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MEDICARE ADVANTAGE'S ROLE IN IMPROVING HEALTH EQUITY FOR SENIORS OF COLOR

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INTRODUCTION

ADDRESSING HEALTH DISPARITIES AND ADVANCING SOLUTIONS TOWARDS GREATER HEALTH EQUITY

Addressing health disparities and advancing health equity in the United States is an urgent, national issue that, in recent years, has been elevated to a top priority across the healthcare landscape. The prioritization of the issue is for good reason, as a large body of research demonstrates that longstanding systemic racial and ethnic health inequities have disproportionately exposed people of color and those from low-income populations to significant health disparities, greater barriers to healthcare access, and have put these populations at higher risk of developing a wide range of adverse health conditions and related complications compared to their white counterparts.[1] For example, the Centers for Disease Control (CDC) reports that racial and ethnic minority groups experience higher rates of poor health and disease for a range of conditions including diabetes, hypertension, obesity, asthma, heart disease, and cancer when compared to their white counterparts.[2] Similar adverse trends were also observed within the context of the COVID-19 pandemic with Black, Latinx, American Indian and Alaska Native (AIAN) and Asian Americans experiencing substantially higher rates of infection, hospitalization and death, compared to white Americans.[3] These health disparity gaps are in large part influenced and exacerbated by the disproportionate barriers to care that communities of color often face. Research shows that Black, Latinx and AIAN populations are significantly less likely to have health insurance, more likely to face cost-related barriers to care, and more likely to incur medical debt.[4]

Importantly, these disparities and disproportionate rates of adverse health outcomes persist—and in many instances worsen—as marginalized populations reach older age. A large body of research examining Medicare—the federal health insurance program that insures older American and some younger adults with disabilities—has shown that compared to white Medicare beneficiaries, minority beneficiaries:

- are at higher risk of experiencing economic instability;
- face greater health disparities burdens and increased rates of chronic disease and associated complications;
- are disproportionately impacted by social determinants of health (SDOH);
- and, face systemic barriers to accessing high-quality health care.[5]

These disparities are driven in large part by myriad racial and cultural inequities that are found both within and outside the healthcare system.

The continued growth of the Medicare program means that policymakers and healthcare stakeholders broadly must ensure beneficiaries across racial and ethnic communities have access to high-quality health programs that are tailored to their specific health needs. Given the increasing number of Medicare beneficiaries from diverse populations who are choosing Medicare Advantage—which now exceeds more than half of all Medicare enrollees—adds greater emphasis on the need to strengthen these programs overall.[6]

Given this landscape, understanding the healthcare options available to older adults, and advancing and protecting the options that may be particularly aligned with the needs of older adults of color is critical. As such, this research brief examines the differences between two Medicare options available to older Americans (traditional fee for service (FFS) Medicare and Medicare Advantage) and provides an overview of the ways in which Medicare Advantage's unique benefits may be particularly well positioned to support improved health equity for older adults of color in the United States.

MEDICARE OVERVIEW

A high-level overview of the Medicare program and how it works is critical to understanding how certain Medicare plans may help close gaps in health outcomes among older adults, particularly those from minority populations. The Medicare program provides health insurance for more than 65 million Americans, including over 57 million older adults and 8 million younger adults with disabilities.[7] Medicare-eligible adults have the option of either enrolling in the federally run traditional fee-for-services (FFS) Medicare program or choosing a plan from Medicare Advantage (MA), which provides alternatives offered by Medicare-approved plan options.[8]

While traditional Medicare was established in 1965, Medicare Advantage was not introduced until 1997. Since its inception over 25 years ago, Medicare Advantage enrollment has steadily increased, and today more than half (51 percent) of all Medicare beneficiaries are enrolled in MA plans.[9] These numbers are even higher among beneficiaries of color with 59 percent of Black and 67 percent of Latinx Medicare eligible adults enrolled in an MA plan, and racial minorities making up a larger share of the Medicare Advantage population than they do in fee-for-service Medicare (27 percent vs. 17 percent in 2023).[10] Further, between 2013 and 2019 alone, enrollment in MA among minority beneficiaries grew by 111 percent.[11]

The factors driving the increased popularity of Medicare Advantage plans among older adults of color are worth examining closely and may also in large part demonstrate how and why these plans have the potential to better support the unique needs of this population and in turn promote health equity for older Americans.

