



One in Four Seniors Enrolled in Medicare Advantage Plans as Annual Election Period Approaches

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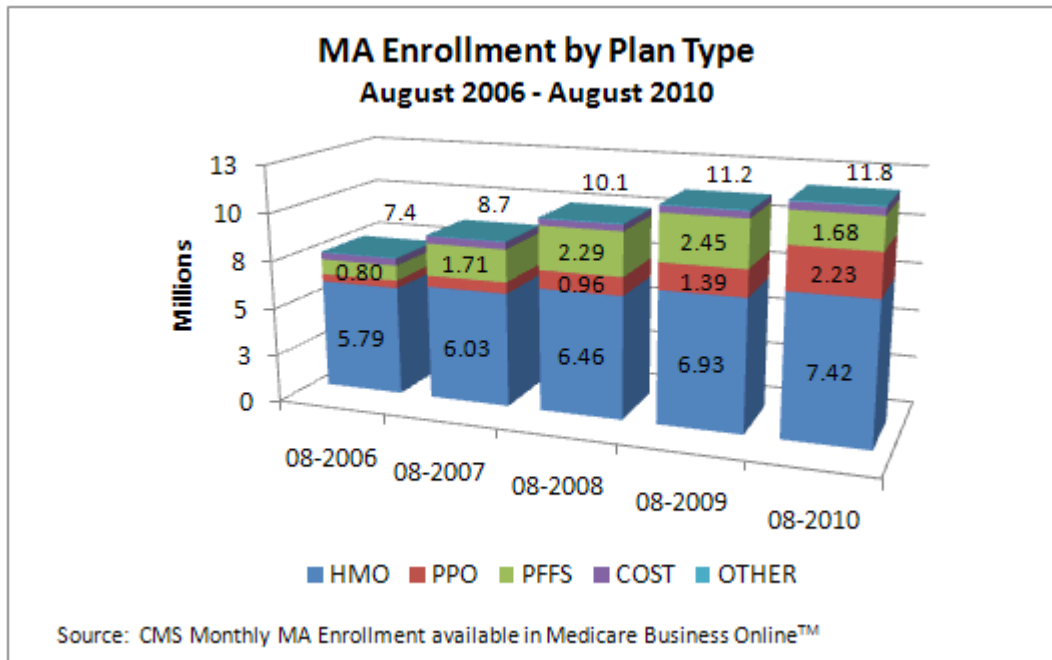
by Debra A. Donahue

Medicare Advantage plan enrollment continues to inch upwards, with nearly 11.8 million people enrolled as of August 2010, almost 25% of all Medicare beneficiaries. Despite conservative growth strategies, stricter marketing regulations and legislation which reined in popular Private-Fee-For-Service plans, Medicare Advantage companies are still experiencing single digit growth rates. This brief, using enrollment data through August 1, 2010, released by The Centers for Medicare and Medicaid Services (CMS), takes a look at industry trends and how companies have performed over the last year.

Market Overview

Total MA plan enrollment as of August 1, 2010 stands at 11,791,508 for all plan types, nearly 25% of the 47,473,930 Medicare eligibles, according to CMS Medicare Advantage penetration data as of August 2010. In the last year, Medicare Advantage plans added 619,221 net new members, 5.5% over 11,172,287 members as of August 2009. During the same period an estimated 1,420,550 people became eligible for Medicare, an increase of 3.1%.

Health Maintenance Organizations (HMO) still remain the most popular type of managed Medicare plan with more than 7.4 million members. Private fee-for-service (PFFS) plans have predictably declined, shedding 776,188 members in the last year. The decline in PFFS business has benefited all other plan types with Preferred Provider Organizations (PPO) picking up 843,064 new enrollees and HMOs adding 486,041 between August 2009 and August 2010. As of August 2010 HMO's market share increased to 63%, up from 62% in 2009. With the January 2011 deadline, marking the end of PFFS plans in most areas of the country, fast approaching, there are still 1,675,918 people enrolled in these plans as of August 2010.



Eight organizations have more than 250,000 enrollees and cover 56% of the MA market up from 53% in August 2009. UnitedHealth Group and Humana together support almost 33% of the market, up 0.8% from one year ago.

