

## PLAN ENROLLMENT PATTERNS AND TRENDS

Prepared by Marsha Gold and Dawn Phelps<sup>i</sup>; and Gretchen Jacobson and Tricia Neuman<sup>ii</sup>

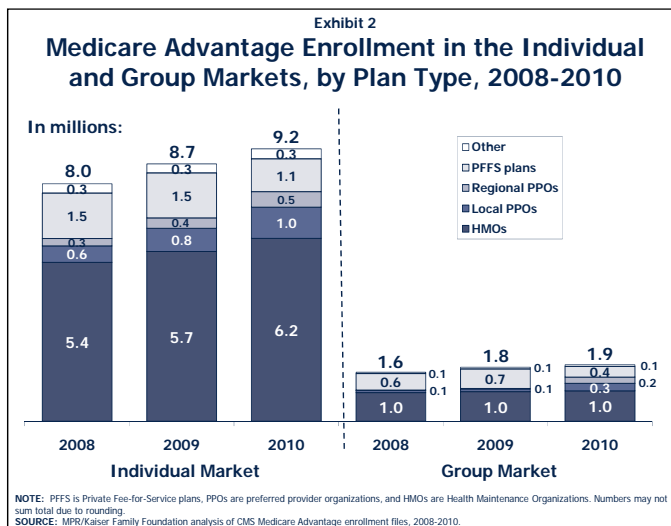
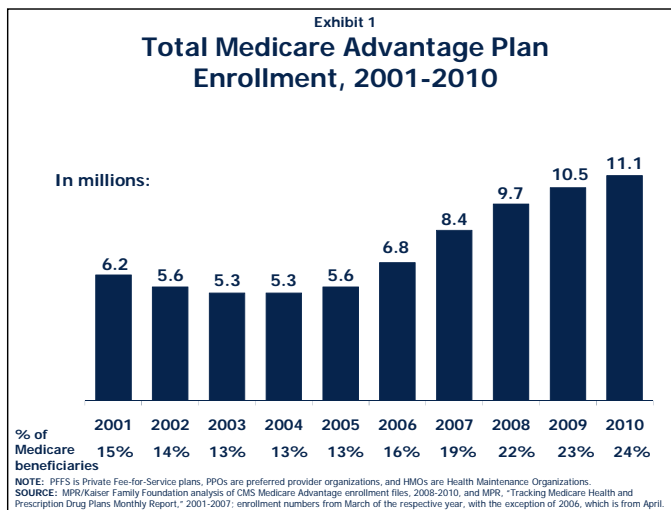
June 2010

In March 2010, 11.1 million Medicare beneficiaries were enrolled in Medicare Advantage (MA) plans, up from 10.5 million in March 2009, and 5.6 million in 2005 before most provisions of the MMA<sup>1</sup> were implemented. In 2010, enrollment in private fee-for-service (PFFS) Medicare Advantage plans declined as some firms left the market but the losses were more than offset by gains in enrollment in coordinated care plans, particularly local and regional preferred provider organizations (PPOs).

In general, our analysis finds a small number of firms dominate Medicare Advantage enrollment both nationally and in most states; for example, in 14 states and the District of Columbia, a single firm accounts for more than half of all Medicare Advantage enrollment. The average Medicare beneficiary in 2010 has 33 Medicare Advantage plans available in their area, with the average enrollee paying a monthly premium of \$44 per month, a 22 percent increase since 2009 (\$36 per month). The health reform legislation of 2010 gradually phases down payments to Medicare Advantage plans over time which is expected to ultimately affect plan participation, enrollment, premiums and extra benefits. Yet, even with these changes, Medicare Advantage plans can be expected to remain an important option for many beneficiaries.

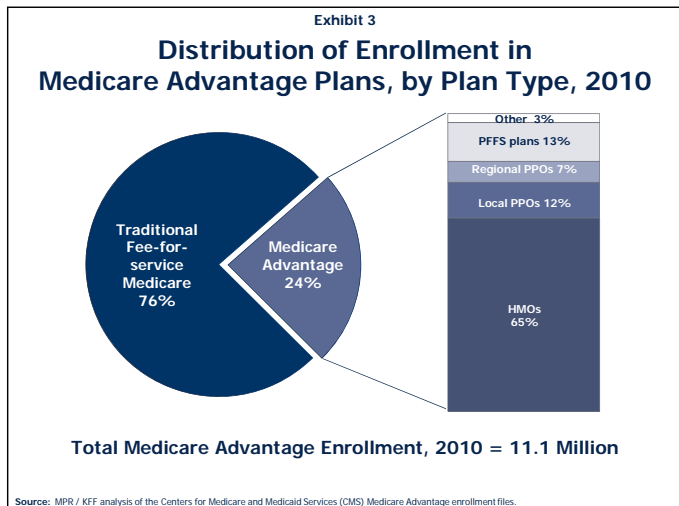
### Key Findings

**Enrollment Nationwide.** Medicare Advantage enrollment increased 5.7 percent between 2009 and 2010, with 11.1 million beneficiaries in Medicare Advantage plans, or almost 1 in 4 (24 percent) Medicare beneficiaries (**Exhibit 1**). Most (83 percent) beneficiaries in Medicare Advantage plans enrolled individually; the rest are retirees enrolled through group plans offered by a former employer. In 2010, individual enrollment increased 5.8 percent and group enrollment increased 4.9 percent (**Exhibit 2**). The gain in enrollment occurred even though the total number of Medicare Advantage plans declined by 18 percent from 2009 to 2010, mostly due to fewer PFFS plans and consolidation of smaller plans.<sup>2</sup>

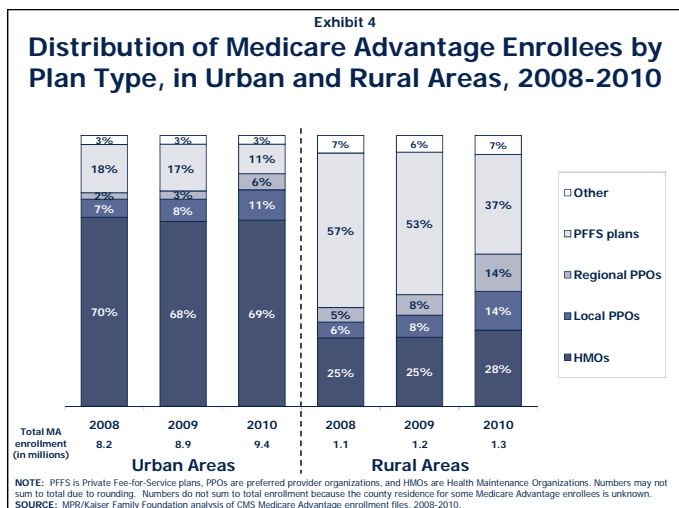


Author affiliations: <sup>i</sup> Mathematica Policy Research, Inc. <sup>ii</sup> Kaiser Family Foundation

