



Medicare Advantage Plans Cover 15 Million

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Medicare Advantage (MA) plans enrolled 15.1 million as of December 1, 2013, up nearly 1.3 million members since December 1, 2012. Membership surpassed 15 million members in October. Despite conservative growth strategies, pricing concerns, reductions in service areas and the loss of 25 carriers servicing this market, the remaining 260 carriers saw aggregate enrollment growth of over 9% year-over-year. This brief, using enrollment data through December 1, 2013, released by The Centers for Medicare and Medicaid Services (CMS), takes a look at how companies have performed through 2013.

Market Overview

Total MA plan enrollment as of December 1, 2013 stood at 15,146,267, with a gain of 1,269,927 net new members from December 1, 2012. The 9.15% growth rate was down from 9.93% for the same timeframe one year ago. Nine organizations insure more than 250,000 members each and cover more than 65% of market. Currently, UnitedHealth Group and Humana together control nearly 38% of the market, up 0.9% from one year ago.

December 2013 Top MA Organizations with Greater than 250,00 Members					
Parent	Dec-12	Dec-13	Growth 2012-2013	% Change	Dec-13 MA Market Share
UnitedHealth	2,772,415	3,200,958	428,543	15%	21%
Humana	2,323,686	2,493,547	169,861	7%	16%
Kaiser Foundation	1,135,844	1,210,389	74,545	7%	8%
Aetna	447,417	967,834	520,417	116%	6%
WellPoint	698,084	634,157	-63,927	-9%	4%
Cigna	414,206	456,815	42,609	10%	3%
Highmark	331,996	339,691	7,695	2%	2%
BCBS of Michigan	276,689	313,518	36,829	13%	2%
Wellcare	173,326	289,059	115,733	67%	2%
Subtotal >250,000	8,573,663	9,905,968	1,332,305	16%	65%
All Others	5,302,677	5,240,299	-62,378	-1%	35%
Total	13,876,340	15,146,267	1,269,927	9%	100%
Source: Mark Farrah Associates (MFA) analysis of CMS enrollment data; data is available in MFA's Medicare Business Online™ product					

Four organizations saw growth of more than 100,000 members between December 2012 and December 2013. Aetna saw significant gains in part due to its acquisition of Coventry Health Care. Coventry had 258,600 members in December 2012.

MA Organizations with the Largest Gains from 2012 to 2013				
Parent	Dec-12	Dec-13	Growth 2012-2013	Percent Change
Aetna	447,417	967,834	520,417	116%
UnitedHealth	2,772,415	3,200,958	428,543	15%
Humana	2,323,686	2,493,547	169,861	7%
Wellcare	173,326	289,059	115,733	67%
Total	5,716,844	6,951,398	1,234,554	22%
Source: Mark Farrah Associates (MFA) analysis of CMS enrollment data; data is available in MFA's Medicare Business Online™ product				

In 2013, UnitedHealthcare offered Medicare Advantage plans for individuals in 47 states and the District of Columbia. The company, which saw organic growth of more than 20,000 members in seven states during 2013, acquired several companies in 2012. In Georgia and Texas, UnitedHealthcare gained more than 50,000 members in each state; and in Florida and Georgia the company added more than 40,000 members correspondingly.

Humana, with an aggressive Medicare Advantage growth strategy in many areas of the country, experienced mixed results in many states. However, in Kentucky it gained 50,254 members, 30% of its overall gain for the period. In Virginia and Florida, Humana's membership gains were 31,978 and 29,758 members, respectively.

During 2013 WellCare acquired many smaller Medicare Advantage and Medicaid plans including Easy Choice Health Plan in California, UnitedHealthcare's Medicaid business in South Carolina, and Missouri Care. In September 2013, WellCare also announced its intent to acquire Windsor Health Group which is located primarily in Mississippi, Tennessee, Arkansas, and South Carolina. Windsor Health Plans currently enroll over 59,000 MA members that are not included in the WellCare numbers reported here.

Individual versus Group Enrollment

Enrollment in Medicare Advantage plans is primarily through two sources, direct purchase by individuals or from an employer/group retiree plan. More than 17.4% of total Medicare Advantage enrollment comes through employer-sponsored group health plans (EGHP), on par with last year. EGHP enrollment growth, at 9.3% from 2012 to 2013, is the same percentage as gains from individually purchased MA products.

MA Organizations with the Largest EGHP Enrollment from 2012 to 2013				
Parent	Dec-12	Dec-13	Growth 2012-2013	Percent Change
Kaiser Foundation	461,031	478,234	17,203	4%
Aetna	297,658	461,760	164,102	55%
Humana	379,121	412,877	33,756	9%
UnitedHealth	296,202	304,879	8,677	3%
BCBS of MI	190,878	217,588	26,710	14%

Highmark	92,414	118,921	26,507	29%
Total	1,717,304	1,994,259	276,955	16%
Source: Mark Farrah Associates (MFA) analysis of CMS enrollment data; data is available in MFA's Medicare Business Online™ product				

Kaiser Foundation Health Plan continues to enroll the most members through employer-sponsored plans. However, Aetna and Humana are not far behind and both gained more members in 2013 than Kaiser did from this source.

HMO's Remain Dominant Plan Type

Health Maintenance Organizations (HMO) and HMO Point-of-Service (HMOPOS) plans still remain the most popular type of managed Medicare options with more than 9.7 million members; currently 65% of enrollees select this type of MA plan, up from 62% in 2009. Between 2012 and 2013, enrollment in HMO/HMOPOS plans increased 10%.

Local Preferred Provider Organization (PPO) plans experienced an aggregate increase of 331,000 members, 11%, from 2012 to 2013. As of December 2013, nearly 22% of MA enrollees are in Local PPOs, which makes this option the second most popular. Regional PPOs serve 8% of the population with MA coverage; enrollment in Regional PPOs is up 17% year-over-year.

Other plan types such as 1876 Cost, National PACE, Medical Savings Account (MSA) and, a new option, Medicare-Medicaid HMO/HMOPOS (MMPs) also saw enrollment growth year-over-year. These other plan types combined cover roughly 3% of MA enrollment. Private Fee-for-Service (PFFS) plans continue to decline, losing 26% of enrollment since December 2012; PFFS plans now enroll just 2% of those with MA coverage.

Despite conservative growth strategies, pricing concerns, reductions in service area and the loss of 25 carriers servicing this market, the remaining 260 carriers continued to see aggregate enrollment growth year-over-year. The 2014 annual enrollment period ended December 7, 2013 and it will be interesting to see how much more growth Medicare Advantage plans gain when the results appear next month. Many companies will use the year-end 2013 data to determine if their 2014 results met expectations and assess how they fared against 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 2014 benefit packages and developing strategies to offer 2015 products that will attract and benefit seniors while ensuring the company is not adversely selected. The Centers for Medicare and Medicaid (CMS) reported nearly 52.5 million people were eligible for Medicare as of December 2013. With only 29% 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 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 company site license, Medicare Business Online™ provides our clients with timely, real value and up-to-date coverage within one convenient online portal.

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