



Center for
Policy and
Research

LOW-INCOME & RURAL BENEFICIARIES WITH

MEDIGAP COVERAGE

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LOW-INCOME AND RURAL BENEFICIARIES WITH MEDIGAP COVERAGE, 2004

SUMMARY

Medigap supplemental coverage has long helped Medicare beneficiaries fill gaps in their benefits. While policymakers continue to focus on the new Medicare drug benefit, recently released data from the 2004 Medicare Current Beneficiary Survey (MCBS) serve as a reminder of the critical role played by Medigap coverage.

The MCBS data show that Medigap is particularly important to low- and moderate-income beneficiaries, especially those living in rural areas. Here are some key findings:

- Thirty percent of Medigap policyholders resided in rural areas in 2004; by comparison, only 23 percent of all Medicare beneficiaries resided in rural areas.
- Half (50 percent) of rural Medigap policyholders had incomes under \$20,000 in 2004, and 43 percent of all Medigap policyholders (living in rural or metropolitan areas) had incomes under \$20,000. Nearly three-quarters (74 percent) of rural Medigap policyholders and nearly two-thirds (65 percent) of all Medigap policyholders had incomes below \$30,000.
- Overall, 32 percent of Medigap policyholders had incomes ranging from \$10,000 to \$20,000 in 2004. This income bracket accounted for the highest proportion of Medigap purchasers. In rural areas, 37 percent of Medigap policyholders had incomes in this range.
- Medicare beneficiaries with some form of private coverage — including Medigap, Medicare Advantage, and employer-based plans — reported greater use of preventive care than those with Medicare alone.

The statistics in this report were calculated from the publicly available MCBS Access to Care files. We analyzed a subset of records for non-institutionalized (aged and disabled) beneficiaries. For beneficiaries in the Medicare Advantage and Medicaid categories, June 2004 was the point in time for which beneficiary records were selected for inclusion. We defined “rural” and “metro” areas according to the Office of Management and Budget’s (OMB’s) classification system.

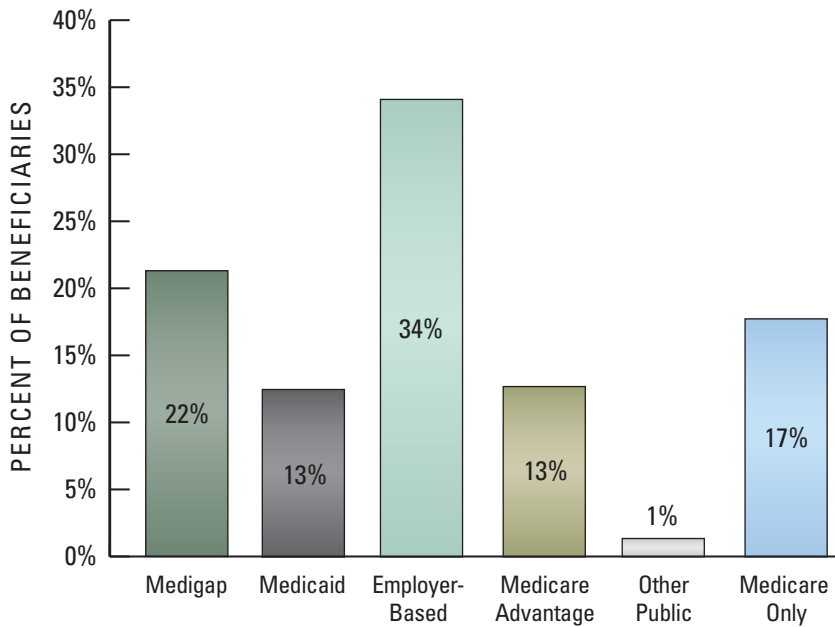
MEDIGAP COVERED MORE THAN TWENTY PERCENT OF MEDICARE BENEFICIARIES IN 2004

Nationwide, 22 percent of all non-institutionalized Medicare beneficiaries chose Medigap policies in 2004 (see Figure 1). Medigap was the second most common form of supplemental insurance, after employer-based coverage (34 percent).

