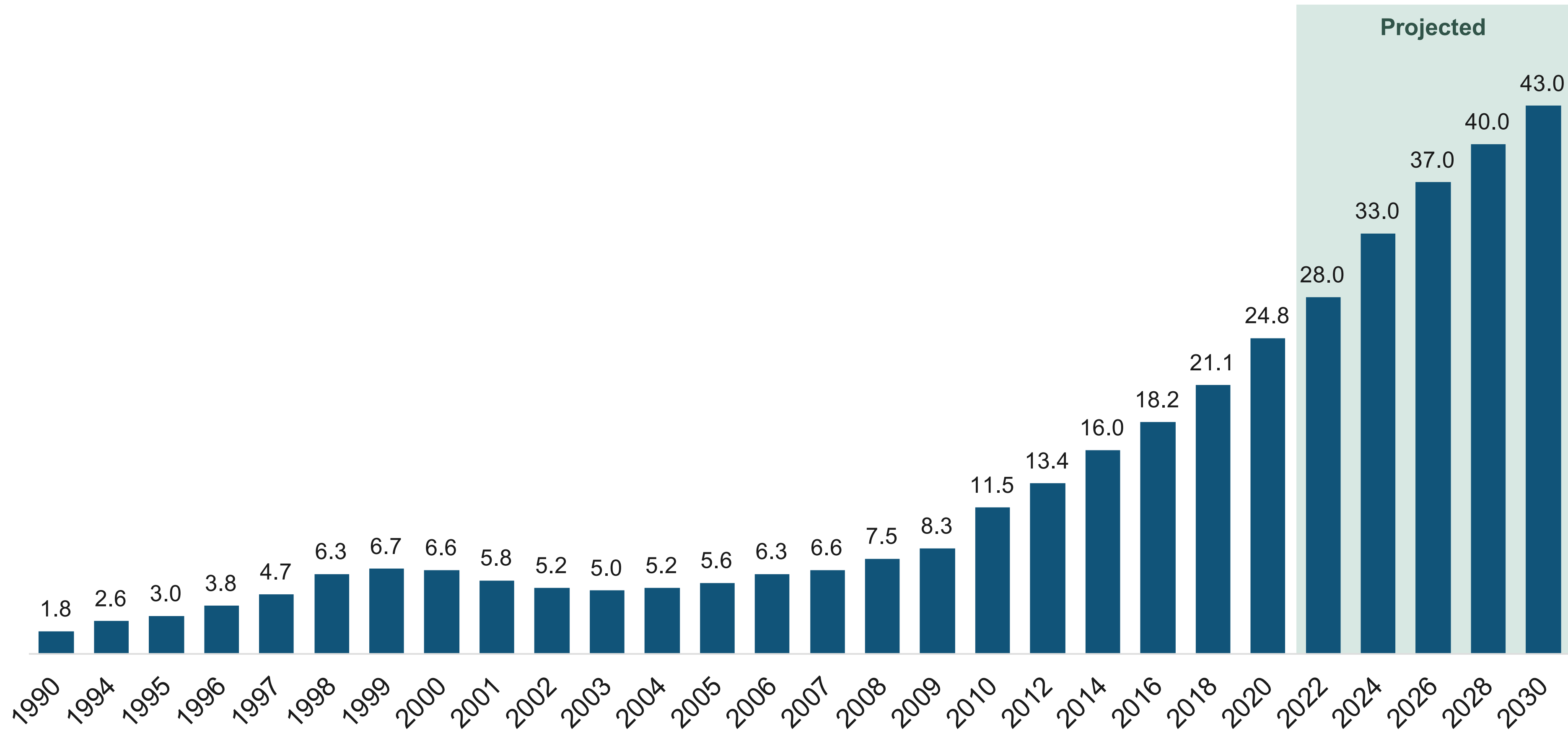
EXHIBIT 1

Medicare Advantage enrollment has grown rapidly in the past decade.

Medicare Advantage enrollment, past and projected (millions)



