



Medicare Advantage Enrollment Up Over 1 Million Year Over Year

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by Debra A. Donahue

Over 13.3 million people were enrolled in Medicare Advantage (MA) plans as of February 2012, 27% of the 49.3 million people eligible for Medicare, according to data from The Centers for Medicare and Medicaid Services (CMS). Aggregated enrollment in MA plans increased by 1.151 million members between February 2011 and February 2012. Roughly 18% of MA enrollment is from employer group health plans (EGHPs). This brief, using enrollment data through February 1, 2012, takes a look at how companies have performed in the Medicare Advantage Market.

Market Overview

Total Medicare Advantage (MA) plan enrollment as of February 1, 2012 stood at 13,315,780, with a gain of 1,150,987 net new members from February 2011 to February 2012. The 9.5% growth rate was up significantly from 7.0% for the same timeframe one year ago. Carriers with more than 250,000 members cover more than 58% of all Medicare Advantage enrollees and added 742,000 new members year-over-year.

As of February 2012 there were 8 companies with more than 250,000 Medicare Advantage members. There were a few changes in the line-up from last year; with Blue Cross Blue Shield of Michigan joining the leading plans. Health Net, which was among the leading plans as of February 2011, reported 225,227 MA members as of February 2012.

February 2012 Top MA Organizations with Greater than 250,00 Members				
Parent	Feb-11	Feb-12	Percent Growth	Feb-2012 Market Share
UnitedHealth	2,229,378	2,460,072	10.3%	18.5%
Humana	1,901,262	2,191,393	15.3%	16.5%
Kaiser Foundation	1,015,055	1,077,483	6.2%	8.1%
WellPoint	596,666	654,136	9.6%	4.9%
Aetna	396,361	432,902	9.3%	3.3%
Healthspring	328,657	366,111	11.4%	2.7%
Highmark	326,142	328,093	0.6%	2.5%
BCBS of Michigan	238,593	264,128	10.7%	2.0%
Subtotal >250,000	7,032,114	7,774,318	10.6%	58.4%
All Others	5,132,679	5,541,462	8.0%	41.6%
Total	12,164,793	13,315,780	9.5%	100%

Source: Mark Farrah Associates (MFA) analysis of CMS enrollment data;
data is available in Medicare Business Online™

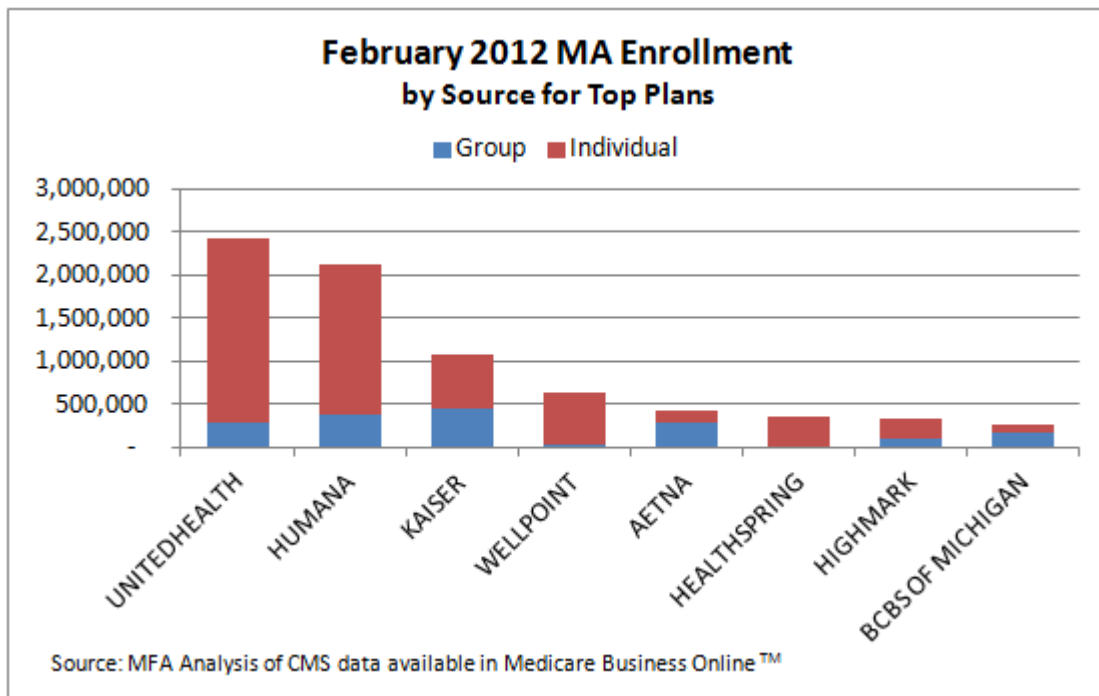
United Health remained the top MA organization in the country as of February 2012, but Humana, with a gain of more than 290,000 new MA members year-over-year, saw the largest increase from February 2011 to February 2012. UnitedHealth gained about 231,000 members during the same timeframe. Kaiser Foundation Health Plan and WellPoint also saw enrollment gains greater than 50,000 members.