By contrast, 13 percent of Medicare beneficiaries had supplemental coverage through Medicaid, 13 percent chose comprehensive Medicare Advantage plans, and 1 percent had supplemental coverage through public programs other than Medicaid. Another 17 percent of Medicare beneficiaries had no supplemental coverage.

Persons with both employer-based and Medigap coverage were categorized as having employer-based coverage. Approximately 6 percent of Medicare beneficiaries had employer-based plans and Medigap policies.

FIGURE 1.
Coverage Types Of Medicare Beneficiaries (2004)



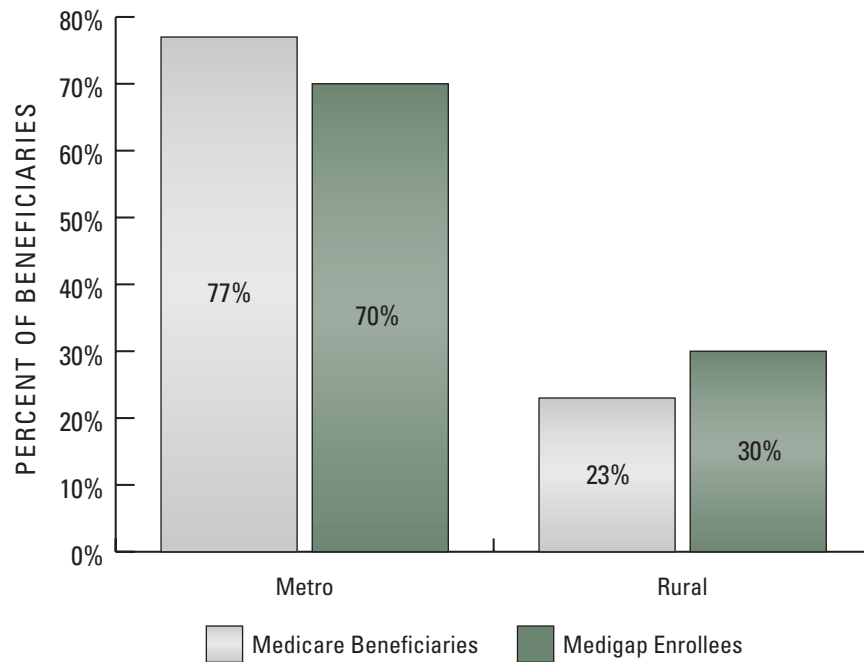
Source: Medicare Current Beneficiary Survey Access to Care files, 2004. (CMS)

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

BENEFICIARIES WITH MEDIGAP COVERAGE TEND TO HAVE LOW INCOMES AND LIVE IN RURAL AREAS

A disproportionate number of Medigap policyholders had low incomes and lived in rural areas. Thirty percent of all beneficiaries with Medigap coverage lived in rural (non-metropolitan) areas in 2004. By comparison, 23 percent of all Medicare beneficiaries lived in rural areas (see Figure 2).

FIGURE 2.
Medicare Beneficiaries, By Area Of Residence (2004)



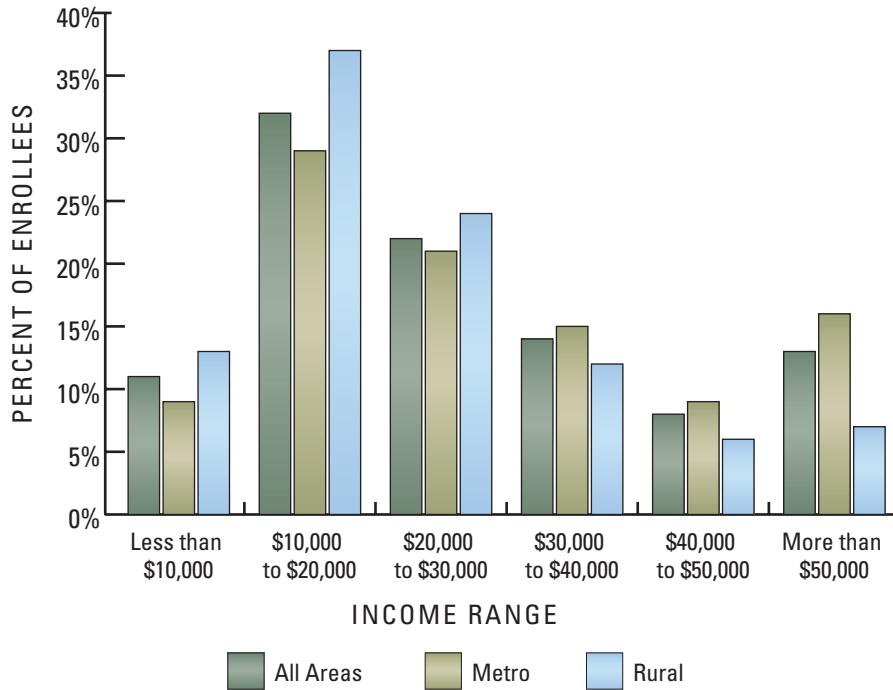
Source: Medicare Current Beneficiary Survey Access to Care files, 2004. (CMS)