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MEDICARE ADVANTAGE AS A KEY PROGRAM FOR ADVANCING HEALTH EQUITY

THE CRITICAL ROLE OF TARGETED, TAILORED AND COMPREHENSIVE CARE

A large and growing body of research has shown that targeted, tailored, and comprehensive health programming and benefits are critical to advancing health equity. Stakeholders and experts are increasingly understanding that disparate health outcomes across demographic groups are driven by a much more complex environment that extends far beyond individual, interpersonal, or biological factors.[12] Indeed, a range of complex structural dynamics such as social, economic, environmental and policy factors also play a significant role in health outcomes and the ability and ease with which one can seek and access necessary healthcare services and products.[13] In turn, interventions aimed at achieving greater health equity must be integrated, designed for "whole person" care, and account for the myriad interconnected factors, structures, and environmental elements that influence and impact health outcomes and access to care.[14]

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HOW MEDICARE ADVANTAGE IS BETTER POSITIONED TO SUPPORT HEALTH EQUITY

Traditional FFS Medicare and Medicare Advantage both offer critical health benefits to adults over the age of 65, and data show that the populations enrolled in each are clinically similar with comparable functional impairments and support needs.[15] Yet, despite these similarities the programs differ in several key areas and the benefits, costs, access, care structures and health outcomes have a range of implications for beneficiaries.

The increasing popularity of Medicare Advantage among minority beneficiaries over the past several years provides real world evidence that these plans may be better aligned with the unique needs of these populations and a growing body of research has found that MA plans may be better positioned than FFS Medicare to support efforts at advancing health equity. In fact, a December 2021 Centers for Medicaid and Medicare Services (CMS) report on Medicare Advantage found "substantial improvement" for Black and Latino beneficiaries in the area of clinical care and a "substantial reduction" in inequities in "almost all clinical measures analyzed.[16] **Since CMS is the oversight agency for both FFS Medicare and Medicare Advantage, these are important comparative observations.**

The following section details several important, unique-to-Medicare Advantage elements that potentially help better position MA plans to provide the comprehensive, tailored, and targeted care that is foundational to closing health equity gaps. These key benefits include:

Availability of Special Needs Plans (SNPs) and overall more coordinated, consistent access to care. Medicare Advantage offers services and programs that help to better coordinate care and provide more consistent access to the health care and services that beneficiaries need. These Special Needs Plans are not available in FFS Medicare. This is a particularly important element of MA given that evidence-based interventions focused on improving health equity underscore the importance of comprehensive and

coordinated care models.[17] One example of these types of care models are Special Needs Plans or SNPs. SNPs—which are part of Medicare Advantage—offer tailored MA plans designed to meet the unique healthcare needs of some of the most vulnerable Medicare beneficiaries, including those who are dually-eligible for Medicare and Medicaid, and those who have certain conditions or are institutionalized.[18] MA enrollment data show that these plans are especially important to beneficiaries of color and those who qualify as low-income.[19]

Due to the complex and wide-reaching nature of social determinants of health and the disproportionate impact these factors have on marginalized groups, the availability of integrated, streamlined, tailored and targeted health plans designed with "whole-person" care in mind, is critical to addressing the factors driving and exacerbating health inequity. The comprehensive care models—like SNPs—that are associated with Medicare Advantage offer a blueprint for achieving the type of interventions necessary for advancing health equity. This makes the prospects of improved care arguably more likely with MA.

