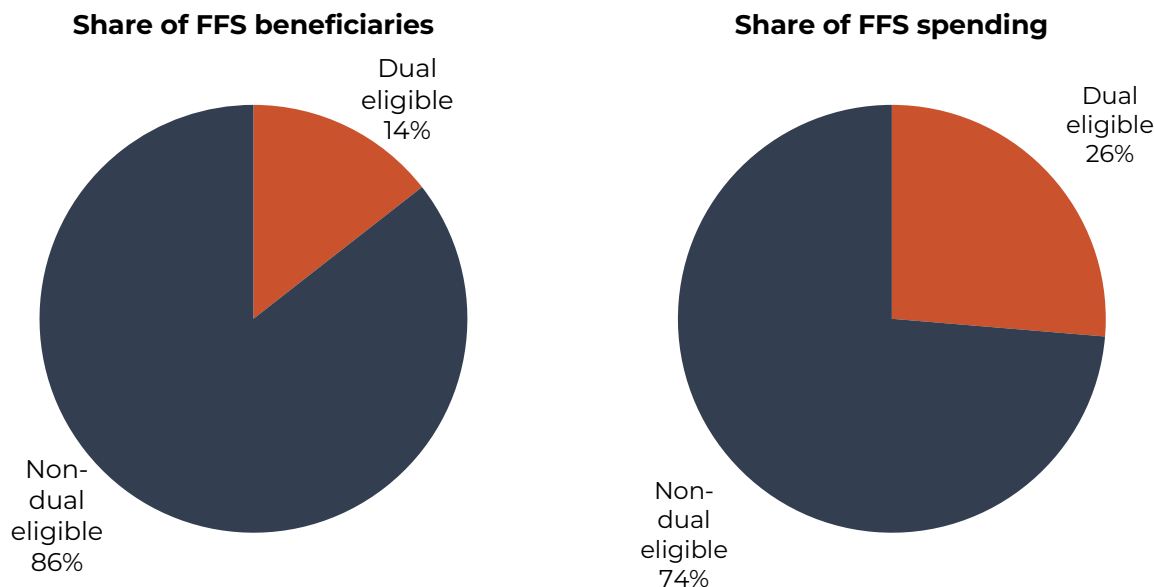


SECTION

4

Dual-eligible beneficiaries

Chart 4-1 Dual-eligible beneficiaries accounted for a disproportionate share of Medicare spending, 2020



Note: FFS (fee-for-service). “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

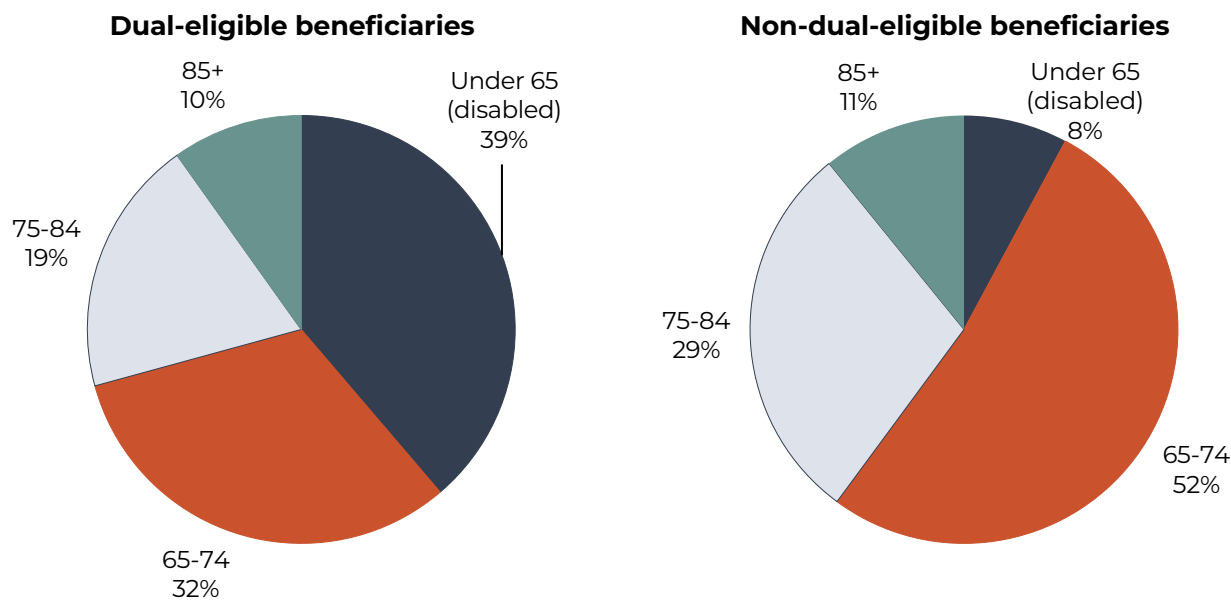
> Dual-eligible beneficiaries are those who qualify for both Medicare and Medicaid. Medicaid is a joint federal and state program designed to help people with low incomes obtain needed health care.