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

In 2004, the most common income range for Medigap policyholders was \$10,000 to \$20,000 (see Figure 3). Thirty-two percent of Medigap policyholders overall had incomes within this range, and 37 percent of Medigap policyholders living in rural areas had incomes between \$10,000 and \$20,000.

The second most common income range for Medigap policyholders was \$20,000 to \$30,000. Twenty-two percent of all Medigap policyholders had incomes in this range, and 24 percent of rural Medigap policyholders had incomes between \$20,000 and \$30,000 in 2004.

FIGURE 3.
Medigap Enrollees By Income, Metro And Rural (2004)



Source: Medicare Current Beneficiary Survey Access to Care files, 2004. (CMS)

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries living in areas with at least one Medicare Advantage plan.

A substantial number of Medicare beneficiaries with incomes below \$10,000 purchased Medigap coverage. Eleven percent of all Medigap policyholders and 13 percent of rural Medigap policyholders had less than \$10,000 in annual income in 2004.

Overall, half (50 percent) of rural Medigap policyholders had incomes under \$20,000 in 2004, and 43 percent of all Medigap policyholders (rural or metro) had incomes under \$20,000. Similarly, 74 percent of rural Medigap policyholders and 65 percent of all Medigap policyholders had incomes under \$30,000.

Across the U.S., 25 percent of Medicare beneficiaries with incomes between \$10,000 and \$20,000 chose Medigap policies in 2004. Sixteen percent chose Medicare Advantage plans, and 21 percent had Medicare only (see Table 1).

In rural areas, 34 percent of beneficiaries with incomes between \$10,000 and \$20,000 chose Medigap policies. By contrast, only 23 percent of rural beneficiaries in the \$10,000 to \$20,000 income range had employer-based coverage. However, employer-based coverage was the most common form of supplemental benefits for Medicare rural beneficiaries in higher income brackets (see Figure 4).

TABLE 1.
Income Range Of Medicare Beneficiaries, By Coverage Type (2004)
All Geographic Areas

	Less than \$10,000	\$10,000 to \$20,000	\$20,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	More than \$50,000
MEDIGAP	11%	25%	24%	24%	23%	26%
MEDICAID	48%	13%	1%	1%	**	**
EMPLOYER-BASED	8%	22%	43%	49%	54%	56%
MEDICARE ADVANTAGE	10%	16%	15%	14%	12%	9%
OTHER PUBLIC	2%	3%	1%	1%	**	**
MEDICARE ONLY	20%	21%	16%	11%	11%	9%
TOTAL	100%	100%	100%	100%	100%	100%