Lower costs and greater savings. Due in part to greater flexibility on cost and coverage policies and required maximum out-of-pocket (OOP) limits, Medicare Advantage has a 35 percent lower rate of cost burden across all demographic groups, as compared to traditional Medicare.[20] Latinx and Black beneficiaries enrolled in MA plans save an average of $1,421 and $1,104, respectively each year compared to their counterparts in FFS Medicare.[21] Further, according to an analysis conducted by Avalere, Part D drug costs were found to be up to 44 percent lower among MA plan enrollees compared to costs for those enrolled in FFS Medicare, and inpatient hospital costs were as much as 23 percent lower among high-need, high-cost populations in MA relative to fee-for-service Medicare.[22]

As outlined in previous sections, one of the most significant barriers to accessing necessary medical care and treatments that older minority adults face is cost burden, with older adults of color more likely than white older adults to face cost-related barriers to care.[23] On average, older adults of color are more likely to experience economic insecurity than their white counterparts, have a significantly lower average household income, and are twice as likely to report cost as a barrier to accessing health care.[24] Therefore, ensuring affordable access to care should be considered an essential component of any effort aimed at advancing health equity.

Supplemental benefits coverage. Another way that Medicare Advantage offers more comprehensive, whole-person care is through coverage of supplemental benefits. Unlike FFS Medicare which provides no coverage of such benefits, nearly all MA plans (99 percent) provide access to some combination of dental, vision, hearing and/or telehealth coverage, and in recent years many Medicare Advantage plans have expanded their supplemental benefit coverage to include programs designed to address SDOH.[25] For example, in addition to providing some level of traditional supplemental benefit coverage, new analyses of MA plans show that more than two-thirds of plans now offer meal benefits. This is a meaningful offering that has the potential to help close disparity gaps, given that compared to older white adults, older Black and Latinx adults are respectively 3.8 and 3.1 times as likely to experience food insecurity.[26] This additional coverage has proven to have real world impacts; according to a recent study, beneficiaries in traditional Medicare with no supplemental coverage

had higher rates of cost-related problems than beneficiaries enrolled in Medicare Advantage plans.[27]

Coverage of supplemental benefits can play an important role in improving health equity for a variety of meaningful reasons including providing an additional cost saving mechanism for groups at higher risk of income instability, offering more integrated health services to groups facing higher rates of chronic illness and health complications, and helping to address adverse impacts related to SDOH and systemic barriers to access for populations disproportionately burdened by these factors.[28]

Better access to mental and behavioral health care. Research shows that compared to traditional FFS Medicare, Medicare Advantage plans are better prepared to handle the scope of beneficiaries' behavioral and mental healthcare needs due to MA plans' supplemental benefits coverage.[29] For example, Medicare Advantage plans can provide access to activity therapy, extra preventive care, support groups, digital mental health services, and non-medical supports, none of which are covered by FFS Medicare.[30] Further, an ATI data analysis found that 83 percent of MA plans provide individual mental health telehealth coverage and more than half (55 percent) provide telehealth services for substance abuse counseling.[31]

Behavioral healthcare services are crucial for older adults' overall health and wellbeing, and expanding access to mental health services has been identified as one of the critical building blocks for achieving greater health equity.[32] While access to these services is suboptimal across demographic groups, older adults and adults of color are among the groups reporting the highest rates of emotional distress, while also being among the least likely to receive an accurate mental health diagnosis and to have adequate access to necessary mental and behavioral health services.[33] For example, just over half of Black

SNAPSHOT: LOOKING FORWARD AT THE IMPACTS OF LONG COVID

The COVID-19 pandemic magnified stark racial and ethnic disparities, and older adults of color accounted for disproportionate cases, hospitalizations and deaths associated with the disease. Several studies examining Medicare, suggest that MA may have an advantage over FFS Medicare when it comes to effectively managing COVID-19. One study found that COVID-19 mortality rates were higher among those enrolled in FFS Medicare than they were for MA enrollees. Similarly, an analysis examining data from the first 9 months of the pandemic found that MA had a 19 percent lower rate of COVID-related hospitalizations compared to FFS. The study also found that MA plans were able to act more quickly and nimbly during the pandemic due to the risk bearing structure. Research also shows that MA plans have much greater benefit flexibility than FFS Medicare and that this has proved to be a major critical advantage within the context of the COVID-19 pandemic.