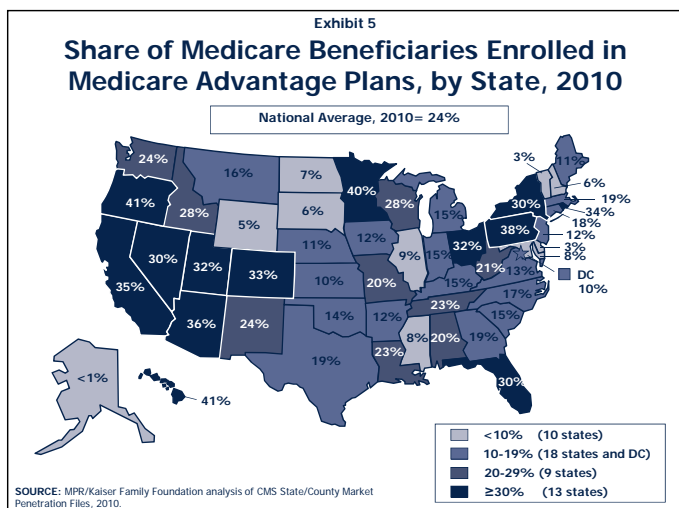
**Enrollment by Plan Type.** The distribution of enrollment across plan types shifted in 2010, with fewer beneficiaries in PFFS plans and more beneficiaries in PPOs. PFFS enrollment declined by 0.7 million in 2010, reversing what had previously been a steady growth in enrollment since 2005. The decline in PFFS enrollment was more than offset by a 43 percent increase in PPO enrollment between 2009 and 2010. As was the case in previous years, HMOs dominate enrollment, with nearly two-thirds of all Medicare Advantage enrollees (65 percent) in an HMO in 2010, but local and regional PPOs — whose enrollment almost doubled between 2009 and 2010 — now have a growing share of the market. In 2010, 12 percent of Medicare Advantage enrollees were in local PPOs and 7 percent in regional PPOs (**Exhibit 3**). The growth in regional PPOs is driven heavily by the almost doubling of PPO enrollment in UnitedHealthcare regional PPOs and the substantial growth in this segment by Humana (see **Appendix Table 1**).



**Enrollment in urban and rural counties.** HMOs dominate enrollment in urban counties (69 percent), while PFFS plans account for the largest share of enrollment in rural counties (37 percent). Local and regional PPOs gained a substantially larger share of the rural market, with the rural market share of each increasing from 8 percent in 2009 to 14 percent in 2010 (**Exhibit 4**).

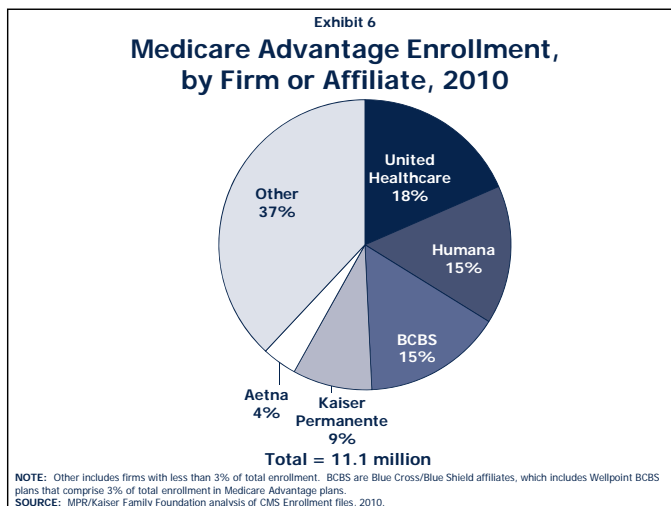


**Geographic Variation in Enrollment.** Reflecting both the greater prevalence of Medicare Advantage plans in urban counties as well as other factors that account for variation in Medicare Advantage enrollment,<sup>3</sup> Medicare Advantage penetration varies substantially by state (**Exhibit 5**, see also **Appendix Tables 2 and 3**). In 10 states (AK, DE, IL, MD, MS, ND, NH, SD, VT, WY) less than ten percent of all beneficiaries are in a Medicare Advantage plan. Medicare Advantage continues to be virtually nonexistent in Alaska, with 85 people enrolled in 2010. By contrast, 41



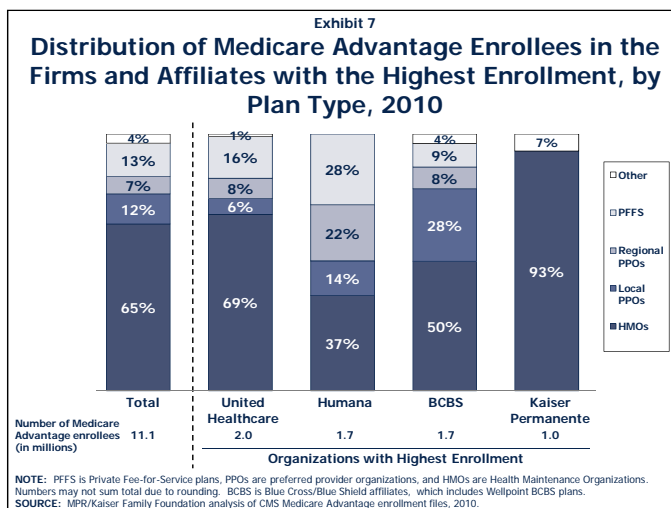
percent of beneficiaries living in Oregon are enrolled in a Medicare Advantage plan, and in 12 other states, 30 percent or more of beneficiaries are in a Medicare Advantage plan. Even within states, Medicare Advantage penetration often varies considerably across counties. For example, 36 percent of beneficiaries in Queens county, New York are enrolled in Medicare Advantage plans in 2010, but only 20 percent of beneficiaries in Nassau county, the neighboring county, are enrolled in Medicare Advantage plans in 2010.

**Enrollment by Firm.** A small number of firms continue to dominate the Medicare Advantage market (**Exhibit 6**). One third of all Medicare Advantage enrollees in 2010 are in plans affiliated with two firms — UnitedHealthcare (18 percent) and Humana (15 percent). Blue Cross/Blue Shield (BCBS) affiliates, which are multiple independent firms sharing the BCBS trademark, account for 15 percent. Kaiser Permanente accounts for the next largest share of the market (9 percent) and Aetna accounts for 4 percent. The remainder of enrollment is in a combination of other national firms



(such as Universal American, HealthNet, Coventry, Health Spring and Wellcare) and more locally based firms, some of which are relatively large within their individual markets (see **Appendix Table 1**). Some large firms experienced large decreases in enrollment between 2009 and 2010, including Coventry (60 percent decrease), WellCare (53 percent decrease), Wellpoint (40 percent decrease), and Sterling (29 percent decrease).