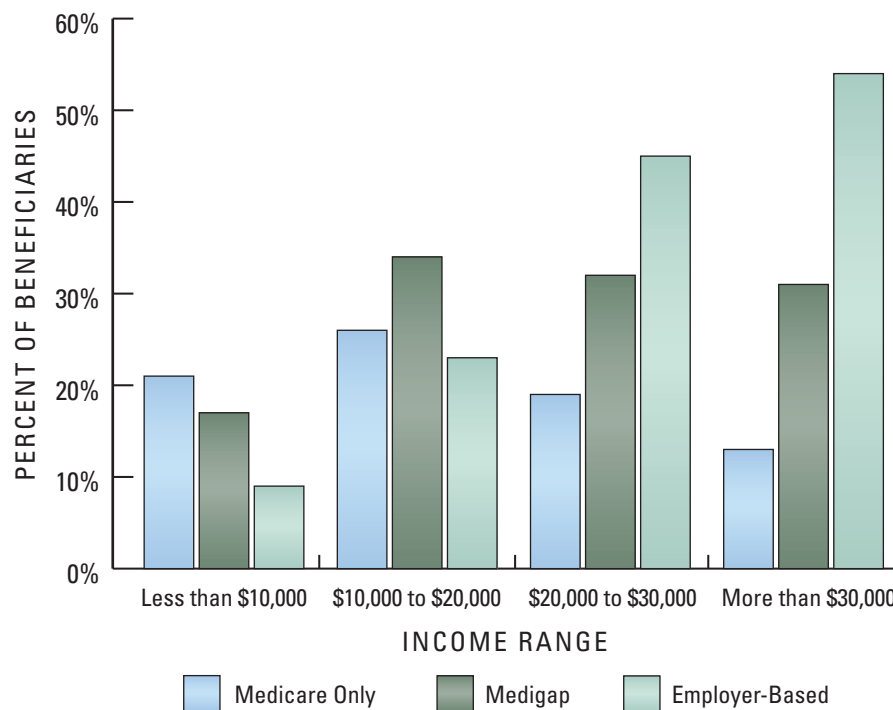
Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

** Less than 1 percent

The percentages in this table may not sum to 100 due to rounding.

FIGURE 4.
Income Level Of Medicare Beneficiaries In Rural Areas, By Private Supplemental Coverage Type (2004)



Source: Medicare Current Beneficiary Survey Access to Care files, 2004. (CMS)

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries who lived in rural areas.

MEDIGAP POLICYHOLDERS REPORTED USING MORE PREVENTIVE CARE

Medicare beneficiaries with private coverage reported more use of preventive care than beneficiaries without private coverage.

Medigap policyholders and Medicare Advantage enrollees reported rates of preventive services that were about equal to those reported by beneficiaries with employer-based coverage. This is notable because beneficiaries with employer-based coverage have considerably higher average incomes and therefore would reasonably be expected to have a greater likelihood of receiving preventive care.

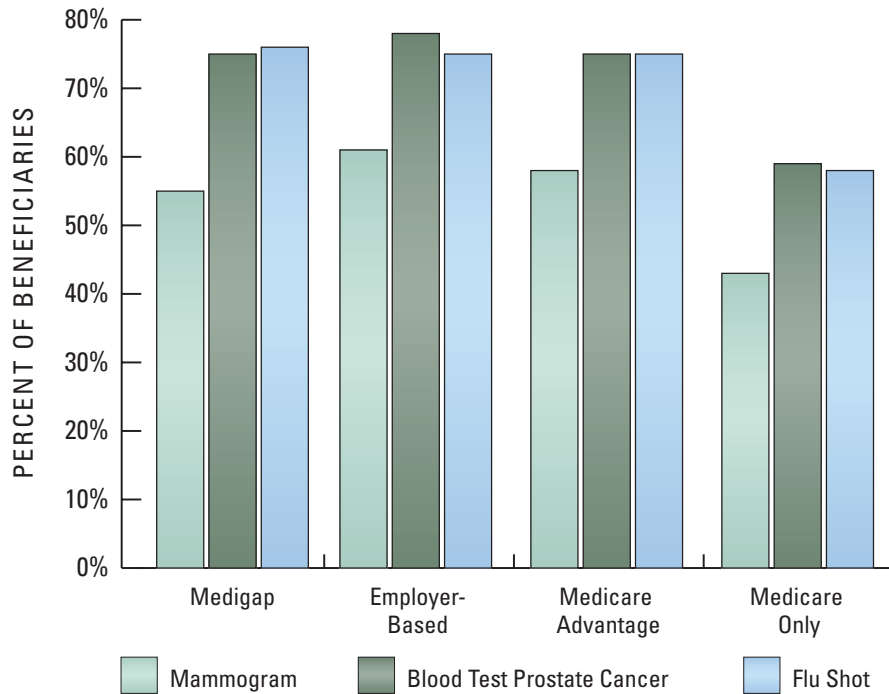
However, Medicare beneficiaries with Medicare alone reported lower rates of preventive care use than beneficiaries with some form of private coverage.

