, bonds, and mutual funds bonds—investments that grow over time. Compared to all other Medicare beneficiaries, Near Duals and full duals lack these appreciating assets that could provide additional financial security as they age.

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
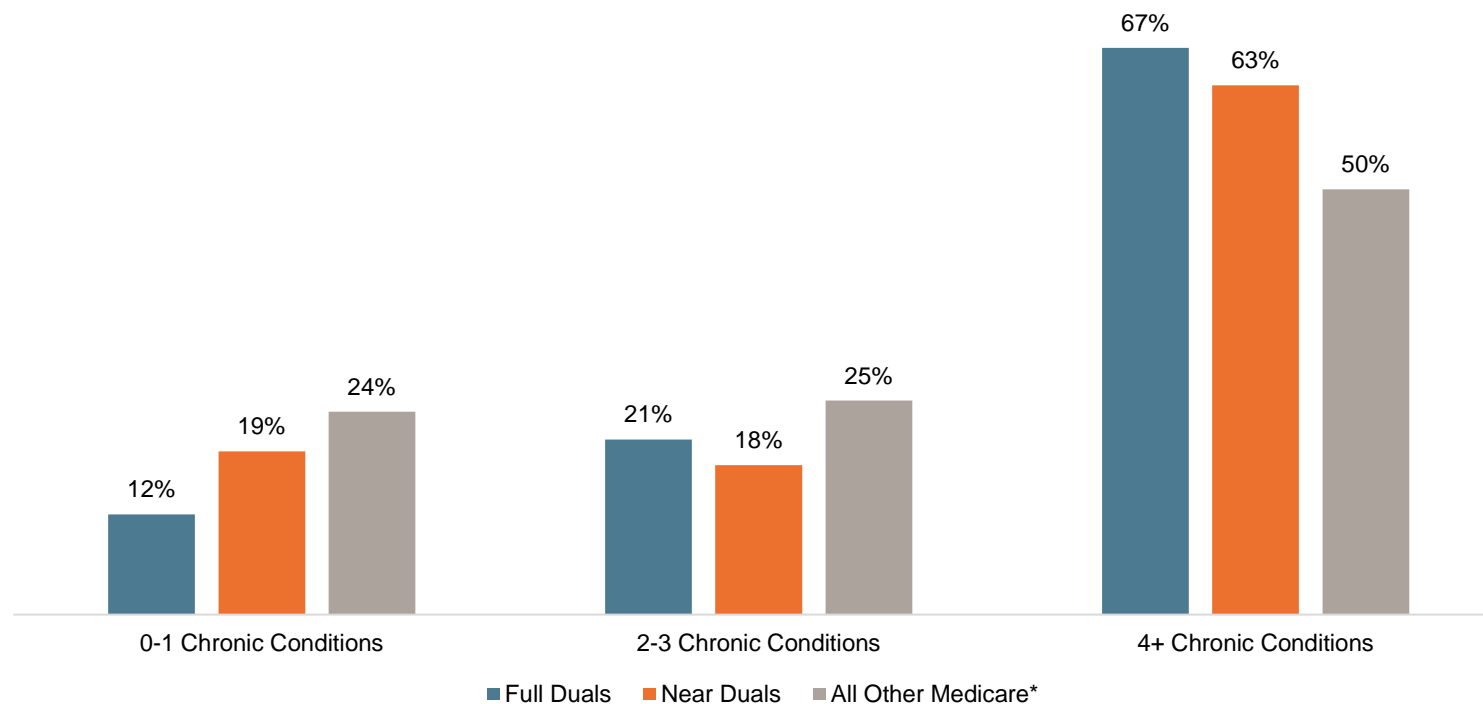**Land = business, farm, or other real estate
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05

Health & Functional Needs

A majority (81%) of Near Duals have at least two chronic conditions – slightly less than full duals but more than all other Medicare