Firms differ in their reliance on different types of plans (**Exhibit 7**). Kaiser Permanente is almost exclusively focused on HMOs: 93 percent of all Kaiser Permanente enrollees are in HMOs and the rest are in similarly structured cost contracts. HMOs also account for a large share (69 percent) of UnitedHealthcare enrollees with the rest in local PPOs (6 percent), regional PPOs (8 percent) and PFFS plans (16 percent). While HMO enrollment also dominates enrollment in BCBS affiliates (50 percent of total enrollment), local PPOs also are important, and account for 28 percent of enrollment. Humana, in contrast, relies much more on PFFS plans (28 percent of total enrollment) and regional and local PPOs (22 percent and 14 percent of enrollment, respectively).

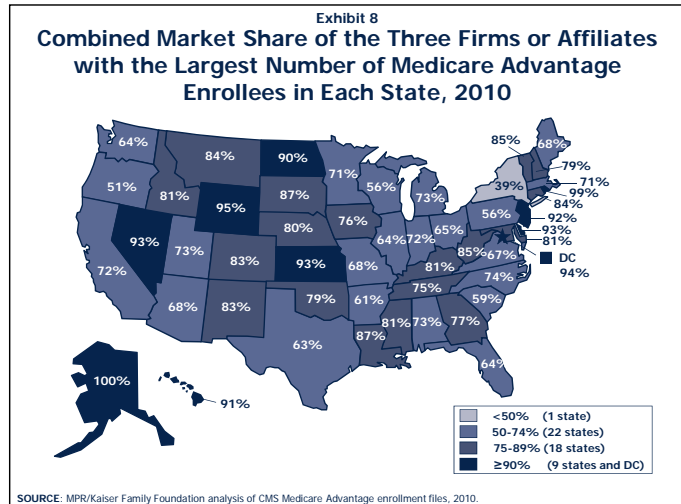


**Enrollment in Group Plans.** Group enrollment accounts for a larger share of the market for Kaiser Permanente and Aetna than it does for UnitedHealthcare and Humana. However Humana, previously not a player in the group market, more than tripled its group enrollment in 2010, which reflects the new 2010 contract for Ohio’s public employees retirement plan.<sup>4</sup>

**Enrollment in SNPs.** Enrollment in Special Needs Plans (SNPs) was relatively flat between 2009 and 2010, with 1.3 million enrollees each year, the majority of whom (0.8 million) were in SNPs for beneficiaries dually eligible for Medicare and Medicaid (data not shown). Enrollment in SNPs is less concentrated among companies than enrollment in other plan types.

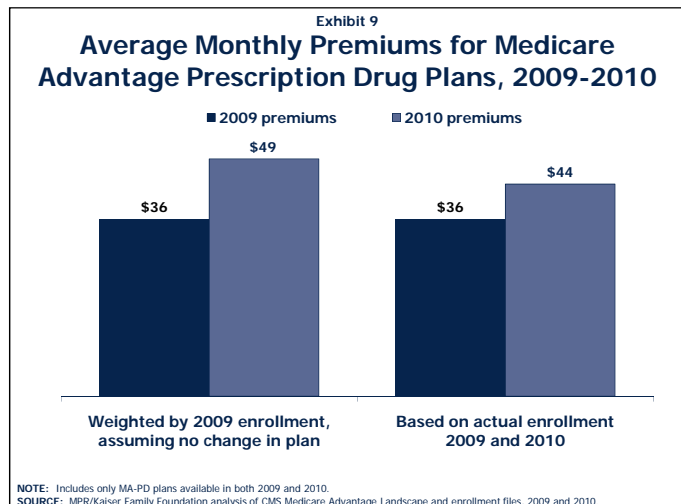
UnitedHealthcare has the largest share (21 percent) of SNP enrollment; the next largest firm, Kaiser Permanente, has only 5 percent of the SNP market (see **Appendix Table 4**).

**Market Concentration.** In addition to dominating the national market, a small number of firms account for a large share of Medicare Advantage enrollment at the state level, reflecting a mix of dominant national companies, local BCBS affiliates and, in a few states, large local independent plan sponsors. In 27 states and the District of Columbia, three companies account for 75 percent or more of enrollees. In another 22 states, three companies account for 50-74 percent of all enrollees (**Exhibit 8**).<sup>5</sup> In 14 states (AK, CT, DE, GA, KS, KY, LA, NE, NV, ND, RI, SD, VT, WV) and the District of Columbia, a single firm accounts for 50 percent or more of enrollment (see **Appendix Table 5**).



Major national firms are important players across the states. UnitedHealthcare is the largest firm in 13 states and among the top 3 firms in another 21 states and the District of Columbia. Humana is the largest firm in 18 states and among the top 3 firms in another 11 states. BCBS affiliates are the largest firm in 7 states (AL, HI, ID, MI, OR, PA, and RI) and among the top 3 in another 8 (AR, MA, NC, NJ, SD, UT, WA, and WV).<sup>6</sup> In contrast, Kaiser Permanente's presence is more geographically focused than the other major national firms or affiliates, with a heavy concentration in California, the District of Columbia, Maryland, Colorado, Hawaii, and Oregon.

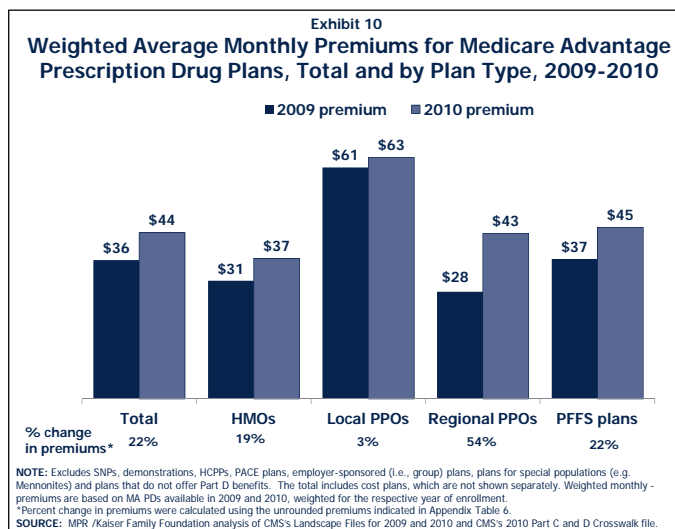
**Premiums.** The average enrollee in an individual Medicare Advantage plan with Part D coverage (MA-PD) paid a premium of \$44 per month in 2010, up 22 percent from \$36 in 2009 (**Exhibit 9**). In an analysis in November 2009, we estimated that the average premium for MA-PD enrollees currently enrolled in a plan that was continuing in 2010 would increase 32 percent --- from \$36 to \$49. The fact that the overall increase now based on all 2010 enrollees is somewhat smaller reflects both the shift of some 2009 enrollees to lower premium plans in 2010 and the choices made by new enrollees.



