

RUPRI Center for Rural Health Policy Analysis

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June 2011: Rural Medicare Advantage Enrollment Update

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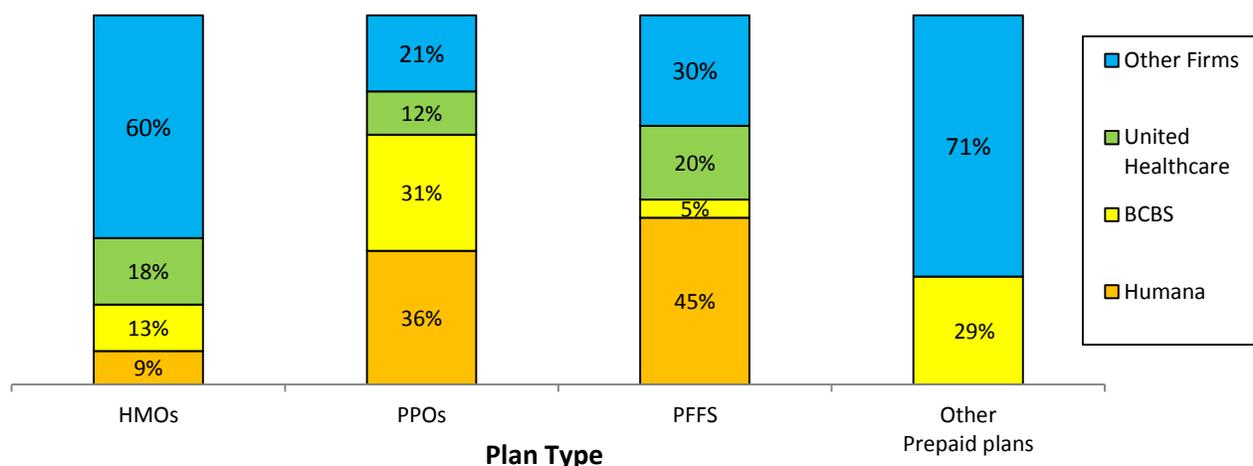
Key Data Findings¹

Trends reported by RUPRI in April based on March data continued in June with modest change:

- Rural Medicare Advantage (MA) enrollment remained above 1.5 million (16% of eligible beneficiaries).
- Rural preferred provider organization (PPO) enrollment grew to over 700,000 (46% of the rural MA market), while private fee-for-service (PFFS) enrollment fell to just over 250,000 in rural areas (16% of the market).
- Three firms—Humana (27%), Blue Cross/Blue Shield affiliates (20%), and United Health Care (14%) continued to dominate the rural MA market.
- Humana is a dominant player in the rural MA market, with almost half of all enrollment in PFFS plans and over 36% of the PPO market (Figure 1).

Total rural MA enrollment has grown to over 1.5 million enrollees in 2011, while national MA enrollment has grown to over 12.2 million Medicare beneficiaries, with little change between March and June (months not incorporating an open enrollment period). Our previous *Enrollment Update* illustrated the shift in rural MA enrollment from PFFS plans to PPO plans (*Brief No. 2011-3*, April, 2011). In this *Update* we focus on patterns of enrollment by firms active in the MA market. The top three firms, Humana, Blue Cross Blue Shield affiliates, and United Health Care, hold over 61% of the enrollment in rural MA plans in 2011 and have consistently covered at least 47% of rural MA beneficiaries since 2006. These firms appear to have navigated the recent legislative and regulatory changes without any drops in enrollment and are continuing to grow their MA products and enrollments in rural areas. Moreover, the market share of these three firms has grown by 10% since 2009, as enrollment has shifted away from PFFS plans, further concentrating the market. Going forward, the rural MA market should be monitored for changes in enrollment and further market concentration as the Patient Protection and Affordable Care Act is fully implemented. In addition, further analysis of the networks and plan attributes of these dominant firms should be explored.

Figure 1. Rural Distribution of Medicare Advantage Enrollees in the Firms and Affiliates with the Highest Enrollment, by Plan Type, 2011



NOTE: PFFS are private fee-for-service plans, PPOs are preferred provider organizations including medical savings accounts (MSAs), and HMOs are health maintenance organizations. BCBS includes all Blue Cross/Blue Shield affiliates.

SOURCE: RUPRI analysis of Centers for Medicare and Medicaid Services' Medicare Advantage enrollment files, 2011.

¹Additional Medicare Advantage enrollment data available at <http://www.public-health.uiowa.edu/rupri/maupdates/nstablemaps.html>.