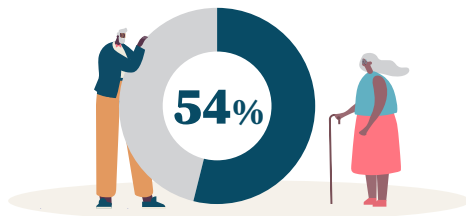


2024 Medicare Advantage Landscape

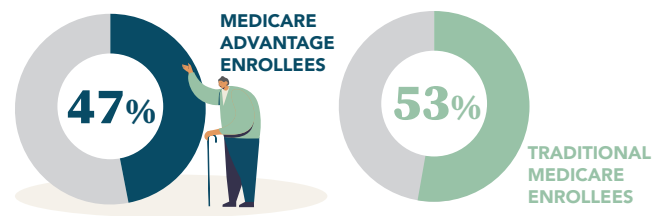
Medicare Advantage Serves Diverse Populations in Need of Supports

More than 32 million seniors and people with disabilities have elected to enroll in Medicare Advantage (MA), with enrollment projected to exceed 34 million by the end of 2024.¹



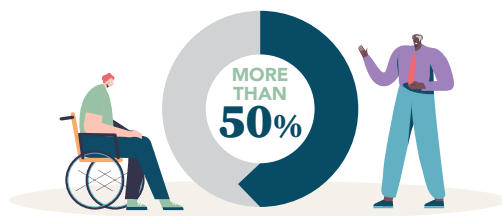
People of Color

About **54% of Medicare enrollees who belong to diverse populations choose Medicare Advantage**, including 59% of Hispanic or Latino/a individuals and 57% of Black individuals, as of 2021. These groups account for a much higher share of all MA enrollees (29%) than their share in original Medicare (19%).



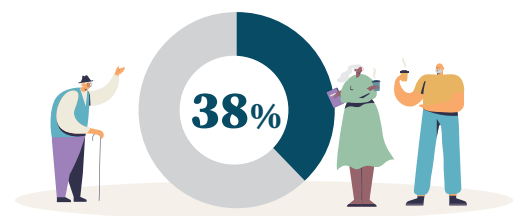
Health Status

MA enrollees are less likely to report being in Excellent or Very Good health compared with original Medicare enrollees (47% vs. 53%) and more likely to report being in Fair or Poor health (22% vs. 17%).



Dually-Eligible

More than 50% of all people in Medicare who are dually-eligible for Medicaid benefits are enrolled in MA, including over 70% of those eligible for partial Medicaid benefits.²



Low Income

About **38% of Medicare Advantage members have annual incomes of less than \$25,000** (by comparison, only 23% of original Medicare enrollees have incomes of less than \$25,000).



Gender

57% of MA enrollees are women; in original Medicare 53% of enrollees are women.



Rural

4 million people living in rural areas are enrolled in MA.

2024 MA Offerings Continued to Help Seniors; Some Consumers Were Impacted Due to Policy Changes

During last year's annual rate notice process for the 2024 payment year, the Centers for Medicare & Medicaid Services (CMS) made significant changes that resulted in lower payments to MA plans:

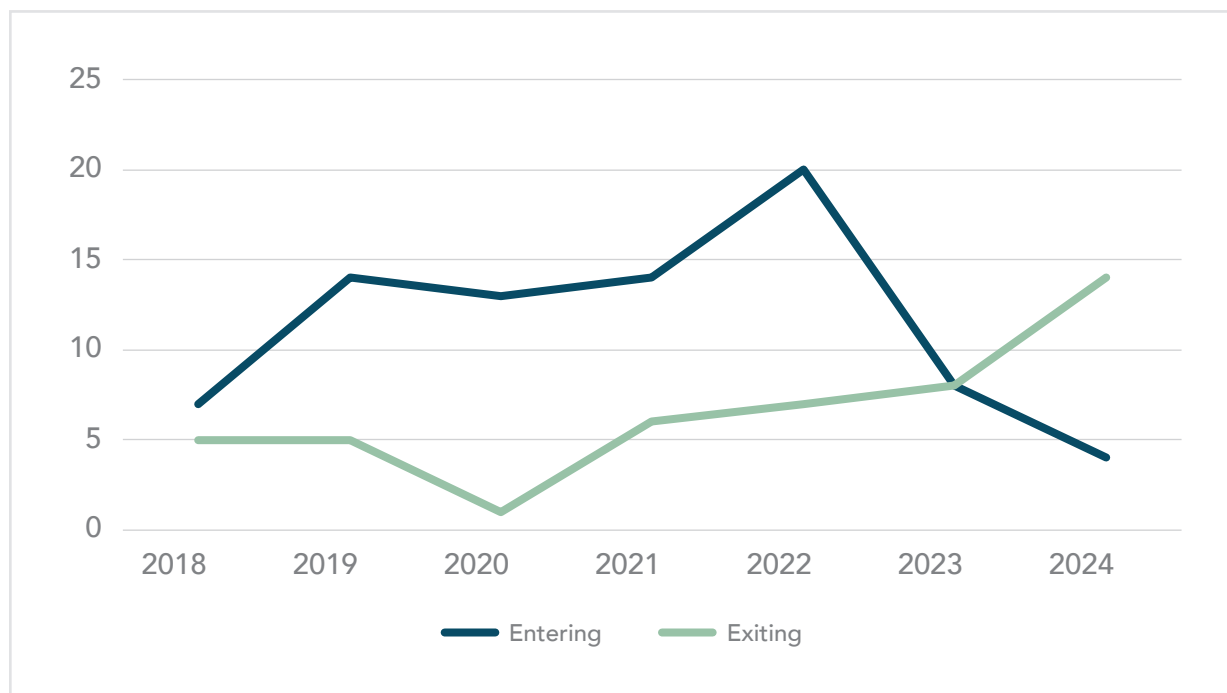
- Changes to Part C risk model.
- Changes to the calculation of the fee-for-service growth rate, which forms the basis of MA benchmarks.