In 2010, average monthly premiums, weighted by enrollment, are lower for MA-PD HMOs (\$37) than local PPOs (\$63) (**Exhibit 10**; see **Appendix Table 6**).

Average premiums for PFFS and regional PPOs are situated in between. The average HMO premium paid by a MA-PD enrollee increased 19 percent between 2009 and 2010, as compared to little to no increase in the average premium for local PPOs, a 54 percent increase in average premiums for regional PPOs, and 22 percent increase in average premiums for PFFS plans. Almost half of all MA-PD enrollees in 2010 (46 percent) are in plans that charge no additional premium

for coverage, including 58 percent of enrollees in HMOs and 48 percent of enrollees in regional PPOs, the latter of which largely reflects UnitedHealthcare's plan design, as discussed below (see **Appendix Table 7**). Only 23 percent of local PPO enrollees and 15 percent of PFFS plan enrollees are in zero premium plans.



Variation in premiums across the different types of Medicare Advantage plans reflects strategic marketing decisions made by firms, such as whether to emphasize low premiums or extra benefits. Premiums are also influenced by factors that firms can only partially control, such as the efficiency of different plan types and geographical variation in costs. Kaiser Permanente, for example, has a unique delivery system and probably relies less on low premiums than on the attractiveness of the overall package to attract and retain enrollees; only 27 percent of Kaiser Permanente's MA-PD HMO enrollees are in zero premium plans. Low premiums, in contrast, appear to be more important in marketing UnitedHealthcare's plans, where 80 percent of HMO enrollees, 81 percent of local PPO enrollees, and 97 percent of regional PPO enrollees are in zero premium plans.

Although firms face some restrictions in the ways they can configure Medicare Advantage benefits,<sup>7</sup> Medicare's gaps and sizeable cost-sharing requirements leave considerable room to vary the ways in which Medicare Advantage benefits and cost-sharing, in particular, are structured. Such variation in design can lead to substantial differences in expected cost-sharing for beneficiaries needing more or less care.<sup>8</sup>

## Conclusions

The trend toward growth in Medicare Advantage enrollment continued in 2010 despite the drop in number of available Medicare Advantage plans, particularly PFFS plans, and increases in Medicare Advantage premiums. Enrollment in local and regional PPOs has increased, giving PPOs a larger role in the Medicare Advantage market. Although regional PPOs tend to have less comprehensive benefits than other plan types,<sup>9</sup> they offer broad geographical coverage with relatively low premiums, which appears to have made them attractive to certain enrollees.

Traditionally, Medicare Advantage has been most attractive to moderate income individuals who are less likely than higher income beneficiaries to have access to employer-sponsored retiree health benefits, and less likely than lower income beneficiaries to qualify for Medicaid. PPOs may be positioning themselves to compete for higher income beneficiaries, particularly as

Medigap premiums increase and employer-sponsored retiree coverage erodes. To the extent that PPOs are beginning to compete for moderate to higher income beneficiaries, they may have greater flexibility than other Medicare Advantage plans to raise premiums to compensate for payment reductions in future years.

The health reform legislation of 2010 made a number of changes to the Medicare Advantage program, including reductions in payments over time that are intended to bring average payments to plans closer to Medicare fee-for-service costs, reward high quality plans, and strengthen protections for beneficiaries enrolled in Medicare Advantage plans.<sup>10</sup> Over time, these changes are expected to affect plan participation, enrollment, premiums and benefits. With dozens of Medicare Advantage plans available to beneficiaries throughout the country, and with payment changes phased in gradually, Medicare Advantage plans are likely to remain a key option for beneficiaries in the future. Still, changes in the Medicare Advantage marketplace could pose uncertainties for beneficiaries, similar to what occurred in the late 1990s following the Balanced Budget Act of 1997.<sup>11</sup>

Although competition is a stated goal of Medicare Advantage, in fact the market is very concentrated and a few firms are responsible for plans that include a very large share of enrollees. With many highly concentrated markets, Medicare Advantage is more similar to an oligopolistic market than a competitive market. That is, a few firms dominate enrollment at the national level, and at the state level. This dominance may allow them disproportionate influence over the Medicare Advantage market. Even with changes in the Medicare Advantage program, Medicare Advantage plans can be expected to remain an important option for many beneficiaries, and decisions made by Medicare Advantage firms could have important implications for beneficiaries' out-of-pocket costs and access to providers – effects which should continue to be monitored.

## References

---

<sup>1</sup> The MMA is the Medicare Prescription Drug, Improvement and Modernization Act of 2003, P.L. 108-173.

<sup>2</sup> Gold M, Phelps D, Neuman T, and Jacobson G, Medicare Advantage 2010 Data Spotlight: Plan Availability and Premiums, Washington DC: Kaiser Family Foundation, November 2009.

<sup>3</sup> Brown RS and Gold MR. "What Drives Medicare Managed Care Growth?" Health Affairs, Nov/Dec 1999, 140–149.

<sup>4</sup> For more information, see OPERS Medicare Guide, 2010; available at [<https://www.opers.org/pubs-archive/healthcare/medicare-guide.pdf>]

<sup>5</sup> In 8 states and DC, 75 percent or more of Medicare Advantage enrollees are in one of two companies.

<sup>6</sup> For a list of Blue Cross Blue Shield affiliates, see BlueCross BlueShield Association, *2010 Medicare Advantage and Prescription Drug Plans Offered by Blue Cross and Blue Shield Plans*, November 2009.

<sup>7</sup> Plans may be more restricted in future years due to changes made in the health reform legislation, including new cost-sharing limits for chemotherapy, dialysis, and skilled nursing facility services.

<sup>8</sup> Gold M, Hudson M, Jacobson G and Neuman T, Medicare Advantage 2010 Data Spotlight: Benefits and Cost Sharing, Washington DC: Kaiser Family Foundation, February 2010. See also, Gold M. "Medicare's Private Plans: A Report Card on Medicare Advantage," Health Affairs Web Exclusive, November 2008.

<sup>9</sup> Gold M, Hudson M, Jacobson G and Neuman T, Medicare Advantage 2010 Data Spotlight: Benefits and Cost Sharing, Washington DC: Kaiser Family Foundation, February 2010.

<sup>10</sup> For more information, see Kaiser Family Foundation, "Explaining Health Reform: Key Changes in the Medicare Advantage Program," May 2010.

<sup>11</sup> See Neuman P and Langwell KM, "Medicare's Choice explosion? Implications for beneficiaries," Health Affairs, January 1999, 150-160. Also see Gold M. "Medicare+Choice: An Interim Report Card," Health Affairs, July/August 2001, pp. 120-138.