Fifty-five percent of women with Medigap coverage, 61 percent of women with employer-based coverage, and 58 percent of women with Medicare Advantage coverage said they had mammograms in the previous year. However, only 43 percent of women without any private coverage said they had received mammograms during that time frame.

Seventy-five percent of men with Medigap coverage, 78 percent of men with employer-based coverage, and 75 percent of men with Medicare Advantage plans reported having blood tests for prostate cancer in the previous year. However, only 59 percent of men with Medicare alone said they had received the tests during that period.

Finally, 76 percent of beneficiaries with Medigap coverage received flu shots. The percentage of beneficiaries who received flu shots was 75 percent for both beneficiaries with employer-based coverage and for Medicare Advantage enrollees. However, only 58 percent of beneficiaries without private coverage were immunized against the flu (see Figure 5).

FIGURE 5.
 Medicare Beneficiaries Reporting Having Received Specific Services
 During Previous Year, By Coverage Type (2004)



Source: Medicare Current Beneficiary Survey Access to Care files, 2004. (CMS)
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

MOST POPULAR MEDIGAP POLICIES

Under the Omnibus Budget Reconciliation Act (OBRA) of 1990, Medigap policies must conform to a standardized set of benefit models developed by the National Association of Insurance Commissioners (NAIC). The NAIC initially developed 10 models, labeled A through J, and two additional models (K and L) were created through the Medicare Modernization Act (MMA) of 2003. Table 2 lists enrollment in the Medigap policies available in 2004.

The Medigap policies labeled “C” and “F,” which cover nearly all of Medicare’s deductibles and coinsurance, were the most popular.

TABLE 2.

Description Of Medigap Policy Types, And Percent Of Medigap Policyholders With Each Type (2004)

	TYPES OF MEDIGAP POLICIES: PLANS A THROUGH J									
	A	B	C	D	E	F	G	H	I	J
BASIC BENEFITS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SKILLED NURSING COINSURANCE			✓	✓	✓	✓	✓	✓	✓	✓
MEDICARE PART A DEDUCTIBLE		✓	✓	✓	✓	✓	✓	✓	✓	✓
MEDICARE PART B DEDUCTIBLE			✓			✓				✓
MEDICARE PART B EXCESS CHARGE (100%)						✓			✓	✓
MEDICARE PART B EXCESS CHARGE (80%)							✓			
FOREIGN TRAVEL EMERGENCY			✓	✓	✓	✓	✓	✓	✓	✓
AT-HOME RECOVERY				✓			✓		✓	✓
BASIC DRUG BENEFIT*								✓	✓	✓
PERCENT OF MEDIGAP PURCHASERS WITH TYPE OF MEDIGAP POLICY	6%	6%	19%	7%	2%	41%	5%	3%	2%	10%

* Basic drug benefit limit for Plans H and I was \$1,250 in 2004; for Plan J, it was \$3,000.

Source for Medigap policy description: *2004, Choosing A Medigap Policy, A Guide To Health Insurance For People With Medicare*, April 2004, Centers for Medicare & Medicaid Services.

Source for Medigap purchasers' policy types: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

ADDITIONAL INFORMATION

This overview is based on a report by Karen Heath, Policy Analyst. The full report, including all tables and a description of methodology, is available at www.ahipresearch.org. The data cited in the report and overview provide an update to AHIP's 2005 publication, *Low-Income and Rural Beneficiaries with Medigap Coverage, 2002*, authored by Teresa Chovan, Director, and Jeff Lemieux, Senior Vice President, of AHIP's Center for Policy and Research.

Table 1A.
Geographic Location Of Medicare Beneficiaries, By Coverage Type (2004)

Coverage Type	Geographic Location		
	Rural	Metro	Total
ALL MEDICARE BENEFICIARIES	23%	77%	100%
MEDIGAP	30%	70%	100%
MEDICAID	28%	72%	100%
EMPLOYER-BASED	23%	77%	100%
MEDICARE ADVANTAGE	2%	98%	100%
OTHER PUBLIC	29%	71%	100%
MEDICARE ONLY	29%	71%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.
 The percentages in this table may not sum to 100 due to rounding.