The final rate notice for 2024 announced that it would phase in these changes, resulting in cuts that, though still significant, were somewhat lower than originally estimated.

The impacts from policy changes in the annual rate notice can be highly variable by geography/plan, with consumers in some areas likely seeing considerable changes compared to last year. Thus, while CMS noted at a national level MA premiums and benefits for 2024 are generally stable compared to 2023, consumers in some locations will see more significant changes for 2024 and likely for future years as the policy changes phase in.

Competition and Plan Choice: Reversing a trend over recent years, the number of firms exiting the MA market exceeds the number of firms entering the market:

MA Firm Entries and Exits



Source: KFF Medicare Advantage Spotlight: First Look, various years

- The number of plan offerings declined by 10% in 2024 (from 4,060 to 3,665).
- Plan choice and competition in the number of plans offered varies by region; some states, including Alabama, New Mexico, and Louisiana losing 20% or more of their plan options for 2024.

Premiums and Deductibles: MA premiums will increase by an average of 5.1% in 2024 (\$1.08).³

- The number of plans offering \$0 premiums is declining by 13%.
- Member deductibles are increasing by 12%, on average. While many plans will see no change in the deductible amount for 2024, for those plans that are increasing the deductible, the average deductible increase is 23%.
- Changes in premiums are geography-dependent. Some states will see average premium increases in excess of 50% for 2024, including the states of Florida, Utah, and Wyoming.

Special Needs Plans (SNPs): SNPs are not immune from premium and deductible increases for 2024. For those enrollees who are dually-eligible for Medicare and Medicaid benefits, it is likely they do not have to pay the higher premiums or deductibles directly, as the Medicaid program pays on their behalf. However, this means that state and federal Medicaid costs will increase.

- Member deductibles are increasing by 12.5%, on average, for 2024, while the average member deductible in SNPs is increasing by \$47.04.
- Some states will see average premium increases for SNPs exceeding 40%, including Illinois, Kansas, Kentucky, and Indiana.
- While overall the number of SNP plans is increasing in 2024 (by 4.3%), this varies by geography, with Massachusetts and California seeing declines of 15% or more in the number of SNPs in the market.

Supplemental Benefit Offerings: Taking enrollment into account, 13 out of 20 of the most popular supplemental benefit offerings will be available to fewer enrollees in 2024 (based on September 2023 enrollment), including important benefits like vision, hearing, dental, remote access technologies, transportation, post-acute care meal deliveries, and in-home supports. The following is a list of benefits with reduced availability in 2024 relative to 2023, in order of the number of enrollees losing benefits:

- | | | |
|--------------------------------------|--|-------------------------------|
| • In-home supports | • Acupuncture | • Vision |
| • Remote access technologies | • Post-acute meals | • Hearing |
| • Personal Emergency Response system | • Fitness | • Dental |
| • Transportation | • Smoking/tobacco cessation counseling | • Health education |
| | | • Nutritional/dietary benefit |

ABOUT AHIP

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit [AHIP.org](https://www.ahip.org) to learn how working together, we are Guiding Greater Health.

1 CMS Fact Sheet on 2024 premiums
2 MedPAC November 2023 meeting presentation
3 The data reflects an analysis of multiple CMS data sets to determine how premiums, deductibles, and supplemental benefits for 2024 compare with 2023.