Appendix Table 1. Medicare Advantage Enrollment by Firm, 2009-2010

Firm or Affiliate	Total enrollment		HMOs		Local PPOs		Regional PPOs		PFSS		Cost		Other	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
<b>Total Enrollment</b>														
UnitedHealthcare	1,736,220	2,003,838	1,292,629	1,387,479	123,546	123,937	84,043	159,955	232,017	327,977			3,985	4,490
Humana	1,407,158	1,679,429	570,162	622,162	140,206	228,125	143,641	366,710	553,149	462,432				
BCBS	1,825,764	1,670,793	920,433	843,046	401,747	471,891	83,276	141,302	378,461	153,019	40,318	60,239	1,529	1,296
Wellpoint BCBS	316,945	384,170	178,703	172,619	25,400	43,343	62,523	119,315	50,319	48,883				
Other BCBS plans	1,508,819	1,286,623	741,730	670,427	376,347	428,548	20,753	21,987	328,142	104,126	40,318	60,239	1,529	1,296
Kaiser Permanente	909,414	957,442	848,696	894,429							60,718	63,013		
Coventry	451,465	184,584	115,404	116,504	50,298	68,080			284,387				1,376	
Aetna	394,968	420,353	142,610	171,461	30,282	164,289	1,187		220,489	84,603				
HealthNet	274,434	270,443	234,571	234,549	23,079	35,894	4,176		12,608					
Universal American	200,162	245,093	58,725	62,031	1,075	17,535			140,185	165,236			177	291
WellCare	251,248	117,725	153,107	117,725	759				97,382					
HealthSpring	170,212	192,416	169,024	189,662	1,188	2,754								
Wellpoint (non-BCBS)	100,395	60,188												
Sterling	84,407	60,296												
Cigna	41,028	130,563	32,665	35,871									231	252
Other	2,643,087	3,149,390	2,166,027	2,514,140	104,616	183,169	46,082	70,672	73,410	117,586	177,423	191,081	75,529	72,732
<b>Total</b>	<b>10,489,562</b>	<b>11,142,553</b>	<b>6,704,053</b>	<b>7,189,059</b>	<b>876,796</b>	<b>1,295,674</b>	<b>362,405</b>	<b>738,639</b>	<b>2,185,022</b>	<b>1,525,787</b>	<b>278,459</b>	<b>314,333</b>	<b>82,827</b>	<b>79,061</b>
<b>Individual Plans</b>														
UnitedHealthcare	1,572,222	1,775,328	1,179,211	1,281,881	123,546	120,246	82,836	158,940	182,644	209,771			3,985	4,490
Humana	1,328,310	1,403,116	557,630	605,424	139,599	223,429	138,872	157,914	492,209	416,349				
BCBS	1,446,758	1,452,585	802,709	727,871	333,456	401,778	82,517	140,550	190,985	125,529	35,562	55,561	1,529	1,296
Wellpoint BCBS	316,353	384,170	178,111	172,619	25,400	43,343	62,523	119,315	50,319	48,883				
Other BCBS plans	1,130,405	1,068,415	624,598	555,252	308,056	358,435	19,994	21,235	140,666	76,636	35,562	55,561	1,529	1,296
Kaiser Permanente	513,025	548,894	474,910	509,500							38,115	39,394		
Coventry	343,254	171,649	103,729	105,288	47,900	66,361			190,249				1,376	
Aetna	169,029	167,831	117,573	147,800	23,375	15,796	1,152		26,929	4,235				
HealthNet	226,767	222,192	187,573	186,298	23,079	35,894	4,176		11,939					
Universal American	197,992	243,460	56,921	60,398	1,075	17,535			139,819	165,236			177	291
WellCare	251,248	117,725	153,107	117,725	759				97,382					
HealthSpring	167,111	189,573	165,923	186,819	1,188	2,754								
Wellpoint (non-BCBS)	100,082	59,985												
Sterling	84,222	60,124												
Cigna	32,113	116,509	29,829	33,492									231	252
Other	2,284,629	2,755,148	1,899,781	2,213,927	87,063	160,561	46,082	70,672	29,425	78,807	146,749	158,449	75,529	72,732
<b>Total</b>	<b>8,716,762</b>	<b>9,284,119</b>	<b>5,728,896</b>	<b>6,176,423</b>	<b>781,040</b>	<b>1,044,354</b>	<b>355,635</b>	<b>528,076</b>	<b>1,547,938</b>	<b>1,202,801</b>	<b>220,426</b>	<b>253,404</b>	<b>82,827</b>	<b>79,061</b>
<b>Group Plans</b>														
UnitedHealthcare	163,998	228,510	113,418	105,598		3,691	1,207	1,015	49,373	118,206				
Humana	78,848	276,313	12,532	16,738	607	4,696	4,769	208,796	60,940	46,083				
BCBS	379,006	218,208	117,724	115,175	68,291	70,113	759	752	187,476	27,490	4,756	4,678		
Wellpoint BCBS	592		592											
Other BCBS plans	378,414	218,208	117,132	115,175	68,291	70,113	759	752	187,476	27,490	4,756	4,678		
Kaiser Permanente	396,389	408,548	373,786	384,929							22,603	23,619		
Coventry	108,211	12,935	11,675	11,216	2,398	1,719			94,138					
Aetna	225,539	252,522	25,037	23,661	6,907	148,493	35		193,560	80,368				
HealthNet	47,667	48,251	46,998	48,251					669					
Universal American	2,170	1,633	1,804	1,633					366					
WellCare														
HealthSpring	3,101	2,843	3,101	2,843										
Wellpoint (non-BCBS)	313	203							313	203				
Sterling	185	172							185	172				
Cigna	8,915	14,054	2,836	2,379					6,079	11,675				
Other	358,458	394,242	266,246	300,213	17,553	22,608			43,985	38,789	30,674	32,632		
<b>Total</b>	<b>1,772,800</b>	<b>1,858,434</b>	<b>975,157</b>	<b>1,012,636</b>	<b>95,756</b>	<b>251,320</b>	<b>6,770</b>	<b>210,563</b>	<b>637,084</b>	<b>322,986</b>	<b>58,033</b>	<b>60,929</b>		

NOTE: BCBS are Blue Cross / Blue Shield affiliates, which includes Wellpoint BCBS plans.  
 SOURCE: MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2009-2010.