MA Organizations with >250,000 Enrollees in 2010						
Parent	Aug-06	2006 Share	Aug-08	2008 Share	Aug-10	2010 Share
UnitedHealth	1,459,212	20%	1,506,560	15%	2,066,790	18%
Humana	980,183	13%	1,409,538	14%	1,768,689	15%
Kaiser Foundation	881,931	12%	894,275	9%	985,236	8%
WellPoint	275,240	4%	458,435	5%	482,053	4%
Aetna	119,927	2%	360,383	4%	440,934	4%
Highmark	240,589	3%	265,043	3%	311,803	3%
Universal American	51,498	1%	239,715	2%	291,374	2%
Health Net	193,535	3%	283,609	3%	278,481	2%
Top Plans	4,202,115	57%	5,417,558	54%	6,625,360	56%
Other Plans	3,203,197	43%	4,679,471	46%	5,149,675	44%
Total*	7,405,312	100%	10,097,029	100%	11,775,035	100%

Source: CMS Monthly MA Enrollment Data, Available in Medicare Business Online™

* Total excludes demonstration plans and enrollment in plans and counties with less than 10 enrollees

Fifteen organizations saw growth of more than 20,000 members between August 2009 and August 2010. Humana's Regional PPO (R5826) saw the largest gain, increasing 236,683 members between August 2009 and August 2010. CIGNA's Medicare Access (H2762) PFFS plan added 95,981 net new members. UnitedHealth Group's nationwide PFFS plan, Secure Horizons Medicare Direct (H5435) also saw a large influx of new members gaining 89,009 during the period..

MA Organizations with the Largest Gains from August 2009 - August 2010				
Parent	Aug-09	Aug-10	Growth 2009-2010	Percent Change
Humana	1,509,764	1,768,689	258,925	17%
UnitedHealth	1,811,027	2,066,790	255,763	14%
CIGNA	49,379	148,012	98,633	200%
WellPoint	425,417	482,053	56,636	13%
Universal American	237,772	291,374	53,602	23%
Kaiser Foundation	933,693	985,236	51,543	6%
Leading Growth Plans	4,967,052	5,742,154	775,102	16%
All Others	6,205,488	6,032,881	-172,607	-3%
Total*	11,172,540	11,775,035	602,495	5%

Source: MFA Analysis of CMS Monthly MA Enrollment Data

* Total excludes demonstration plans and enrollment in plans and counties with less than 10 enrollees

With the first wave of baby boomer scheduled to reach 65 in 2011 and the open enrollment season just a few months away, plans are actively preparing for what promises to be an exciting year. Understanding what is happening on a national level is interesting, knowing what is going on at the local level is imperative. To learn more about what is happening in your area, contact Mark Farrah Associates at 207-985-8484.

Annual Election Period Approaches

Medicare Advantage plans have a shorter timeframe to attract new members for the upcoming 2011 calendar year. The 45-day period from November 15th through December 31, 2010, now referred to as the Annual Election Period (AEP) hasn't changed. Beneficiaries can join or disenroll from a MA plan during this timeframe. However, the Annual Disenrollment Period, during which seniors already in an MA plan may change plans or disenroll, has been shortened to 45 days between January 1 and February 15, 2011.

MFA clients rely on the Medicare Benefits Analyzer™ (MBA) for comparative analysis of Medicare plan benefits and competitive positioning by geographic market. MBA subscribers have access to more than 80 plan design attributes and co-pays in addition to county-level membership data. MBA also includes detailed star quality ratings data which CMS is more prominently promoting to seniors as important plan selection criteria. If you're manually compiling benefits and star ratings data from CMS Plan Finders on the Medicare.gov site, MBA will prove to be a huge time-savings tool. [CLICK HERE \(/products/medicare-benefits-analyzer.aspx\)](/products/medicare-benefits-analyzer.aspx) to learn more about Medicare Benefits Analyzer™.

About This Data

This brief is based on an analysis of enrollment data for Medicare Advantage plans released by The Centers for Medicare and Medicaid Services (CMS). Enrollment, premium, product and even corrective and enforcement action data can be accessed through the CMS website or Mark Farrah Associates' [Medicare Business Online™](#) (</products/medicare-business-online.aspx>) product. Mark Farrah Associates offers Medicare Business Online™ to make analysis of local markets, trends and competition easier. The database is updated monthly as soon as CMS releases new data to save organizations from having to aggregate and organize data themselves.

Medicare Business Online™

[Medicare Business Online™](#) (</products/medicare-business-online.aspx>) simplifies the tracking of Medicare Advantage and PDP growth and competition. Moderately priced for a 5-user annual subscription, Medicare Business Online™ provides our clients with timely, real value and up-to-date coverage within one convenient online portal.

About Mark Farrah Associates (MFA)

Mark Farrah Associates (MFA) is a leading data aggregator and publisher providing health plan market data and analysis tools for the healthcare industry. MFA partnered with Strategic Solutions Network to offer the Medicare and Medicaid conferences this year. Committed to simplifying analysis of health insurance business, our products include Medicare Business Online™, the new Medicare Benefits Analyzer™, Health Coverage Portal™, Health Insurer Insights™ and Health Plans USA™.

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