Number of Chronic Conditions among Beneficiaries, 2021

Legend: ■ Full Duals ■ Near Duals ■ All Other Medicare*

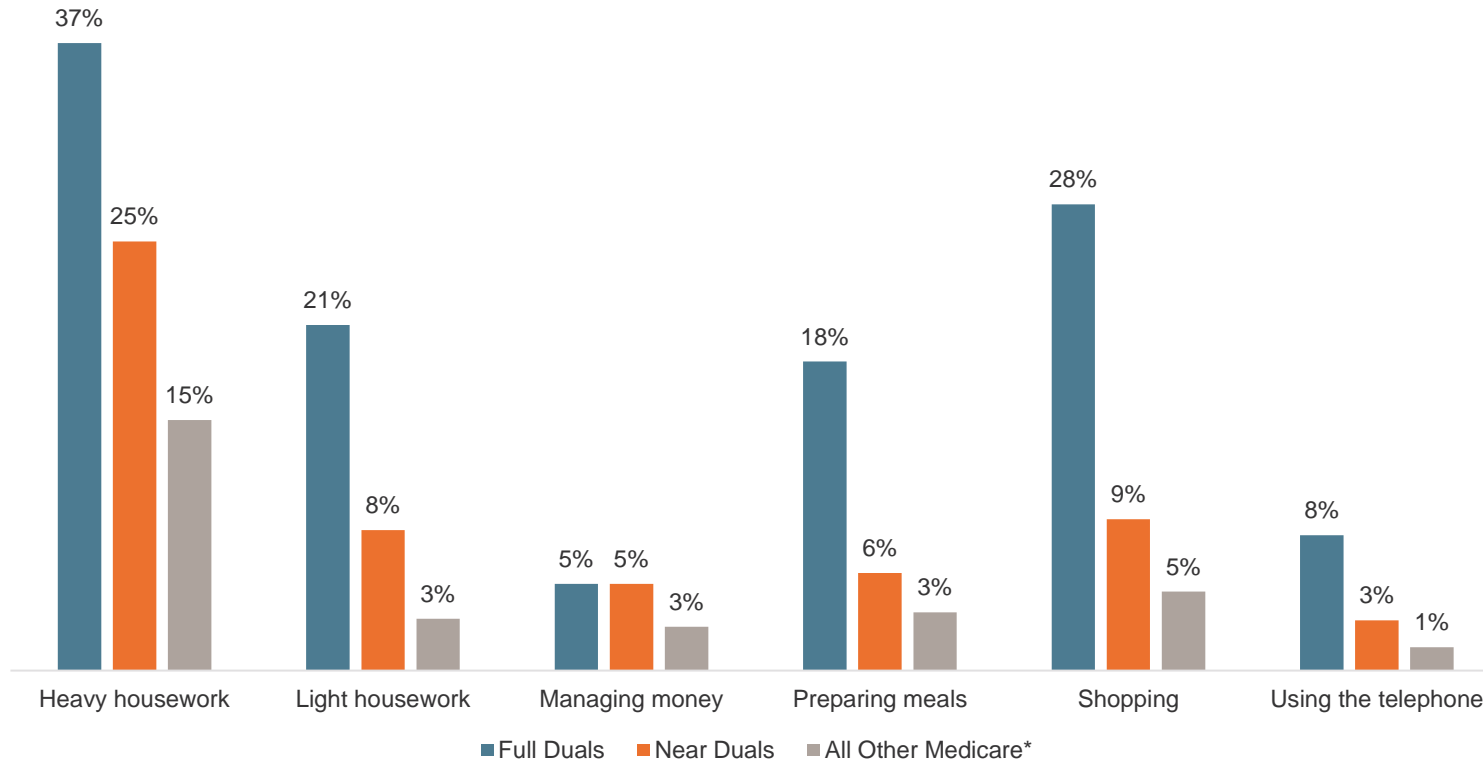| Category	Full Duals	Near Duals	All Other Medicare*
0-1 Chronic Conditions	12%	19%	24%
2-3 Chronic Conditions	21%	18%	25%
4+ Chronic Conditions	67%	63%	50%

A greater proportion of both Near Duals and full duals have four or more chronic conditions compared to all other Medicare beneficiaries. The co-occurrence of two or more chronic conditions, called multiple chronic conditions (MCC), impacts health care utilization. Nearly all readmissions among Medicare beneficiaries occur among those with MCC.[1]

*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at $p < 0.05$

[1]Transforming care for people with multiple chronic conditions: Agency for Healthcare Research and Quality's Research Agenda. AHRQ. August 2021.