Table 1A shows the geographic location (rural or metro) of Medicare beneficiaries by coverage type. For example, 30 percent of Medigap policyholders lived in rural areas in 2004.

Table 2A.
Geographic Location Of Medigap Policyholders, By Income (2004)

Income Range	Geographic Location		
	Rural	Metro	All Areas
Less than \$10,000	13%	9%	11%
\$10,000 to \$20,000	37%	29%	32%
\$20,000 to \$30,000	24%	21%	22%
\$30,000 to \$40,000	12%	15%	14%
\$40,000 to \$50,000	6%	9%	8%
More than \$50,000	7%	16%	13%
Total	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).
 Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.
 The percentages in this table may not sum to 100 due to rounding.

Table 2A shows the geographic location (rural, metro, all areas) of Medigap policyholders, by income range. For example, 37 percent of rural Medigap policyholders had incomes between \$10,000 and \$20,000 in 2004.

Table 3A.
Income Range Of Medicare Beneficiaries, By Coverage Type (2004)
All Geographic Areas

Coverage Type	Income Range					
	Less than \$10,000	\$10,000 to \$20,000	\$20,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	More than \$50,000
MEDIGAP	11%	25%	24%	24%	23%	26%
MEDICAID	48%	13%	1%	1%	**	**
EMPLOYER-BASED MEDICARE ADVANTAGE	8%	22%	43%	49%	54%	56%
OTHER PUBLIC	2%	3%	1%	1%	**	**
MEDICARE ONLY	20%	21%	16%	11%	11%	9%
Total	100%	100%	100%	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

** Less than 1 percent

The percentages in this table may not sum to 100 due to rounding.

Table 3A shows the income range of all Medicare beneficiaries, by coverage type, in all geographic areas. For example, 25 percent of all Medicare beneficiaries with incomes between \$10,000 and \$20,000 in 2004 had Medigap policies.

Table 4A.
Income Range Of Medicare Beneficiaries, By Coverage Type (2004)
Metro Areas

Coverage Type	Income Range					
	Less than \$10,000	\$10,000 to \$20,000	\$20,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	More than \$50,000
MEDIGAP	10%	22%	21%	23%	22%	24%
MEDICAID	47%	13%	1%	**	**	**
EMPLOYER-BASED	8%	22%	42%	48%	54%	56%
MEDICARE ADVANTAGE	14%	21%	19%	18%	14%	10%
OTHER PUBLIC	2%	3%	**	1%	**	**
MEDICARE ONLY	20%	19%	16%	10%	10%	9%
Total	100%	100%	100%	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

** Less than 1 percent

The percentages in this table may not sum to 100 due to rounding.

Table 4A shows the income range of Medicare beneficiaries, by coverage type, who lived in metro areas in 2004. For example, 22 percent of Medicare beneficiaries who lived in metro areas in 2004 and had incomes between \$10,000 and \$20,000 had Medigap policies.

Table 5A.
Income Range Of Medicare Beneficiaries, By Coverage Type (2004)
Rural Areas

Coverage Type	Income Range					
	Less than \$10,000	\$10,000 to \$20,000	\$20,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	More than \$50,000
MEDIGAP	17%	34%	32%	30%	29%	34%
MEDICAID	51%	14%	1%	1%	1%	1%
EMPLOYER-BASED MEDICARE ADVANTAGE	9%	23%	45%	52%	58%	53%
OTHER PUBLIC	2%	2%	2%	1%	0%	**
MEDICARE ONLY	21%	26%	19%	15%	11%	10%
Total	100%	100%	100%	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

** Less than 1 percent

The percentages in this table may not sum to 100 due to rounding.

Table 5A shows the income range of Medicare beneficiaries, by coverage type, who lived in rural areas in 2004. For example, 34 percent of Medicare beneficiaries who lived in rural areas in 2004 and had incomes between \$10,000 and \$20,000 had Medigap policies.