While vaccines have become widely available and the pandemic has evolved and become more manageable, the prevalence of long COVID—a new chronic condition associated with lingering symptoms following acute infection—cannot be ignored. Given the disproportionate impact of acute COVID-19 infections on racial and ethnic minorities, long COVID is also likely to disproportionately impact these populations. Policymakers and stakeholders should be investing now to ensure these populations have access to the support and care they need to live the healthiest lives possible.

Medicare eligible adults with depressive symptoms have been professionally diagnosed with depression.[34] Comparatively, among White Medicare eligible adults this number is upwards of 70 percent.[35] Thus, ensuring that older adults have access to plans equipped to offer sufficient behavioral health coverage stands to play an essential role in mitigating disparities and promoting equity.

REAL WORLD IMPACTS OF THE BENEFITS ASSOCIATED WITH MEDICARE ADVANTAGE

The benefits associated with Medicare Advantage have not only contributed to older adults of color enrolling in MA plans at rates higher than ever before, they have also supported real world health outcome improvements across a range of categories and metrics. Beneficiaries of color enrolled in Medicare Advantage, for example, are more likely to report a usual source of care (e.g. primary care provider) and to receive preventive services such as mammograms, flu shots, blood pressure screenings, and cholesterol checks—an important statistic considering Americans from minority groups are less likely than white Americans to receive routine care and services.[36,37] Further, large-scale comparative analyses have shown that Medicare Advantage outperforms traditional FFS Medicare across a range of other metrics. For example:

- MA was found to have a 43 percent lower rate of avoidable hospitalizations compared to FFS Medicare, and among groups with complex chronic conditions the gap was even higher with MA's avoidable hospitalization rate being 57 percent lower than the same rate for traditional Medicare.[38]
- Compared to the traditional Medicare population, those enrolled in MA plans have 49 percent and 11 percent higher vaccination rates for pneumonia and flu, respectively and among high-need, high-cost beneficiaries these gaps are even more pronounced.[39]
- MA plans may also outperform traditional Medicare in disease management. According to a report published in 2022, among beneficiaries with diabetes, Medicare Advantage enrollees were more likely than those in traditional Medicare to be prescribed guideline-recommended therapy, use medication for their condition, and perform better on clinical care measures.[40]
- Compared to traditional Medicare beneficiaries, MA enrollees have been shown to have fewer medical visits overall, suggesting reduced need for medical services over the long run and better health overall.[41]

Research has consistently demonstrated that minority populations in the United States contend with overall worse health status due in large part to systemic issues such as limited access to culturally competent care, racial biases in medical care, and socioeconomic disadvantages, among other factors.[42] In turn, Americans of color are generally at a significantly higher risk for a range of conditions and complications.[43] Because of the systemic disparities and the higher burden of disease older adults of color face, the improved health outcomes associated with MA plans are important to note and provide critical evidence that Medicare Advantage may be better suited than traditional FFS Medicare to help close persistent health disparity gaps.

PROTECTING MEDICARE ADVANTAGE BENEFITS

Considering the vital role that Medicare Advantage plays among beneficiaries of color and the unique elements associated with MA plans that have the potential to close health disparity gaps and advance more equitable care, it's critical that this essential coverage option continues to be protected. In recent weeks the Administration released its 2025 Medicare Advantage and Part D Notice.[44] At a time when medical costs and utilization continue to rise, the proposed funding levels would be insufficient to cover the cost of care for 32 million who rely on the program. If the proposed cut to Medicare Advantage funding was finalized, it would amount to a year-over-year reduction to the program overall. These changes would undermine the progress that has been made to close gaps in health outcomes among seniors, in addition to potential changes in benefit options, premiums, and out-of-pocket costs.

Given this context—and the fact that increasingly older minority adults and those who classify as low-income and medically complex are choosing Medicare Advantage over FFS Medicare—these changes have the potential to be disproportionately harmful for older adults of color, millions of whom rely on benefits provided through MA plans. As policymakers consider changes to Medicare Advantage payment policies, it is critical that sufficient and thoughtful steps are taken to ensure that these changes in no way jeopardize the health of marginalized groups or stand to worsen the significant health inequities that millions of Americans face today.

ENDNOTES

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