Nearly three in ten Near Duals require at least some assistance with IADLs

IADL Types and Proportion of Beneficiaries Requiring Assistance, 2021

Full Duals ■ Near Duals ■ All Other Medicare*

Heavy housework	37%	25%	15%
Light housework	21%	8%	3%
Managing money	5%	5%	3%
Preparing meals	18%	6%	3%
Shopping	28%	9%	5%
Using the telephone	8%	3%	1%

The prevalence of IADL needs among Near Duals indicate functional limitations that may increase with age and precipitate the need for caregiving.

Number of IADL Limitations Among Beneficiaries, 2021

# of IADL	Near Duals	Full Duals	All Other Medicare
No IADLs	72%	54%	84%
1-2 IADLs	22%	26%	13%
3-4 IADLs	3%	11%	2%
5-6 IADLs	3%	9%	1%

IADLs = Instrumental activities of daily living
*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals.
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
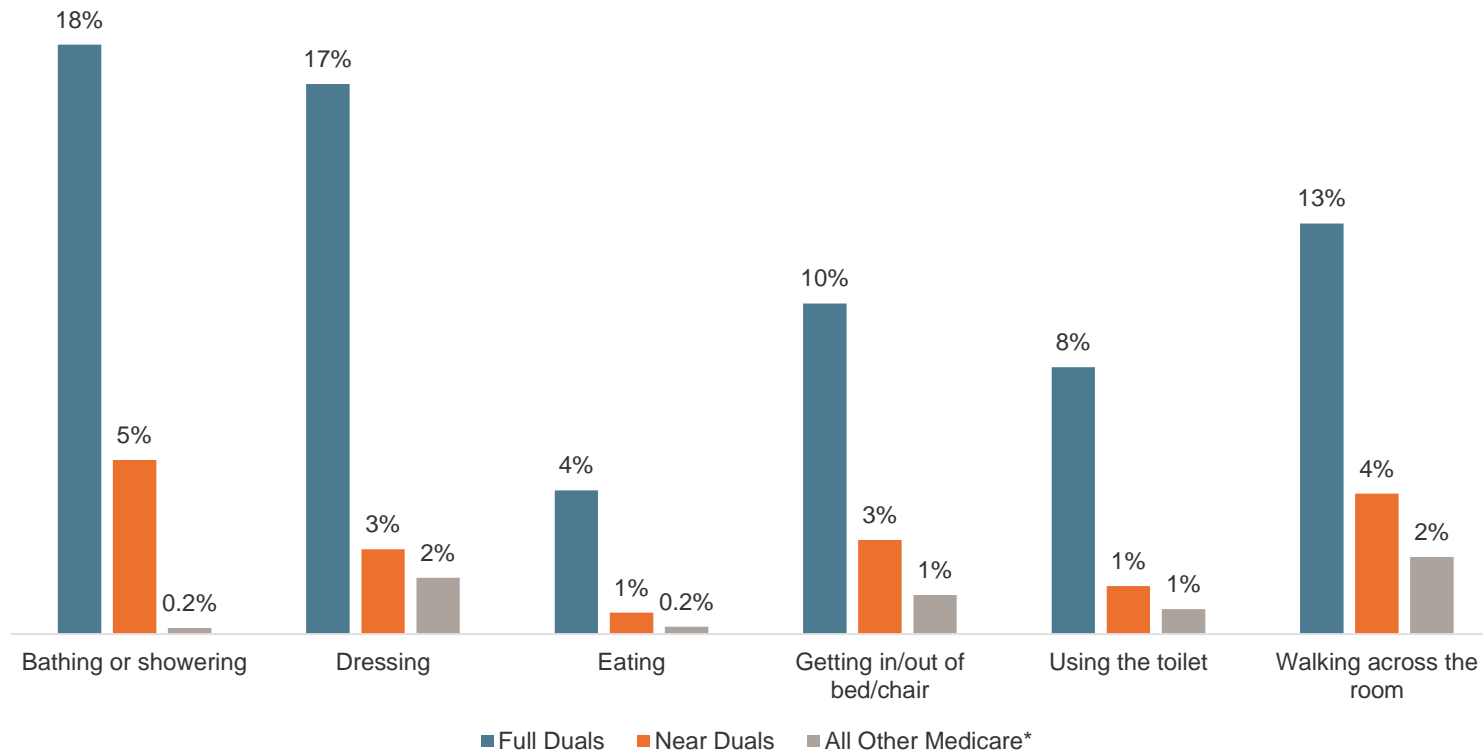Findings are statistically significant at $p < 0.05$