Table 6A.
United States - Active Choosers (2004)

	<u>Medicare Only</u>	<u>Medicare Advantage</u>	<u>Medigap</u>
<u>All</u>	29%	37%	34%
<u>Geographic Location</u>			
Rural Areas	38%	15%	47%
Metro Areas	29%	38%	33%
<u>Race/Ethnicity</u>			
Non-White	42%	43%	15%
White	36%	27%	37%
<u>Education</u>			
Less Than High School	34%	40%	26%
High School	26%	38%	36%
Some College / College Degree	28%	35%	37%
<u>Income Range</u>			
Less than \$10,000	43%	36%	21%
\$10,000 to \$20,000	30%	40%	30%
\$20,000 to \$30,000	26%	40%	34%
\$30,000 to \$40,000	20%	41%	39%
\$40,000 to \$50,000	23%	37%	39%
More than \$50,000	22%	28%	50%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries who lived in areas with at least one Medicare Advantage plan. The percentages in this table may not sum to 100 due to rounding.

Table 6A shows the coverage choices made by “active choosers,” which we define as Medicare beneficiaries who do not have employer-based coverage, do not qualify for Medicaid, and live in areas with at least one Medicare Advantage plan. These beneficiaries can choose among Medicare Advantage, Medigap, or Medicare alone. The table lists the distribution of coverage types by geographic location, race/ethnicity, education, and income range. For example, 47 percent of active choosers who lived in rural areas in 2004 had Medigap policies.

Table 7A.
Geographic Location Of Medigap Policyholders, By Type of Medigap Plan (2004)

Medigap Plan Type	Geographic Location		
	Rural	Metro	All Areas
Plan A	6%	6%	6%
Plan B	5%	6%	6%
Plan C	13%	21%	19%
Plan D	5%	7%	7%
Plan E	2%	2%	2%
Plan F	47%	39%	41%
Plan G	7%	4%	5%
Plan H	3%	3%	3%
Plan I	1%	2%	2%
Plan J	11%	10%	10%
Total	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

The percentages in this table may not sum to 100 due to rounding.

Table 7A shows the geographic location of Medigap policyholders, by type of Medigap plan. For example, 47 percent of Medigap policyholders who lived in rural areas in 2004 had Medigap Plan F. Nationwide, 41 percent of Medigap policyholders had Medigap Plan F in 2004.

Table 8A.
Income Range Of Medigap Policyholders, By Medigap Plan Type (2004)

Medigap Plan Type	Income Range					
	Less than \$10,000	\$10,000 to \$20,000	\$20,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	More than \$50,000
Plan A	6%	5%	7%	6%	2%	6%
Plan B	8%	7%	7%	2%	4%	3%
Plan C	26%	20%	19%	16%	13%	15%
Plan D	7%	7%	9%	4%	7%	4%
Plan E	0%	2%	1%	5%	1%	1%
Plan F	37%	40%	38%	45%	51%	42%
Plan G	2%	5%	5%	5%	9%	5%
Plan H	0%	4%	3%	2%	1%	4%
Plan I	0%	1%	3%	1%	4%	5%
Plan J	13%	9%	7%	13%	8%	16%
Total	100%	100%	100%	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

The percentages in this table may not sum to 100 due to rounding.

Table 8A shows the income range of Medigap policyholders by type of Medigap plan. For example, 40 percent of Medigap policyholders with incomes between \$10,000 and \$20,000 in 2004 had Medigap Plan F.

Table 9A.
Medicare Beneficiaries Who Reported Receiving Specific Preventive Services In The Last Year, By Coverage Type (2004)

Coverage Type	Percent of Medicare Beneficiaries Who Reported Receiving These Preventive Services		
	Mammogram	Blood test for prostate cancer	Flu shot
MEDICARE ADVANTAGE	58%	75%	75%
MEDICAID	43%	45%	56%
EMPLOYER-BASED	61%	78%	75%
MEDIGAP	55%	75%	76%
OTHER PUBLIC	38%	59%	64%
MEDICARE ONLY	43%	59%	58%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

Table 9A shows the percent of Medicare beneficiaries, by coverage type, who reported receiving certain preventive services in 2004. For example, 76 percent of Medigap policyholders received flu shots in 2004.

Table 10A.
Geographic Location Of Medigap Policyholders, By Marital Status (2004)

Marital Status	Geographic Location		
	Rural	Metro	All Areas
Married	57%	56%	57%
Widowed	35%	32%	33%
Divorced	6%	8%	7%
Separated	**	**	**
Never married	1%	4%	3%
Total	100%	100%	100%

Source: Medicare Current Beneficiary Survey Access to Care files, 2004 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare beneficiaries.

