Medicare Advantage

What is Medicare Advantage?

Medicare Advantage (MA), also known as Medicare Part C, is a type of insurance plan funded by the Centers for Medicare and Medicaid Services (CMS) but administered by a private payer. MA plans cover all traditional Medicare benefits (Parts A and B) and many also include prescription drug benefits (Part D). CMS offers the MA payer a lump sum, determined by county benchmarks, enrollees’ risk scores, and the plan’s quality rating, to cover Part A and B benefits. If beneficiaries’ health care costs exceed the capitated rate, the sponsoring organization must cover the difference. However, if costs fall below the target, the organization can share in the savings.

MA plans are gaining popularity among both enrollees and providers. Between 2007 and 2017, the proportion of Medicare beneficiaries enrolled in MA plans grew from 19% to 33%. By 2025, experts expect about 30 million, or about 40% of Medicare beneficiaries, to be enrolled in MA plans. While MA plans have historically been offered by commercial insurers, a growing number of health care providers are taking advantage of the expanding MA market either by negotiating a stake in existing plans or sponsoring their own plans.

How do Medicare Advantage plans pay providers?

CMS contracts with payers to offer a variety of Medicare Advantage plans, including Health Maintenance Organization Plans (HMOs), Preferred Provider Organization Plans (PPOs), Private Fee-for-Service Plans (PFFSs), and Special Needs Plans (SNPs). In 2016, HMOs accounted for the majority (64%) of total Medicare Advantage enrollment.

Why is Medicare Advantage a key issue for imaging?

MA insurers often negotiate risk-based contracts with providers in order to achieve savings below their payment from CMS. Providers sponsoring their own MA plans are directly incentivized to manage costs. As a result, there is evidence (see next page) that Medicare Advantage beneficiaries exhibit lower healthcare utilization overall, and specifically lower imaging utilization, than traditional Medicare beneficiaries.

CMS’s Star Ratings program ties MA plans’ eligibility for bonus payments to their quality scores. These scores include preventive care metrics such as screening, which directly involve imaging. Providers that sponsor their own MA plan or work closely with an MA insurer (e.g., through a narrow-network HMO contract) need to focus on maintaining and/or improving the plan’s star rating.

How can imaging leaders succeed under Medicare Advantage contracts?

- **Focus on utilization management:** Learn the typical high-cost imaging utilization trends for the Medicare population at your organization and nationally. Then, choose meaningful clinical targets for utilization management and design initiatives to address them. Leverage clinical decision support (CDS) tools in all care settings to support utilization management efforts.

- **Invest in screening and follow-up:** To help maintain and/or improve MA star rating, imaging leaders should focus on maximizing screening rates among eligible patients, as well as improving follow-up on incidental and other imaging findings to elevate overall quality of care.

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1) Full capitation, partial capitation, shared risk, or shared savings.
2) Based on AMGA survey of 74 physicians across multiple medical group arrangements.
### MA enrollment to nearly double by 2025

![Graph showing MA enrollment growth since 2010](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total MA Enrollment</th>
<th>MA Penetration as a % of Total Medicare Population</th>
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<tbody>
<tr>
<td>2005</td>
<td>19M</td>
<td>33%</td>
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<tr>
<td>2017</td>
<td>31M</td>
<td>71%</td>
</tr>
<tr>
<td>2025</td>
<td>Estimated</td>
<td>41%</td>
</tr>
</tbody>
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### MA penetration varies by state, 2017

![Map showing MA penetration by state](image)

- **0%-13%**: States with the lowest MA penetration.
- **14%-25%**: States with moderate MA penetration.
- **26%-38%**: States with higher MA penetration.
- **39%-51%**: States with the highest MA penetration.

### Lower imaging utilization for Medicare Advantage patients

- **19%** Lower imaging procedure utilization for Medicare Advantage than traditional Medicare.
- **11%** Lower imaging test utilization for Medicare Advantage than traditional Medicare.

### Medicare Advantage metric areas contributing to star rating

1. **Staying Healthy: Screening, Tests, and Vaccines**
   - Screening and vaccines rates, maintaining physical and mental health

2. **Managing Chronic (Long Term) Conditions**
   - Medication review, functional status, chronic condition care, and all-cause readmissions

3. **Member Experience with Health Plan**
   - Accessibility and timeliness of care, care coordination and customer service

4. **Member Complaints and Changes in the Health Plan’s Performance**
   - Plan quality improvement, as well as member retention and complaints

5. **Health Plan Customer Service**
   - Appeals review process and call center capacity

### Sources