Full duals have the highest rate of ADL assistance needs, however nearly 10% of Near Duals also cite needing ADL assistance

Proportion of Beneficiaries Requiring Assistance by ADL, 2021

Full Duals ■ Near Duals ■ All Other Medicare* ■

Bathing or showering: 18%, 5%, 0.2%
Dressing: 17%, 3%, 2%
Eating: 4%, 1%, 0.2%
Getting in/out of bed/chair: 10%, 3%, 1%
Using the toilet: 8%, 1%, 1%
Walking across the room: 13%, 4%, 2%

*Activities of Daily Living
**All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals.
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
All findings are statistically significant at $p < 0.05$

While a greater proportion of full duals have ADL needs compared to Near Duals and all other Medicare beneficiaries, nearly 10% of Near Duals also require assistance with ADLs, which may hinder their ability to live independently.

Number of ADL Limitations Among Beneficiaries, 2021

# of ADL	Near Duals	Full Duals	All Other Medicare
No ADLs	91%	72%	95%
1-2 ADLs	7%	16%	4%
3-4 ADLs	1%	8%	0.5%
5-6 ADLs	1%	4%	1%

Near and full duals are more likely to have mild or moderate mobility limitations compared to all other Medicare beneficiaries

Variation of Mobility Status Among Beneficiaries,** 2021

No Limitation
- Full Duals: 34%
- Near Duals: 43%
- All Other Medicare*: 66%

Mild or Moderate Limitation
- Full Duals: 49%
- Near Duals: 50%
- All Other Medicare*: 30%

Severe Limitation or Non-Walker
- Full Duals: 13%
- Near Duals: 5%
- All Other Medicare*: 3%

■ Full Duals ■ Near Duals ■ All Other Medicare*

57% of Near Duals and 66% of full duals have some degree of a mobility limitation compared to roughly one-third of all other Medicare beneficiaries.