**Appendix Table 2. Enrollment by State and Plan Type, 2010**

State	Total	HMOs	Local PPOs	Regional PPOs	PFFS plans	Cost plans	Other	% Change, 2008-2010
Alabama	170,832	96,289	61,171	1,801	10,582		989	17%
Alaska	85				85			-7%
Arizona	326,287	286,228	13,599	10,487	15,641		332	7%
Arkansas	65,172	19,492	5,814	7,333	31,813		720	20%
California	1,640,546	1,527,392	1,601	54,042	49,164	4,853	3,494	9%
Colorado	199,406	145,827	8,810		21,163	21,365	2,241	12%
Connecticut	98,368	81,244	5,303	5,357	6,464			35%
Delaware	4,732	1,952	684		2,096			8%
District of Columbia	7,328	1,534	689		151	4,954		6%
Florida	975,406	726,827	61,569	159,302	27,016		692	16%
Georgia	233,567	40,074	21,986	31,358	140,149			81%
Hawaii	82,747	26,097	14,377	3,738	2,252	36,270	13	17%
Idaho	62,522	23,152	12,049		26,086		1,235	29%
Illinois	168,749	85,445	29,545	11,364	35,359	1,347	5,689	10%
Indiana	148,050	11,915	42,966	42,561	48,066	1,426	1,116	33%
Iowa	61,787	15,244	11,230	3,114	24,694	7,008	497	16%
Kansas	42,681	11,619	15,851	1,927	11,014		2,270	23%
Kentucky	111,123	26,979	21,449	22,201	35,695	41	4,758	23%
Louisiana	153,947	128,727	863	3,685	20,466		206	21%
Maine	29,195	13,041	2,319		13,835			151%
Maryland	58,019	23,236	5,644		6,064	21,889	1,186	21%
Massachusetts	197,275	144,853	14,907	4,447	30,382		2,686	7%
Michigan	243,166	121,595	32,122	16,256	72,192		1,001	-26%
Minnesota	309,787	108,300	4,509	15,752	47,128	134,098		27%
Mississippi	40,015	15,539	5,212	4,063	15,167		34	13%
Missouri	195,019	117,942	39,300	5,366	31,175		1,236	18%
Montana	27,442		4,476	365	22,580		21	28%
Nebraska	29,818	10,288	1,601	1,679	14,389		1,861	11%
Nevada	104,314	90,728	3,448	4,432	5,491		215	8%
New Hampshire	13,027	134			12,893			73%
New Jersey	158,359	133,034	5,348		18,804		1,173	27%
New Mexico	74,123	53,553	12,187		7,681		702	17%
New York	874,087	688,074	108,149	19,203	47,769	3,542	7,350	15%
North Carolina	244,599	114,700	21,034	4,658	103,953		254	15%
North Dakota	7,077			35	5,213	1,795	34	7%
Ohio	607,780	258,870	127,215	154,993	45,234	19,349	2,119	35%
Oklahoma	84,493	58,477	11,674	798	13,348		196	17%
Oregon	249,634	131,718	96,377		20,223		1,316	9%
Pennsylvania	848,395	563,113	205,787	3,951	65,206		10,338	6%
Rhode Island	62,351	52,159	1,262	8,534	252		144	-1%
South Carolina	110,392	9,313	10,252	22,323	68,105		399	27%
South Dakota	8,781		1,448	1,005	6,214	114		-17%
Tennessee	239,112	170,417	21,349	3,881	42,562		903	25%
Texas	546,136	378,876	30,166	55,798	55,272	23,266	2,758	23%
Utah	89,667	34,606	35,437		18,232		1,392	32%
Vermont	3,502			697	2,740		65	63%
Virginia	145,803	11,603	19,482	1,474	97,411	12,294	3,539	26%
Washington	230,966	156,498	29,690		44,161		617	21%
West Virginia	79,957	5,267	15,730	34,399	12,739		11,822	3%
Wisconsin	254,105	101,929	48,538	16,237	66,044	20,616	741	26%
Wyoming	4,325	36		23	3,466	106	694	50%

**SOURCE:** MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2008-2010.



**Appendix Table 3. Penetration by State and Plan Type, 2010**

State	Total	HMOS	Local PPOs	Regional PPOs	PFFS plans	Cost plans	Other	% Change, 2008-2010
Alabama	20%	11%	7%	<1%	1%		<1%	2%
Alaska	<1%				<1%			> -1%
Arizona	36%	31%	1%	1%	2%		<1%	1%
Arkansas	12%	4%	1%	1%	6%		<1%	2%
California	35%	33%	<1%	1%	1%	<1%	<1%	1%
Colorado	33%	24%	1%		3%	4%	<1%	2%
Connecticut	18%	14%	1%	1%	1%			4%
Delaware	3%	1%	<1%		1%			0%
District of Columbia	10%	2%	1%		<1%	6%		0%
Florida	30%	22%	2%	5%	1%		<1%	3%
Georgia	19%	3%	2%	3%	12%			8%
Hawaii	41%	13%	7%	2%	1%	18%	<1%	4%
Idaho	28%	10%	5%		12%		1%	5%
Illinois	9%	5%	2%	1%	2%	<1%	<1%	1%
Indiana	15%	1%	4%	4%	5%	<1%	<1%	3%
Iowa	12%	3%	2%	1%	5%	1%	<1%	1%
Kansas	10%	3%	4%	<1%	3%		1%	2%
Kentucky	15%	4%	3%	3%	5%	0%	1%	2%
Louisiana	23%	19%	<1%	1%	3%		<1%	3%
Maine	11%	5%	1%		5%			7%
Maryland	8%	3%	1%		1%	3%	<1%	1%
Massachusetts	19%	14%	1%	<1%	3%		<1%	1%
Michigan	15%	7%	2%	1%	4%		<1%	-6%
Minnesota	40%	14%	1%	2%	6%	17%		7%
Mississippi	8%	3%	1%	1%	3%		<1%	1%
Missouri	20%	12%	4%	1%	3%		<1%	2%
Montana	16%		3%	0%	14%		<1%	3%
Nebraska	11%	4%	1%	1%	5%		<1%	1%
Nevada	30%	26%	1%	1%	2%		<1%	1%
New Hampshire	6%	<1%			6%			2%
New Jersey	12%	10%	<1%		1%		<1%	2%
New Mexico	24%	17%	4%		2%		<1%	2%
New York	30%	23%	4%	1%	2%	0%	<1%	3%
North Carolina	17%	8%	1%	<1%	7%		<1%	1%
North Dakota	7%			<1%	5%	2%	<1%	0%
Ohio	32%	14%	7%	8%	2%	1%	<1%	8%
Oklahoma	14%	10%	2%	<1%	2%		<1%	2%
Oregon	41%	22%	16%		3%		<1%	1%
Pennsylvania	38%	25%	9%	<1%	3%		<1%	1%
Rhode Island	34%	29%	1%	5%	<1%		<1%	-1%
South Carolina	15%	1%	1%	3%	9%		<1%	2%
South Dakota	6%		1%	1%	5%	0%		-2%
Tennessee	23%	16%	2%	<1%	4%		<1%	4%
Texas	19%	13%	1%	2%	2%	1%	<1%	3%
Utah	32%	12%	13%		7%		1%	6%
Vermont	3%			1%	3%		<1%	1%
Virginia	13%	1%	2%	<1%	9%	1%	<1%	2%
Washington	24%	16%	3%		5%		<1%	3%
West Virginia	21%	1%	4%	9%	3%		3%	0%
Wisconsin	28%	11%	5%	2%	7%	2%	<1%	5%
Wyoming	5%	<1%		<1%	4%	<1%	1%	2%