MA Organizations with the Largest Gains from February 2011 to February 2012				
Parent	Feb-11	Feb-12	Growth 2011-2012	Percent Change
Humana	1,901,262	2,191,393	290,131	15.3%
UnitedHealth	2,229,378	2,460,072	230,694	10.3%
Kaiser Foundation	1,015,055	1,077,483	62,428	6.2%
WellPoint	596,666	654,136	57,470	9.6%
Healthspring	328,657	366,111	37,454	11.4%
Aetna	396,361	432,902	36,541	9.2%
Coventry	218,910	248,422	29,512	13.5%
WellCare	117,943	146,796	28,853	24.5%
Universal Health Care	96,422	123,667	27,245	28.3%
BCBS of Michigan	238,593	264,128	25,535	10.7%
Total	7,139,247	7,965,110	825,863	11.6%

Source: Mark Farrah Associates (MFA) analysis of CMS enrollment data;
data is available in Medicare Business Online™

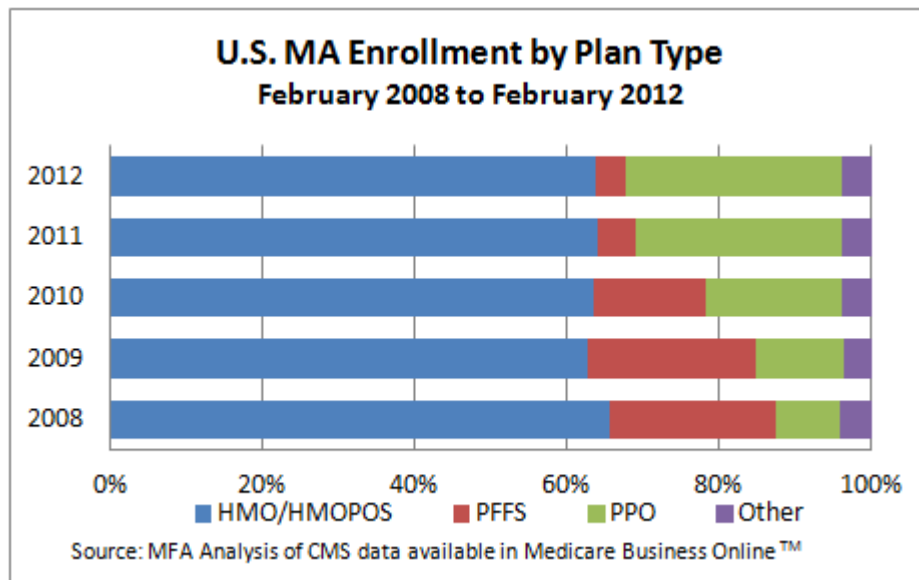
Four companies lost more than 9,000 members from February 2011 to February 2012. It appears that the QHP Group and University Health Care have exited the Medicare Advantage market, with losses of 11,004 and 9,752 members respectively. Sentara Healthcare, which lost 13,650 MA enrollees, may have dropped its local preferred provider organization (PPO) product. Universal American Financial saw a decline of 34,452 members. Universal American reported losses across all contracts and, with the exception of California, enrollment declined across all states.

Enrollment in Medicare Advantage plans is primarily through two sources, direct purchase by individuals or from an employer/group retiree plan. As of February 2012, 17.6% of MA enrollment comes from group plans, up 0.2 from February 2011. Kaiser Foundation Health Plans has the largest MA enrollment from group plans, with nearly 445,000 members from this source. Enrollment for the top three MA organizations comes from a variety of sources. Aetna and Blue Cross Blue Shield (BCBS) of Michigan have a larger percentage of group enrollment than individual. WellPoint and Health Spring have very little MA enrollment from group sources.



HMO's Remain Dominant Plan Type

Health maintenance organizations (HMO) and HMO point-of-service (HMOPOS) plans cover 64% of the Medicare Advantage population, the same as last year. Private-fee-for-service (PFFS) plan enrollment declined 1% with most of that enrollment switching to PPO plans. PPO plans now cover 28% of all MA enrollees, up from 27% as of February 2011. The percentage of enrollment in Other plan types, such as Cost or Medical Savings options, remained consistent for the last five years.



The 2012 annual enrollment period appears to have been a success for many plans, primarily due to the large number of seniors aging into the Medicare program. Many companies are evaluating how their 2012 results compared to expectations and to the local competition by using tools such as Mark Farrah Associates' (MFA) Medicare Business Online™ and Health Coverage Portal™. Using MFA's Medicare Benefits Analyzer (MBA), they are comparing and revising 2012 benefit packages and developing strategies to offer 2013 products that will attract and benefit seniors while ensuring the company is not adversely selected. The Centers for Medicare and Medicaid (CMS) reported 49.3 million people were eligible for Medicare as of February 2012. With only 27% enrolled in MA plans, there is still a lot of opportunity for growth in this highly competitive market.

About This Data

This brief is based on an analysis of enrollment and premium 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) (/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.

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's Medicare Business Online™ (MBO) product simplifies the tracking of Medicare Advantage and PDP growth and competition on a monthly basis. MBO coupled with Medicare Benefits Analyzer™ provides a full suite of business intelligence for the competitive Medicare Advantage market. Committed to simplifying analysis of health insurance business, our products include Medicare Business Online™, Medicare Benefits Analyzer™, Health Coverage Portal™, Health Insurer Insights™, Health Plans USA™ and the new County Health Coverage™, which offers population and health plan enrollment data by county nationwide.

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