Evaluation of Subsequent Insurance Enrollment Among Medicare Advantage Beneficiaries Who Experience a Contract Termination from 2016-2019

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Overview

In a cross-sectional study, we examine the insurance destinations of Medicare Advantage enrollees after a contract termination and the characteristics of those who switch into Traditional Medicare. We find that terminations lead to a large exit from the MA program that were differential by race/ethnicity which may lead to worrisome disruptions in care.

Background

- Medicare Advantage (MA) enrolls over 50% of all Medicare beneficiaries, with recent growth concentrated among minority beneficiaries 1
- Unlike in Traditional Medicare (TM), MA contracts (between CMS and private insurers) may terminate their participation, potentially leading to disruptions in access to care
- Nearly 1 in 5 MA contracts were terminated between 2011-2020, impacting more than 750,000 beneficiaries 2

Study Design

- Study Population: Beneficiaries with any MA enrollment from 1/1/2016 to 12/31/2019
  - Total of 117,681 beneficiaries in a terminated contract from 2016-2018
- Used enrollment, hospitalization, nursing home, and home health data from Medicare
- Followed beneficiaries into next year of enrollment to see if they switched to TM, stratified by dual eligibility and race/ethnicity
- Evaluated characteristics of contracts among those who remained in MA:
  - Star-rating, monthly premium, vertical integration
- Compared differences between beneficiaries stratified by race/ethnicity and dual-eligibility using χ² and t tests

Results

- 1 in 5 MA beneficiaries switch to TM after contract termination
  - Dual-eligible individuals, Black beneficiaries, and those with more intensive health needs have the highest switch rates
  - Of those who stayed in MA, majority switched to higher rated star plans but did not typically pay more in monthly premiums as a result

Conclusion

- Certain groups, such as racial/ethnic minority beneficiaries, those with high needs, and those with dual eligibility are more likely to exit MA following a termination
- More research is needed to understand the consequences of terminations on disparities in access to care and health outcomes

Key References


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