**SOURCE:** MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2008-2010.

**Appendix Table 4. Top Firms Offering Medicare Advantage Special Needs Plans by Enrollment, 2010**

Firm or Affiliate	Total enrollment	SNPs	Non-SNPs
UnitedHealthcare	2,003,838	266,890	1,736,948
Humana	1,679,429	46,483	1,632,946
BCBS	1,670,793	36,200	1,634,593
Wellpoint BCBS	384,170		384,170
Other BCBS plans	1,286,623	36,200	1,250,423
Kaiser Permanente	957,442	60,890	896,552
Aetna	420,353	853	419,500
HealthNet	270,443	22,572	247,871
Universal American	245,093	137	244,956
HealthSpring	192,416	36,522	155,894
Coventry	184,584	9,670	174,914
Cigna	130,563	2,153	128,410
WellCare	117,725	25,987	91,738
Sterling	60,296		60,296
Wellpoint (non-BCBS)	60,188		60,188
Other	3,149,390	743,997	2,405,393
<b>TOTAL</b>	<b>11,142,553</b>	<b>1,252,354</b>	<b>9,890,199</b>

**NOTE:** BCBS are Blue Cross / Blue Shield affiliates, which includes Wellpoint BCBS plans.

**SOURCE:** MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2010.

**Appendix Table 5. Marketshare of the Top Three Firms, by State, 2010**

State	Total		Firm 1		Firm 2		Firm 3		Other Firms
	Enrollment	Share for 3 Firms	Name	Share	Name	Share	Name	Share	
Alabama	170,832	73.2%	BlueCross BlueShield of Alabama	34.1%	United Health Care	20.9%	UAB Health System	18.2%	26.8%
Alaska	85	100.0%	United Health Care	100.0%		0.0%		0.0%	0.0%
Arizona	326,287	68.3%	United Health Care	41.8%	Health Net, Inc.	15.5%	Cigna	11.0%	31.7%
Arkansas	65,172	61.1%	Humana	34.3%	Arcadian Management Services, Inc.	13.8%	Arkansas Blue Cross Blue Shield	13.0%	38.9%
California	1,640,546	72.3%	Kaiser Permanente	44.9%	United Health Care	19.6%	Health Net, Inc.	7.8%	27.7%
Colorado	199,406	82.6%	United Health Care	38.3%	Kaiser Permanente	33.9%	Rocky Mountain Health Maintenance, Inc.	10.4%	17.4%
Connecticut	98,368	83.7%	Health Net, Inc.	57.5%	EmblemHealth, Inc.	13.5%	United Health Care	12.6%	16.3%
Delaware	4,732	93.0%	Aetna	65.2%	Sterling	20.5%	United Health Care	7.3%	7.0%
District of Columbia	7,328	94.0%	Kaiser Permanente	67.6%	Bravo Health, Inc.	18.4%	United Health Care	7.9%	6.0%
Florida	975,406	64.0%	Humana	38.6%	United Health Care	18.9%	WellCare Health Plans, Inc.	6.5%	36.0%
Georgia	233,567	76.6%	United Health Care	50.8%	Humana	18.6%	XLHealth Corporation	7.2%	23.4%
Hawaii	82,747	90.9%	Hawaii Medical Service Association	43.6%	Kaiser Permanente	29.2%	United Health Care	18.2%	9.1%
Idaho	62,522	80.6%	Blue Cross of Idaho Health Services, Inc.	42.2%	United Health Care	23.0%	Humana	15.4%	19.4%
Illinois	168,749	64.3%	Humana	41.3%	United Health Care	16.3%	HealthSpring, Inc.	6.7%	35.7%
Indiana	148,050	71.7%	Humana	30.7%	Wellpoint, Inc.	24.3%	United Health Care	16.7%	28.3%
Iowa	61,787	75.8%	Humana	32.3%	United Health Care	30.5%	Coventry Health Care, Inc.	12.9%	24.2%
Kansas	42,681	93.0%	Humana	54.5%	Coventry Health Care, Inc.	30.6%	United Health Care	7.9%	7.0%
Kentucky	111,123	81.4%	Humana	54.9%	Wellpoint, Inc.	18.0%	University Health Care, Inc.	8.5%	18.6%
Louisiana	153,947	86.6%	Humana	54.3%	New Orleans Regional Physician Hospital Org., Inc.	28.0%	Sterling	4.3%	13.4%
Maine	29,195	67.6%	Wellpoint, Inc.	30.1%	Arcadian Management Services, Inc.	19.4%	Martin's Point Health Care, Inc.	18.0%	32.4%
Maryland	58,019	81.5%	Kaiser Permanente	37.7%	Bravo Health, Inc.	23.7%	Aetna	20.1%	18.5%
Massachusetts	197,275	71.2%	TAHMO, Inc.	41.0%	Fallon Community Health Plan	15.9%	Blue Cross and Blue Shield of Massachusetts, Inc.	14.3%	28.8%
Michigan	243,166	72.8%	Blue Cross Blue Shield of Michigan	40.4%	Spectrum Health System	17.1%	Health Alliance Plan (HAP)	15.3%	27.2%
Minnesota	309,787	71.1%	Medica Health Plans	33.2%	UCare Minnesota	25.3%	HealthPartners, Inc.	12.6%	28.9%
Mississippi	40,015	81.4%	Humana	42.1%	Windsor Health Group	26.5%	Universal American Corp.	12.8%	18.6%
Missouri	195,019	67.9%	United Health Care	26.2%	Humana	21.3%	Coventry Health Care, Inc.	20.4%	32.1%
Montana	27,442	83.6%	Humana	43.4%	Sterling	24.7%	New West Health Services	15.6%	16.4%
Nebraska	29,818	80.0%	United Health Care	53.9%	Humana	16.0%	Coventry Health Care, Inc.	10.2%	20.0%
Nevada	104,314	93.1%	United Health Care	60.1%	Humana	27.1%	Renown Health	5.9%	6.9%
New Hampshire	13,027	78.9%	Harvard Pilgrim Health Care	34.1%	United Health Care	28.1%	Wellpoint, Inc.	16.7%	21.1%
New Jersey	158,359	92.4%	Aetna	36.4%	Horizon Blue Cross Blue Shield of New Jersey, Inc.	32.7%	United Health Care	23.3%	7.6%
New Mexico	74,123	83.3%	Ardent Health Services	37.6%	Presbyterian Healthcare Services	34.9%	Humana	10.8%	16.7%
New York	874,087	38.9%	EmblemHealth, Inc.	17.4%	United Health Care	11.4%	HealthFirst, Inc.	10.0%	61.1%
North Carolina	244,599	73.8%	United Health Care	30.5%	Humana	23.1%	Blue Cross and Blue Shield of North Carolina	20.2%	26.2%
North Dakota	7,077	90.3%	Humana	50.9%	Medica Health Plans	24.3%	United Health Care	15.0%	9.7%
Ohio	607,780	65.1%	Humana	27.8%	Wellpoint, Inc.	20.9%	Aetna	16.4%	34.9%
Oklahoma	84,493	79.3%	CommunityCare Managed Healthcare	31.8%	United Health Care	30.2%	Humana	17.2%	20.7%
Oregon	249,634	50.7%	The Regence Group	20.2%	Kaiser Permanente	15.4%	Providence Health System	15.1%	49.3%
Pennsylvania	848,395	56.0%	Highmark, Inc.	32.8%	Aetna	12.3%	Independence Blue Cross	11.0%	44.0%
Rhode Island	62,351	99.5%	Blue Cross & Blue Shield of Rhode Island	54.3%	United Health Care	45.0%	PACE Organization of Rhode Island	0.2%	0.5%
South Carolina	110,392	59.0%	Humana	27.5%	XLHealth Corporation	16.3%	Guardian Healthcare, Inc.	15.2%	41.0%
South Dakota	8,781	86.8%	Humana	58.7%	United Health Care	16.6%	BCBS MN, MT, NE, ND, WY, Wellmark IA and SD	11.4%	13.2%
Tennessee	239,112	75.4%	Humana	29.7%	HealthSpring, Inc.	26.2%	United Health Care	19.5%	24.6%
Texas	546,136	63.1%	United Health Care	33.7%	Humana	17.7%	Universal American Corp.	11.6%	36.9%
Utah	89,667	72.8%	United Health Care	30.6%	The Regence Group	21.5%	Humana	20.7%	27.2%
Vermont	3,502	84.6%	United Health Care	51.9%	Universal American Corp.	21.5%	Cigna	11.2%	15.4%
Virginia	145,803	67.4%	Humana	35.3%	Cigna	16.8%	United Health Care	15.3%	32.6%
Washington	230,966	64.1%	United Health Care	28.8%	Group Health Cooperative	25.5%	The Regence Group	9.7%	35.9%
West Virginia	79,957	85.3%	Humana	57.1%	Highmark Inc.	14.3%	United Mine Workers of America	13.9%	14.7%
Wisconsin	254,105	56.1%	United Health Care	23.9%	Humana	19.3%	Affinity Health System	12.9%	43.9%
Wyoming	4,325	95.2%	Humana	44.7%	United Health Care	35.4%	Union Pacific Railroad Employees Health Systems	15.1%	4.8%