> Dual-eligible beneficiaries account for a disproportionate share of Medicare FFS expenditures. Although they were 14 percent of the Medicare FFS population in 2020, they represented 26 percent of aggregate Medicare FFS spending.

> On average, Medicare FFS per capita spending is more than twice as high for dual-eligible beneficiaries compared with non-dual-eligible beneficiaries: In 2020, \$20,304 was spent per dual-eligible beneficiary, and \$9,594 was spent per non-dual-eligible beneficiary (data not shown).

> In 2020, average total spending—which includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending across all payers—for dual-eligible beneficiaries was \$32,030 per beneficiary, about twice the amount for other Medicare beneficiaries (data not shown).

Chart 4-2 Dual-eligible beneficiaries were more likely than non-dual-eligible beneficiaries to be under age 65 and have a disability, 2020

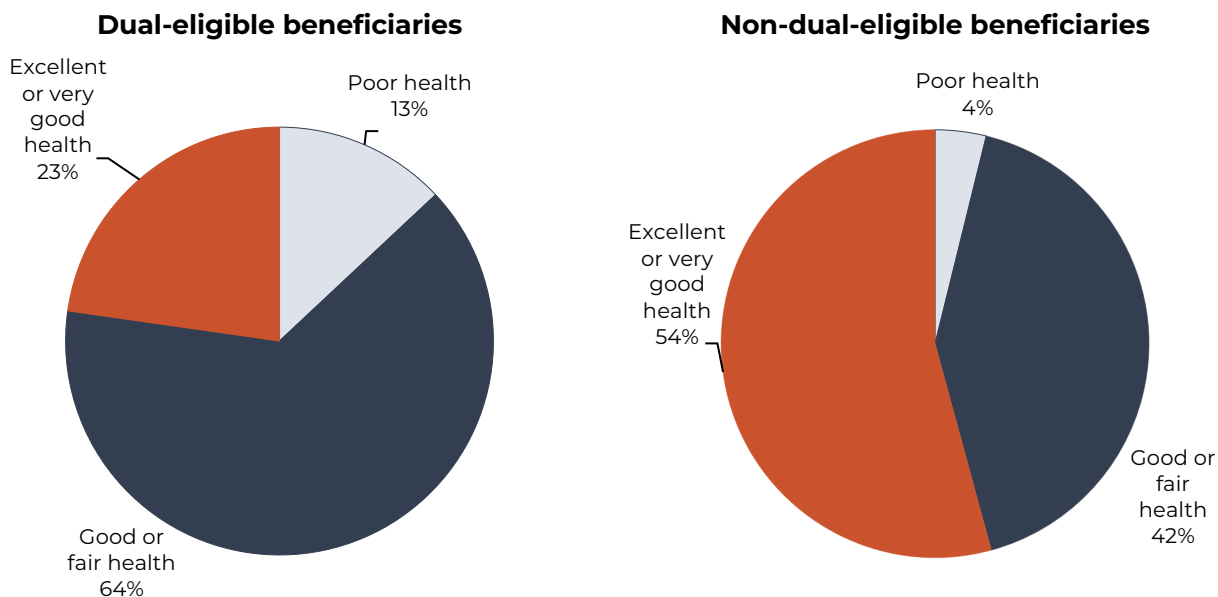


Note: Beneficiaries who are under age 65 generally qualify for Medicare because of disability. Once beneficiaries with disabilities reach age 65, they are counted as aged beneficiaries. “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

- > Disability is a pathway for individuals to become eligible for both Medicare and Medicaid benefits.
- > Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to be under age 65 and have a disability. In 2020, 39 percent of dual-eligible beneficiaries were under age 65 with a disability compared with 8 percent of the non-dual-eligible population.

Chart 4-3 Dual-eligible beneficiaries were more likely than non-dual-eligible beneficiaries to report being in poor health, 2020



Note: “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

> Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to report being in poor health. In 2020, 13 percent of dual-eligible beneficiaries reported being in poor health compared with 4 percent of non-dual-eligible beneficiaries.