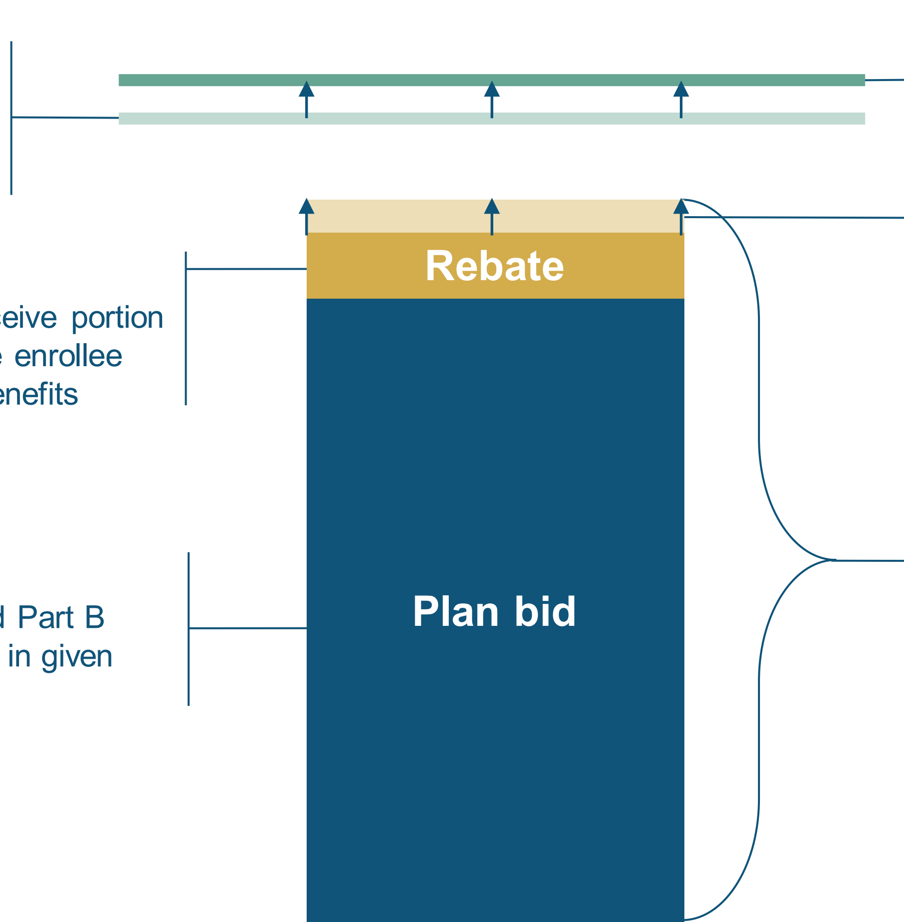
Data: Centers for Medicare and Medicaid Services, Medicare Advantage State/County Penetration File, Mar. 2021. Projected enrollment rates are calculated from CBO projections of Medicare Advantage enrollment and Part A eligibility (July 2021). 2021 Edition of Centers for Medicare and Medicaid Services Statistical Supplement for 1990–2009 data.

Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022.
https://doi.org/10.26099/69fq-dy83

The Commonwealth Fund

EXHIBIT 2

Medicare Advantage payments are based on a system of benchmarks, bids, and quality incentives.



Benchmark

Set in statute as a percentage of per capita traditional Medicare spending in county

Quality bonus

High star ratings can increase benchmark and rebate

Rebate

Plans with bids below benchmark receive portion of difference; must be used to reduce enrollee expenses or finance supplemental benefits

Risk adjustment

Total annual payment for given beneficiary is risk adjusted based on enrollees' health risk

Plan bid

Plans submit bids to cover Part A and Part B benefits for person of average health in given county