** Less than one percent

The percentages in this table may not sum to 100 due to rounding.

Table 10A shows the percent of Medigap policyholders, by marital status, who resided in rural and metro areas in 2004. For example, 35 percent of Medigap policyholders who lived in rural areas in 2004 were widowed.

APPENDIX B METHODOLOGY

This study's purpose was two-fold: (1) to describe the characteristics of Medicare beneficiaries with Medigap supplemental coverage; and (2) to compare Medigap policyholders' characteristics to those of Medicare beneficiaries with other types of supplemental coverage or no supplemental coverage. We describe Medicare beneficiaries by income range, geographic location (rural versus metro), education, and marital status. In addition, we describe the demographic characteristics of Medicare beneficiaries who purchased Medigap policies in 2004.

Data for this study came from the 2004 Medicare Current Beneficiary Survey (MCBS), Access to Care files, Centers for Medicare & Medicaid Services (CMS).

We selected a subset of the data, which included records of beneficiaries who were not institutionalized.

Each beneficiary record in the subset was categorized according to a hierarchy of six coverage types, as follows:

1. Enrolled in Medicare Advantage
2. Enrolled in Medicaid
3. Has employer-based insurance, or employer-based insurance and self-purchased insurance (Medigap)
4. Has self-purchased insurance only (Medigap)
5. Has other public coverage
6. Has Medicare only (Medicare fee-for-service only)

For example, the first coverage type included beneficiaries with Medicare Advantage, the second coverage type included beneficiaries with Medicaid, excluding beneficiaries who were also enrolled in Medicare Advantage, and so on. For beneficiaries categorized in the Medicare Advantage and Medicaid hierarchies, June 2004 was the point in time for which beneficiary records were selected for inclusion. It is worth noting that interviews for the Access to Care files occur once a year, while the MCBS Cost and Use files are based on responses to interviews that are conducted three times annually. Hence, the MCBS Access to Care files are more likely to be influenced by beneficiaries' gaps in care, and would therefore tend to show fewer beneficiaries with supplemental coverage than the MCBS Cost and Use files.

Category 3 includes beneficiaries with employer-based supplemental coverage and those with both employer-based coverage and Medigap plans. Category 4 contains beneficiaries with Medigap only. The "other public coverage" category (category 5) contains beneficiaries with supplemental health benefits through military or veterans' coverage, such as TRICARE. Beneficiaries in category 6 were found to have Medicare fee-for-service only, with no supplemental coverage.

The study also included an analysis of Medicare beneficiaries across the U.S. who did not have employer-based coverage, did not qualify for Medicaid, and resided in areas with at least one Medicare Advantage plan. These beneficiaries, called “active choosers,” essentially had a clear choice among Medicare Advantage, Medigap, or no supplemental coverage. We analyzed active choosers’ selections of Medicare supplemental coverage by geographic location, race/ethnicity, educational level, and income range. Results of our analysis of active choosers in 2004 showed a basic consistency with the analysis conducted for our previous report, based on 2002 data.

In the MCBS dataset, Medicare beneficiaries were classified as residing in either rural (non-metropolitan) or metropolitan areas in 2004 based on CMS administrative data. CMS used information from the Office of Management and Budget to define a metropolitan statistical area (MSA), which is used to define the “metro” category in this report.¹

The six race/ethnicity descriptions of beneficiaries provided in the MCBS dataset were re-grouped into two categories. The Non-White category was comprised of individuals who were identified via administrative records as being African-American, Asian, Hispanic, North American Natives or those designated as “Other.” The White category contained only the race/ethnicity designation of “White.”

As a general rule, all records in the MCBS dataset containing data values such as “unknown” or “refused” were dropped from the respective analyses.

¹ OMB Bulletin No. 05-02, Appendix, November 2004. Statistical and Science Policy Branch, Office of Information and Regulatory Affairs, Office of Management and Budget. MSAs ... “have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.”



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America's Health Insurance Plans
601 Pennsylvania Ave., NW
Suite 500
Washington, DC 20004

202.778.3200
www.ahipResearch.org
Research@ahip.org