> Over half of non-dual-eligible beneficiaries (54 percent) reported being in excellent or very good health in 2020. In comparison, less than one-quarter (23 percent) of dual-eligible beneficiaries reported being in excellent or very good health.

Chart 4-4 Demographic differences between dual-eligible beneficiaries and non-dual-eligible beneficiaries, 2020

Characteristics	Share of dual-eligible beneficiaries	Share of non-dual-eligible beneficiaries
Sex		
Male	38%	47%
Female	62	53
Race/ethnicity		
White, non-Hispanic	49	80
Black, non-Hispanic	22	8
Hispanic	20	6
Other	10	6
Limitations in ADLs		
No limitations in ADLs	52	77
Limitations in 1–2 ADLs	23	16
Limitations in 3–6 ADLs	25	7
Residence		
Urban	81	82
Rural	19	18
Living arrangement		
Institution	8	1
Alone	37	28
With spouse	15	55
With children, nonrelatives, others	40	16
Education		
No high school diploma	36	8
High school diploma only	33	24
Some college or more	32	68
Income status		
Below poverty	56	4
100–125% of poverty	20	3
125–200% of poverty	18	16
200–400% of poverty	5	30
Over 400% of poverty	1	46
Supplemental insurance status		
Medicare or Medicare/Medicaid only	42	12
Medicare managed care	51	39
Employer-sponsored insurance	1	26
Medigap	3	22
Medigap/employer	<1	1
Other*	2	1

Note: ADL (activity of daily living). “Dual-eligible beneficiaries” were eligible for both Medicare and Medicaid for at least one month during the year. “Urban” indicates beneficiaries living in metropolitan statistical areas (MSAs). “Rural” indicates beneficiaries living outside of MSAs. In 2020, poverty was defined as annual income of \$12,413 for people living alone and \$15,659 for married couples. Poverty thresholds are calculated by the U.S. Census Bureau (<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>). Totals may not sum to 100 percent due to rounding and exclusion of an “other” category. The Medicare Current Beneficiary Survey is a point-in-time survey of a sample of beneficiaries. Year-to-year data variation is expected.

*Includes public programs such as the Department of Veterans Affairs and state-sponsored drug plans.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

> Dual-eligible beneficiaries qualify for Medicaid due in part to low incomes. In 2020, 56 percent of dual-eligible beneficiaries lived below the poverty threshold, and 94 percent lived below 200 percent of the poverty threshold. Compared with non-dual-eligible beneficiaries, dual-eligible beneficiaries are more likely to be female, be Black or Hispanic, lack a high school diploma, have greater limitations in activities of daily living, and live in an institution. They are less likely to have supplemental employer-sponsored or Medigap coverage.

Chart 4-5 Differences in Medicare spending and service use between dual-eligible beneficiaries and non-dual-eligible beneficiaries, 2020

Service	Dual-eligible beneficiaries	Non-dual-eligible beneficiaries
Average FFS Medicare payment for all beneficiaries		
Total Medicare FFS payments	\$20,304	\$9,594
Inpatient hospital	4,446	2,602
Physician ^a	3,352	2,565
Outpatient hospital	3,123	1,778
Skilled nursing facility ^b	1,807	373
Hospice	527	196
Prescribed medication ^c	6,966	1,970
Share of FFS beneficiaries using service		
Share using any type of service	96.0%	84.3%
Inpatient hospital	18.7	11.8
Physician ^a	89.8	81.0
Outpatient hospital	71.0	59.4
Skilled nursing facility ^b	8.3	2.4
Hospice	3.8	1.9
Prescribed medication ^c	92.4	56.6

Note: FFS (fee-for-service). Data in this analysis are restricted to beneficiaries in FFS Medicare. “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Spending totals derived from the Medicare Current Beneficiary Survey (MCBS) do not necessarily match estimates from CMS’s Office of the Actuary. Total payments do not equal the sum of line items due to omitted “other” category. The MCBS is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected. The 2020 MCBS does not have spending data for home health services, which in previous years accounted for about 3 percent to 4 percent of total Medicare FFS payments for both dual-eligible and non-dual-eligible beneficiaries.

^a Includes a variety of medical services, equipment, and supplies.