Mobility is considered critical for living independently and remains a particular concern for rural older adults aging in place, as rurality has been associated with greater unmet mobility needs.[1]
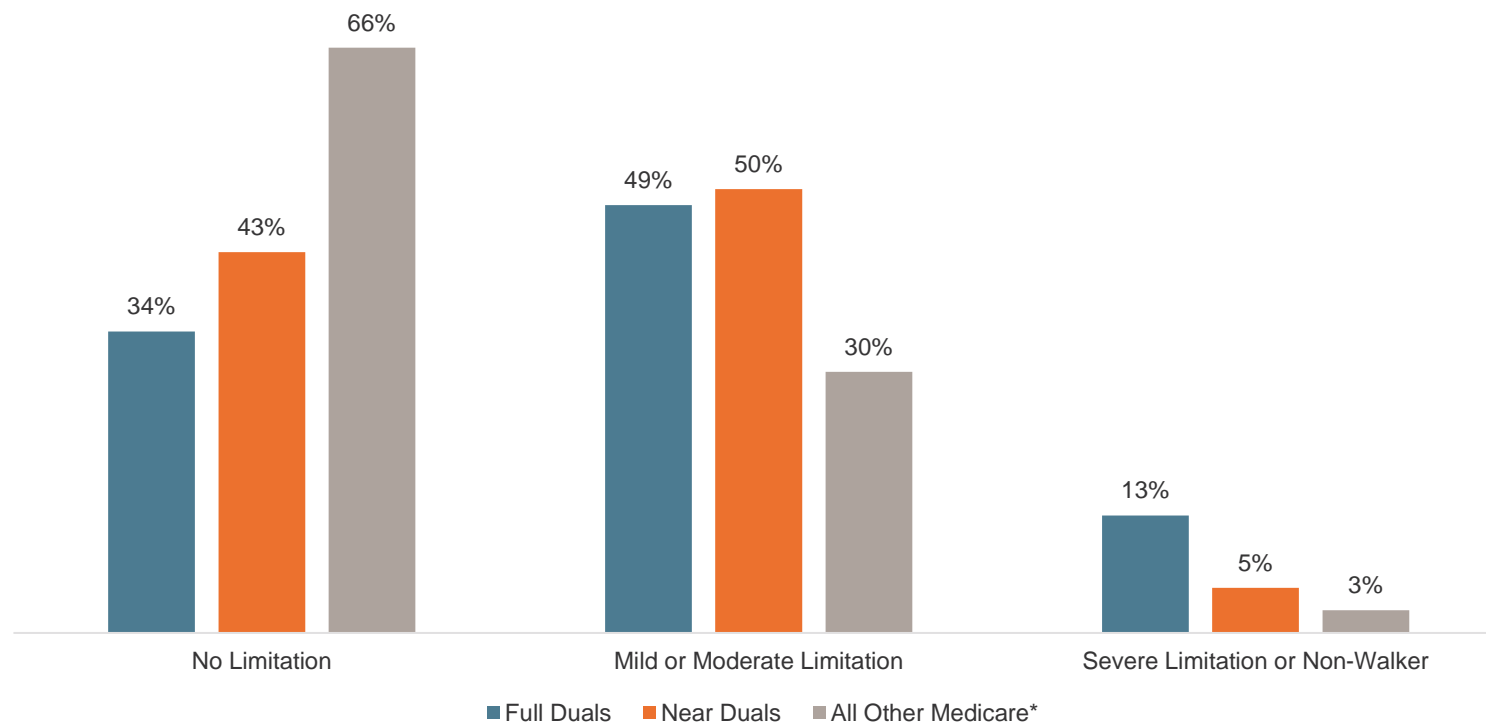
*All Other Medicare category represents Medicare beneficiaries aged 65+ who are not Near Duals or full duals.
** Excludes a small percentage of MCBS respondents labeled as "Unclassified." NORC leveraged methods from the study, Mobility Limitations in the Medicare Population: Prevalence and Sociodemographic and Clinical Correlates to define mobility categories.
Source: NORC analysis of 2021 Medicare Current Beneficiary Survey (MCBS) data
Findings are statistically significant at p < 0.05

[1]Unmet Needs for Help With Mobility Limitations Among Older Adults Aging in Place: The Role of Rurality. Journal of Aging and Health. January 2023.
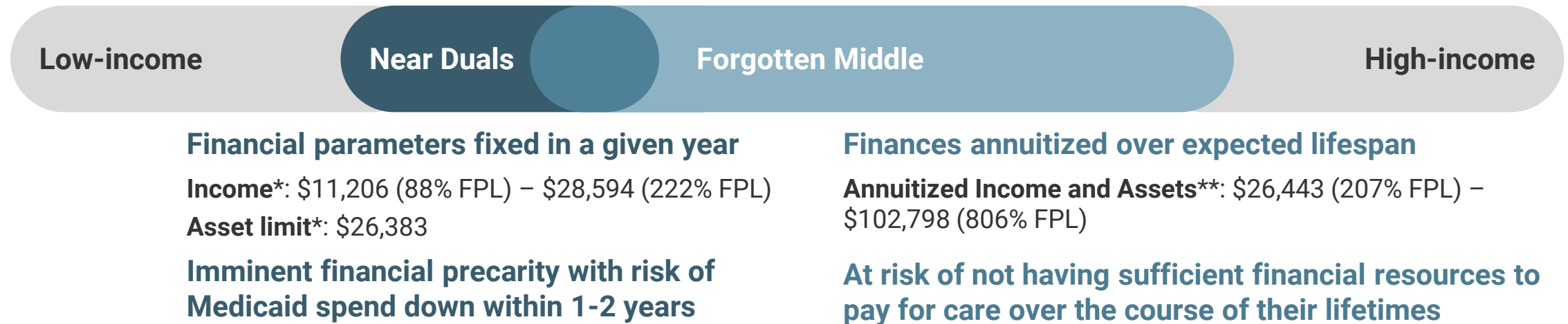
Policy Implications

Near Duals live at the ***intersection of financial insecurity and complex health and functional needs***, with many similarities to full duals.

