In the News

Review Identifies "Noteworthy" Differences in Effects on Patients of Traditional Medicare vs Medicare Advantage

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Although Medicare Advantage plans or traditional Medicare do not differ substantially in how well they serve their respective enrollees, “noteworthy” distinctions exist in areas such as enrollees’ use of preventive services or their likelihood of receiving care at the highest-rated hospitals, according to a new review by researchers at KFF (Kaiser Family Foundation).

A total of 62 million people had health care coverage through Medicare in the fall of 2021. Medicare Advantage enrollment has grown rapidly over the past dozen years, from 25% of the eligible Medicare population in 2010 to nearly half of the eligible Medicare population in 2022.

The Medicare Advantage population has also evolved in other ways, becoming increasingly ethnically and racially diverse, and with increasing shares of beneficiaries younger than 65 years with long-term disabilities and of individuals who are dually eligible for both Medicare and Medicaid.

The KFF researchers note that Medicare Advantage plans can offer benefits not available under traditional Medicare, such as an out-of-pocket limit for Medicare-covered services and benefits such as dental, hearing, and vision coverage, but these plans typically have more limited networks of clinicians and health care facilities. In addition, Medicare Advantage is costlier for the federal government: in 2019, the higher per-person spending on Medicare Advantage enrollees contributed an estimated $7 billion in additional spending, according to a 2021 KFF analysis.

“The growing role of Medicare Advantage and the relatively high spending on this program raise the question of how well private plans serve their enrollees compared to traditional Medicare,” the researchers wrote in the new review. To investigate, they built on a previous review of research, examining 62 studies published since 2016 that compared Medicare Advantage plans and traditional Medicare, based on various measures of beneficiary experience, affordability, utilization, and quality.

“We found few differences between Medicare Advantage and traditional Medicare that are supported by strong evidence or have been replicated across multiple studies,” the researchers noted. But small numbers of studies revealed some differences of interest.

The vast majority of people enrolled in Medicare Advantage and traditional Medicare reported satisfaction with their care overall, including experiencing similar wait times and being able to find a new clinician. However, those enrolled in Medicare Advantage were more likely than those covered by traditional Medicare to report having a usual source of care. Although both groups also had similar rates of satisfaction with how well their care was coordinated overall, Medicare Advantage enrollees were more likely to report receiving information during care transitions and were somewhat more likely to report a better experience obtaining needed prescription drugs.

In addition, although switching between the 2 types of plans (a possible indicator of satisfaction) was relatively uncommon, Medicare Advantage enrollees were more likely than traditional Medicare enrollees to do so. Rates of switching from Medicare Advantage to Medicare “were relatively higher among beneficiaries who are dually eligible for Medicare and Medicaid, beneficiaries of color, beneficiaries in rural areas, and following the onset of a functional impairment,” the report notes.

Compared with Medicare Advantage enrollees, a somewhat smaller share of traditional Medicare enrollees experienced cost-related problems overall, mainly resulting from lower rates of such problems among those with both traditional Medicare and supplemental coverage. For example, one study found that 15% of people covered by traditional Medicare overall and 12% of...
those with traditional Medicare with supplemental coverage had at least one cost-related problem (such as problems paying medical bills or trouble getting care or a delay in care due to cost) compared with 19% of people with Medicare Advantage. However, traditional Medicare beneficiaries without supplemental coverage had the most affordability-related difficulties, with 30% reporting cost-related problems.

In addition to affordability, the researchers identified other differences between the 2 forms of coverage. In addition to having a usual source of care, people enrolled in Medicare Advantage were more likely than those in traditional Medicare to report receiving such preventive care services as annual wellness visits and routine checkups, screenings, and getting immunized against influenza or pneumonia. The shares of Medicare Advantage vs traditional Medicare beneficiaries receiving the flu vaccine differed by 2.2% to 3.5%, and the difference between the 2 coverage types for receipt of a pneumococcal vaccine differed by 2.0%.

Medicare Advantage enrollees also reported better experiences overall in getting needed prescription drugs, with rates of 90% and 91% in 2 studies compared with rates of 87% to 88% reported by traditional Medicare beneficiaries. However, findings were mixed among beneficiaries with diabetes, cancer, or a mental health condition.

On the other hand, traditional Medicare outperformed Medicare Advantage on some measures. Of the 6 studies the authors reviewed that examined quality ratings of health care facilities, 5 studies found that Medicare Advantage enrollees were less likely than traditional Medicare beneficiaries to receive care from the highest-rated hospitals overall or in the highest-rated hospitals for cancer care or short-stay skilled nursing facilities.

In addition, 2 studies that considered the quality ratings of home health agencies found that people with Medicare Advantage coverage were less likely than those covered by traditional Medicare to receive care from high-quality agencies. “Another study found that Medicare Advantage enrollees were more likely to enter nursing homes with lower quality ratings and higher rehospitalization rates compared to beneficiaries in traditional Medicare, after controlling for clinical conditions and facility-level characteristics,” the researchers said.

Findings from several studies indicated that after receiving care at a hospital for an illness or injury, people covered by traditional Medicare were more likely than Medicare Advantage enrollees to receive additional care at an inpatient rehabilitation facility or at home. However, the report said, whether that difference was associated with better or worse outcomes was inconclusive.

Because relatively few studies specifically examine specific subgroups of interest, such as beneficiaries from rural areas, racial and ethnic minority communities, or people dually eligible for both Medicare and Medicaid, “it is difficult to assess the strength of the findings or how broadly they apply,” the researchers note.

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