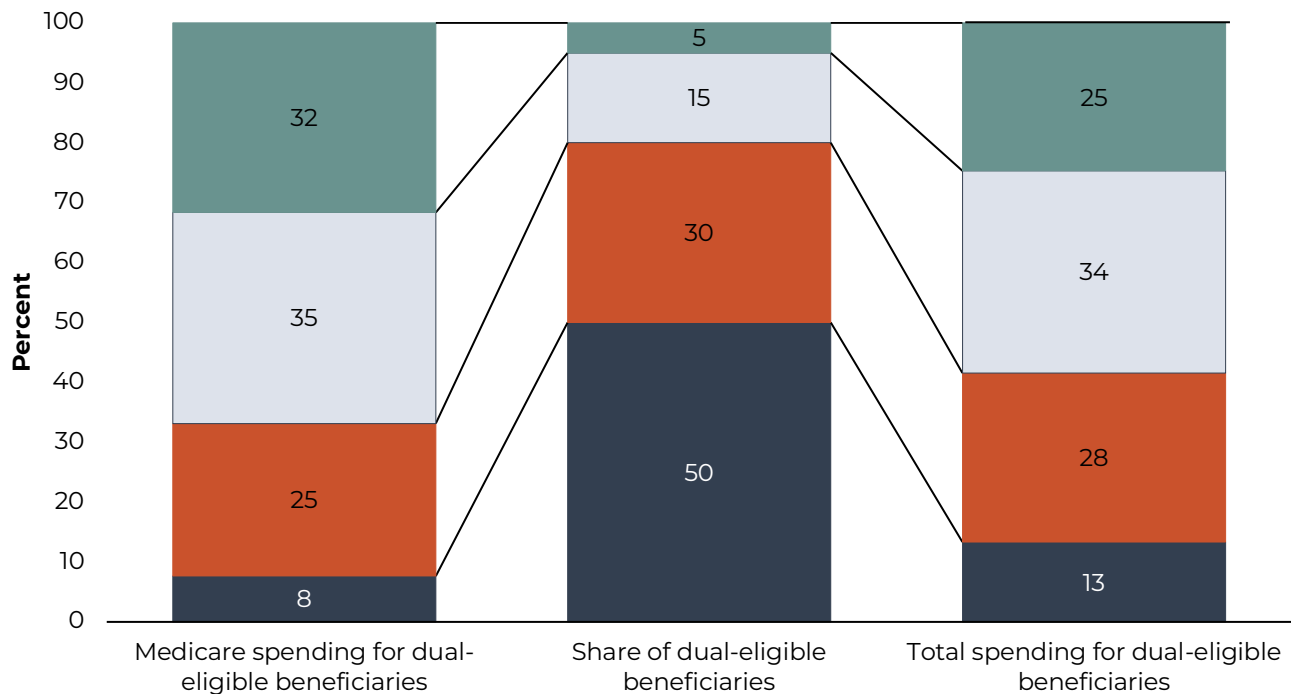
^b Individual short-term facility (usually skilled nursing facility) stays for the MCBS population.

^c Data from stand-alone prescription drug plans.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

- > In 2020, average per capita Medicare FFS spending for dual-eligible beneficiaries was more than twice that for non-dual-eligible beneficiaries—\$20,304 compared with \$9,594.
- > For each type of service, average Medicare FFS per capita spending was higher for dual-eligible beneficiaries than for non-dual-eligible beneficiaries. Higher average per capita FFS spending for dual-eligible beneficiaries is a function of higher use of these services by dual-eligible beneficiaries compared with their non-dual-eligible counterparts. Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to use each type of Medicare-covered service.

Chart 4-6 Both Medicare and total spending were concentrated among dual-eligible beneficiaries, 2020



Note: “Total spending” includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending. Data in this analysis are restricted to beneficiaries in fee-for-service (FFS) Medicare. “Dual-eligible beneficiaries” are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of CMS’s Medicare Current Beneficiary Survey, 2020.

> Annual Medicare FFS and total spending on dual-eligible beneficiaries are concentrated among a small number of people. The costliest 5 percent of dual-eligible beneficiaries accounted for 32 percent of Medicare spending and 25 percent of total spending on dual-eligible beneficiaries in 2020. In contrast, the least costly 50 percent of dual-eligible beneficiaries accounted for only 8 percent of Medicare FFS spending and 13 percent of total spending on dual-eligible beneficiaries.

> On average, total spending (including Medicaid, Medigap, etc.) for dual-eligible beneficiaries in 2020 was about twice that for non-dual-eligible beneficiaries—\$32,030 compared with \$15,664, respectively (data not shown).