Despite these similarities, many Near Duals are ***unable to access Medicaid long term care services.*** Instead, these beneficiaries likely rely on unpaid family caregivers or go without needed services, indicating opportunities for policy reform.

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 2021 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*

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.

MCBS**

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.

MBSF* & Claims**

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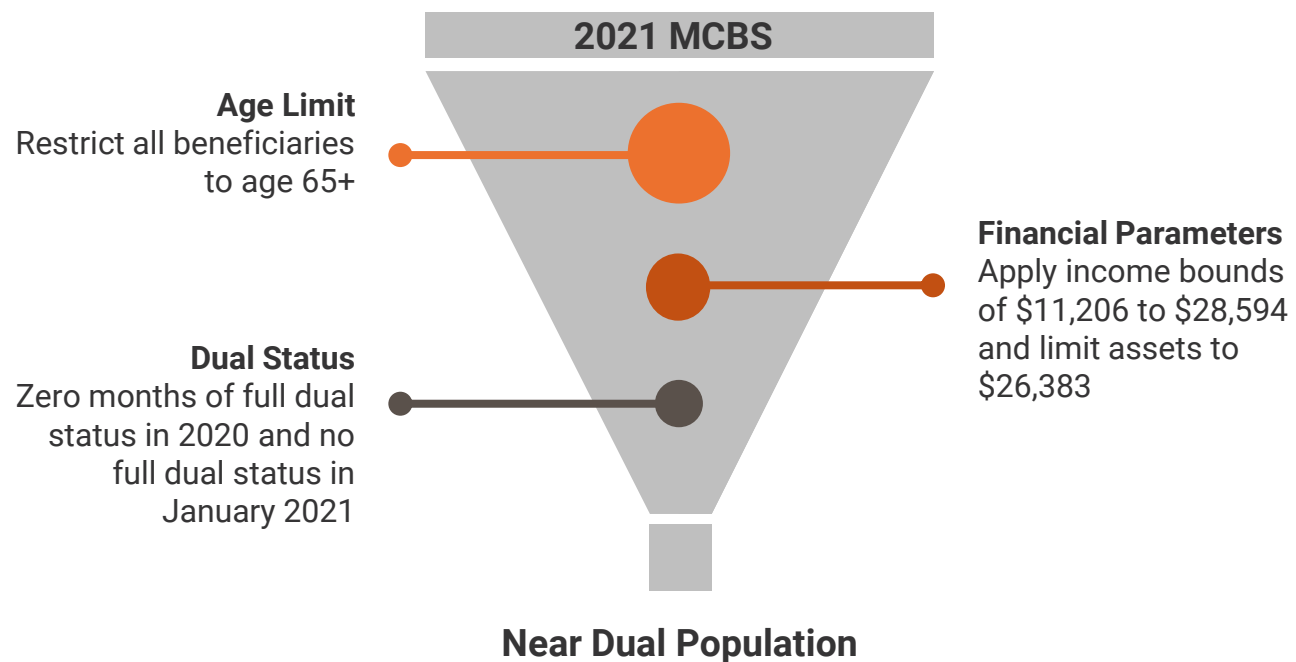
*HRS: Health and Retirement Study
**MCBS: Medicare Current Beneficiary Survey. Leveraged data from respondents living in home and community only.
***MBSF: Master Beneficiary Summary File

Using 2021 MCBS data, NORC defined and created a profile of the Near Dual population against to two comparison groups

Defining the Near Dual Population

2021 MCBS

Age Limit
Restrict all beneficiaries to age 65+

Financial Parameters
Apply income bounds of $11,206 to $28,594 and limit assets to $26,383

Dual Status
Zero months of full dual status in 2020 and no full dual status in January 2021

Near Dual Population

MCBS: Medicare Current Beneficiary Survey

Population Profile

NORC analyzed how Near Duals differed from full duals and all other Medicare in the following areas:

- Demographics & Social Determinants of Health

- Health Status and Functional Needs

Comparison Groups

Full Duals: 2021 MCBS respondents aged 65+ with full dual status as of January 2021

All Other Medicare: All other 2021 MCBS respondents aged 65+ who do not fall into the Near Dual or the full dual cohorts