

# Top Medicare advantage plans are less available in disadvantaged areas, study shows

July 23 2024

---



Credit: CC0 Public Domain

Looking for a Medicare Advantage plan with a five-star quality rating? You're less likely to find one available to you if you live in a county with higher poverty and unemployment, finds a new study [published](#) in *JAMA*

### *Network Open.*

These geographic disparities may be contributing to unequal health outcomes and limiting federal funds from reaching the regions most in need, according to the researchers.

"What this means is that Medicare beneficiaries living in counties with greater social disadvantage have fewer opportunities to choose highly rated Medicare Advantage plans that could be delivering high-quality care," said Avni Gupta, a [health policy](#) researcher who recently earned her Ph.D. in health policy and management from the NYU School of Global Public Health and is now at the Commonwealth Fund.

More than half of all Medicare beneficiaries—nearly 31 million people—enroll in Medicare Advantage plans, rather than choosing traditional Medicare. Medicare Advantage plans, also known as "Part C," are offered by private health insurance companies that contract with Medicare and typically bundle hospital, outpatient, and prescription drug coverage.

To help consumers compare the quality of Medicare Advantage programs, the Centers for Medicare & Medicaid Services (CMS) uses a five-star [rating](#) system, calculating scores based on nearly 40 indicators.

"Star ratings are meant to capture the performance of Medicare Advantage plans in past years, with better ratings demonstrating higher quality care in areas such as chronic care management, screenings, vaccinations and other preventive services, timely appointments, care coordination, customer service, and handling appeals," said Gupta, the study's lead author.

In addition, the star ratings determine the bonuses and rebate payments that insurance companies receive from CMS; larger payments to higher-

rated plans can translate into better supplemental benefits for beneficiaries.

With enrollment in Medical Advantage plans growing each year—and in particular, low-income Black and Hispanic adults enrolling at higher rates in recent years—Gupta and her colleagues sought to understand whether quality ratings vary based on where one lives.

Using 2023 Medicare Advantage star ratings—ranging from the highest ratings (4.5 or 5 stars) to lower ratings (less than 3.5 stars)—the researchers mapped the availability of plans in 3,075 US counties. They also looked at county-level characteristics using the Centers for Disease Control and Prevention's Social Vulnerability Index, a calculation of 16 social determinants of health, including poverty, unemployment, education, disability, race and ethnicity, English language proficiency, housing, and access to transportation.

They found that Medicare Advantage plans in the most disadvantaged counties were less likely to be highly rated (4.5 stars or higher) and more likely to have low ratings (3.5 stars or less).

"Our findings imply that beneficiaries who might gain the most from supplemental benefits may only be able to choose from plans that are least likely to have the [financial resources](#) to provide these benefits, given that lower star ratings translate to lower bonuses and rebates to insurance plans," added Gupta. "Such a pattern of star ratings and county-level social vulnerability could exacerbate inequities in health care access, experience, and outcomes."

The researchers note that Medicare policies that account for area-level vulnerability in the star rating system or incentivize plans serving such areas could help promote equity.

In addition to Gupta, study authors include José Pagán and Diana Silver of the NYU School of Global Public Health, Sherry Glied of NYU's Robert F. Wagner Graduate School of Public Service, and David Meyers of Brown University School of Public Health.

**More information:** Avni Gupta et al, Medicare Advantage Plan Star Ratings and County Social Vulnerability, *JAMA Network Open* (2024).

[DOI: 10.1001/jamanetworkopen.2024.24089](https://doi.org/10.1001/jamanetworkopen.2024.24089)

Provided by New York University

Citation: Top Medicare advantage plans are less available in disadvantaged areas, study shows (2024, July 23) retrieved 23 July 2024 from <https://medicalxpress.com/news/2024-07-medicare-advantage-disadvantaged-areas.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.