SOURCE: MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment files, 2010.

**Appendix Table 6. Medicare Advantage Premiums by Firm, Weighted by Enrollment, 2009-2010**

Firm or Affiliate	Total		HMOs		Local PPOs		Regional PPOs		PFFS		Cost	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
UnitedHealthCare	\$ 10.49	\$ 10.86	\$ 13.37	\$ 13.56	\$ 5.66	\$ 7.04	\$ 0	\$ 0.40	\$ 2.04	\$ 12.72		
Humana	\$ 29.24	\$ 39.92	\$ 7.07	\$ 8.89	\$ 37.67	\$ 46.78	\$ 45.78	\$ 73.11	\$ 39.69	\$ 57.77		
BCBS (non-Wellpoint)	\$ 86.60	\$ 29.59	\$ 78.67	\$ 3.27	\$ 89.16	\$ 30.91	\$ 58.60		\$ 112.17	\$ 56.50	\$ 120.44	
Kaiser Permanente	\$ 48.01	\$ 61.29	\$ 45.15	\$ 58.93							\$ 91.13	\$ 90.23
Coventry	\$ 18.55	\$ 17.43	\$ 30.01	\$ 22.86	\$ 18.14	\$ 9.70			\$ 7.12			
Aetna	\$ 58.51	\$ 48.24	\$ 41.69	\$ 41.08	\$ 130.33	\$ 111.75	\$ 161.41		\$ 47.45	\$ 47.20		
HealthNet	\$ 48.67	\$ 61.30	\$ 45.97	\$ 63.29	\$ 63.42	\$ 52.12	\$ 65.00		\$ 42.72			
Universal American	\$ 27.61	\$ 43.22	\$ 1.66	\$ 36.09	\$ 28.23	\$ 66.42		\$ 29.57	\$ 69.01	\$ 55.60		\$ 132.26
Other	\$ 36.21	\$ 96.20	\$ 31.66	\$ 101.13	\$ 58.40	\$ 90.50	\$ 5.39	\$ 28.53	\$ 15.03	\$ 90.76	\$ 142.05	\$ 123.95
<b>Average Weighted Premium</b>	<b>\$ 36.42</b>	<b>\$ 43.68</b>	<b>\$ 30.98</b>	<b>\$ 36.90</b>	<b>\$ 60.78</b>	<b>\$ 63.43</b>	<b>\$ 28.15</b>	<b>\$ 43.47</b>	<b>\$ 36.77</b>	<b>\$ 45.10</b>	<b>\$ 126.38</b>	<b>\$ 150.55</b>

**NOTE:** Weighted premiums include only Medicare Advantage Prescription Drug (MA-PD) plans available in 2009 and 2010. Excludes Medicare Advantage plans that do not offer prescription drug coverage, special needs plans (SNPs), and employer group health plans. BCBS are Blue Cross / Blue Shield affiliates. Table includes all Wellpoint plans in Other.

**SOURCE:** MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2009-2010.

**Appendix Table 7. Share of Total Enrollment in Plans with No Premiums, 2010**

Firm or Affiliate	Total	HMOs	Local PPOs	Regional PPOs	PFFS plans	Cost plans
UnitedHealthcare	79.9%	79.8%	80.6%	96.8%	42.4%	
Humana	32.5%	83.7%	2.1%	0.0%	0.5%	
BCBS (non-Wellpoint)	9.7%	9.9%	12.3%	0.0%	5.3%	0.0%
Kaiser Permanente	26.3%	27.3%				14.3%
Coventry	76.5%	71.0%	84.4%			
Aetna	42.6%	47.9%	4.0%		0.0%	
HealthNet	26.0%	22.6%	41.9%			
Universal American	42.9%	91.3%	19.0%		0.0%	
Other	50.7%	56.6%	28.2%	33.7%	24.3%	0.0%
<b>Total</b>	<b>46.3%</b>	<b>57.9%</b>	<b>22.9%</b>	<b>47.6%</b>	<b>14.8%</b>	<b>3.2%</b>

**NOTE:** Excludes Medicare Advantage plans that do not offer drug coverage, special needs plans (SNPs), and employer group health plans. BCBS are Blue Cross / Blue Shield affiliates. Table includes all Wellpoint plans in Other.

**SOURCE:** MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment and Landscape files, 2010.