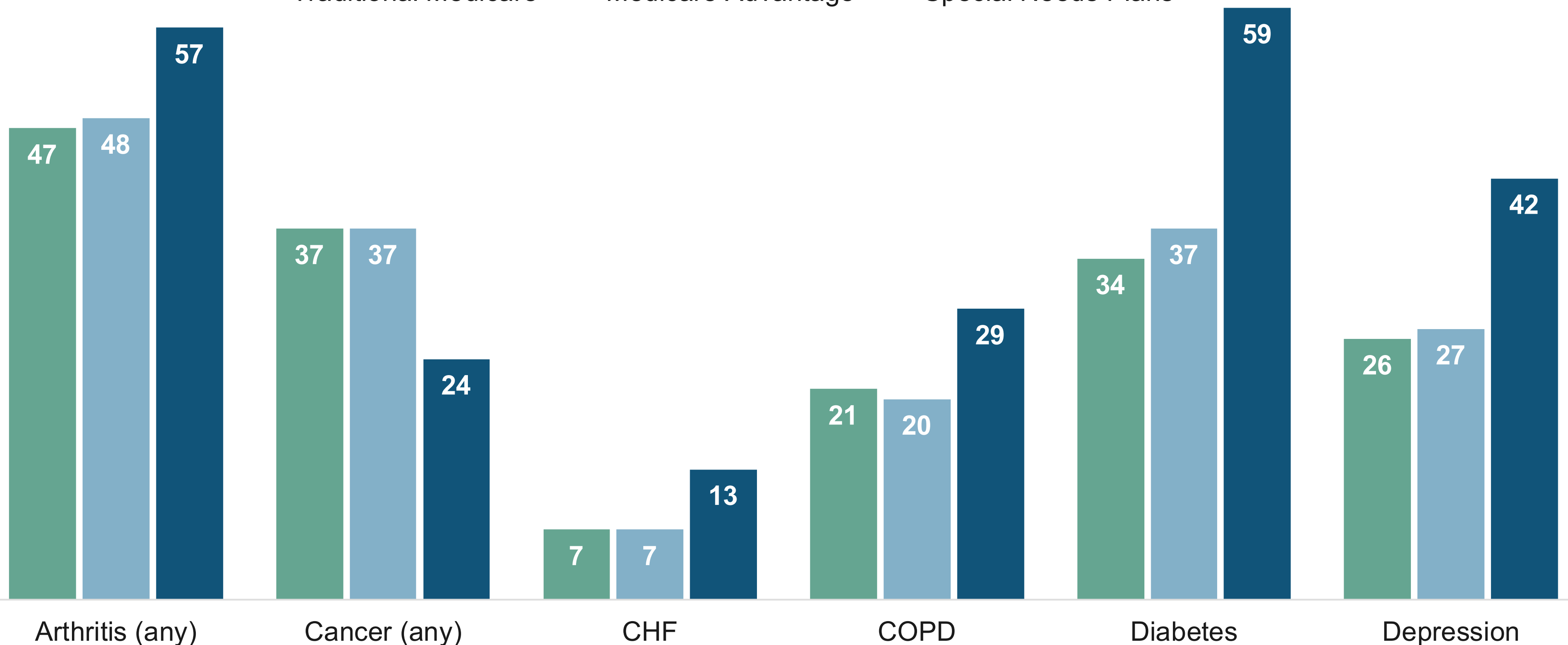
Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022.
https://doi.org/10.26099/69fq-dy83

The Commonwealth Fund

EXHIBIT 3

The prevalence of many chronic conditions is similar for enrollees in traditional Medicare and Medicare Advantage, after separating out Special Needs Plans.

Percentage of beneficiaries with chronic condition



Notes: Medicare Advantage plans as shown do not include Special Needs Plans (SNPs). CHF = congestive heart failure; COPD = chronic obstructive pulmonary disease, emphysema, and/or asthma. Across all listed chronic conditions, differences between SNPs and other types of Medicare coverage are significantly different, $p<.05$. Data represent community-dwelling beneficiaries. Beneficiaries in SNPs were determined using plan identifiers reported in the Medicare Current Beneficiary Survey.

Data: Analysis of the Medicare Current Beneficiary Survey, 2018, as cited in Gretchen Jacobson et al., *Medicare Advantage vs. Traditional Medicare: How Do Beneficiaries' Characteristics and Experiences Differ?* (Commonwealth Fund, Oct. 2021).

Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022.
https://doi.org/10.26099/69fq-dy83

The Commonwealth Fund

EXHIBIT 4

Margins for dual-eligible and chronic-condition Special Needs Plans are higher compared to other Medicare Advantage plans.

Medicare Advantage plans' margins, by plan type, 2020

Plan type	Margin
All MA plans	6.5
D-SNPs	10.7
C-SNPs	11.2
I-SNPs	2.8

Notes: MA = Medicare Advantage; SNP = Special Needs Plan; D-SNP = dual-eligible SNP; C-SNP = chronic condition SNP; I-SNP = institutional SNP. Margin calculation excludes quality improvement and fraud reduction activities as medical expenses. This figure excludes Part D and the following plan categories: employer group plans, the Medicare–Medicaid demonstration plans, cost-reimbursed plans, Program of All-Inclusive Care for the Elderly, and medical savings account plans.

Data: Medicare Payment Advisory Commission, "The Medicare Advantage Program: Status Report," in *Report to the Congress: Medicare Payment Policy* (MedPAC, Mar. 2022).

Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022.
https://doi.org/10.26099/69fq-dy83

EXHIBIT 5

In about 60 percent of U.S. counties, beneficiaries have a choice of 20 or more Medicare Advantage plans.

Percentage of U.S. counties with selected number of available Medicare Advantage (MA) plans

Counties in U.S.	Percent
with **0 plans**	3
with **<10 plans**	15
with **10–19 plans**	24
with **20–39 plans**	47
with **40+ plans**	12

Average number of MA plans = 39

Notes: Data for the following organization types are included: local Coordinated Care Plans (CCP); Regional CCP; Medical Savings Accounts (MSA); Private Fee-for-Service (PFFS); Demonstrations; National PACE; 1976 Cost; HCPP–1933 Cost; Employer Direct PFFS.

Data: Centers for Medicare and Medicaid Services, Medicare Advantage Landscape Source File, 2022.

Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022. https://doi.org/10.26099/69fq-dy83