

ABSTRACT
MOTIVATIONS FOR BENEFICIARIES AND POLICYMAKERS WHEN MAKING
CHOICES ABOUT MEDICARE ADVANTAGE VERSUS FEE-FOR-SERVICE

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Beneficiaries and policymakers have competing and synergistic needs for the Medicare program. Both groups make complex decisions on how they interact with the two dominant formulations of coverage, Medicare Advantage (MA) and Fee-for-Service (FFS). This dissertation examined conditions associated with a beneficiary's decision to elect MA or FFS, as well as a policy change impacting one coverage formulation (FFS) but not the other (MA). Comparison of FFS and MA was enabled by data from the Medicare Current Beneficiary Survey from 2019-2021 to gain insights during the COVID-19 pandemic, relative to the pre-pandemic period.

Medicare beneficiaries can shop for coverage in FFS or MA on an annual basis during the open enrollment period. The shopping process exposes beneficiaries to tradeoffs between MA and FFS coverage, yet less than 30 percent of beneficiaries exercise their right to shop. Exposing beneficiaries to information regarding the cost of their current coverage, coupled with information on services, increased the probability of shopping by 44.4 percentage points or 159 percent relative to the mean. Further, shopping increased the probability of a beneficiary switching plans (from FFS to MA or vice versa) by 1.8 percentage points or 69 percent relative to the mean. Shopping also increased the probability of sticking with MA, relative to sticking with FFS, by 18 percent (7.2 percentage points).

Policymakers take action to review the Medicare program and act, if warranted. During the COVID-19 pandemic, exogenous policy changes from the US Congress invested emergency capital into FFS telehealth expansion, without investing in MA. The COVID-19 FFS telehealth policy was associated with a 4.3 percentage point increase in access to FFS telehealth, relative to MA. Additionally, among Medicare recipients who had access to telehealth prior to COVID-19, providers changed the modality of virtual care to telephone compared to video or both by an 8.3 percentage point increase among FFS beneficiaries.

Taken together, these findings illustrate important differences between FFS and MA. Examining the mechanisms or tradeoffs behind these findings provides a more holistic picture toward ensuring beneficiaries and policymakers have access to the information they need to make informed decisions about coverage.

Max = 350 words (at 348)