5 Things to Know About
Medicare Advantage

More than 34 million seniors and individuals with disabilities choose Medicare Advantage (MA) because it consistently delivers better services, better access to care, and better value than fee-for-service (FFS) Medicare. That's why 95% of seniors with MA are satisfied with their coverage and benefits.[1]

Here are some more things to know about this essential program:

1. Providing Stronger Financial Security and Greater Peace of Mind

Medicare Advantage helps protect enrollees' health and financial security. For 2025, the average monthly MA premium is $17.00, and two-thirds of plans that combine MA and prescription drug coverage will charge no additional premium.[2]

Unlike FFS Medicare, MA caps enrollees' annual out-of-pocket costs to help protect them from extreme financial burden. Once MA enrollees reach this limit, they are no longer responsible for cost sharing on covered services for the rest of the year. For 2025, the out-of-pocket maximum for MA plans set by CMS is $9,350 for in-network services, but individual MA plans can set lower limits. In fact, 94% of MA plans have a maximum out-of-pocket limit below the CMS limit.[3]

By keeping costs low, MA ensures those living on fixed incomes – like the 36% of MA members[4] who make less than $25,000 a year – have access to stable, affordable health care.

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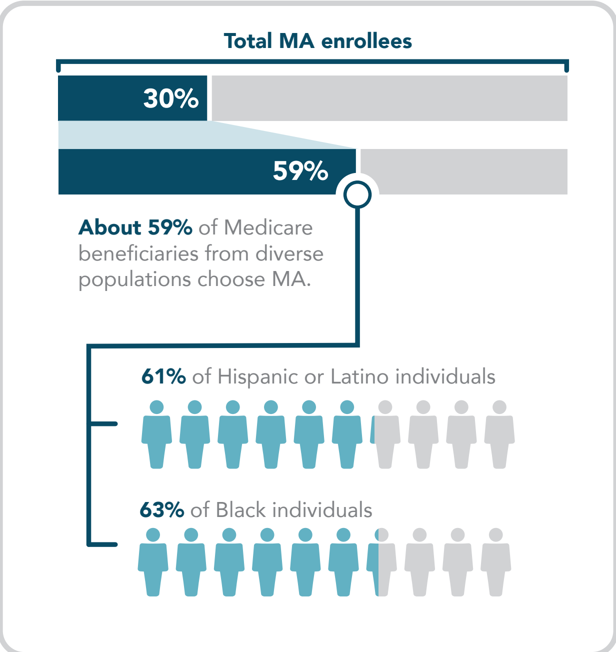

2. Serving Increasingly Diverse Populations

The most recent demographic data on Medicare Advantage enrollees show that MA plans are a vital source of coverage for diverse populations and Medicare enrollees with complex health needs.[4] About 59% of Medicare beneficiaries from diverse populations choose MA – including 61% of Hispanic or Latino individuals and 63% of Black individuals – accounting for 30% of all MA enrollees, compared to only 18% of FFS Medicare enrollees. Over half of all MA enrollees are women (57%), and about 4 million MA enrollees live in rural areas.

Likely due to complex health needs, MA enrollees are less likely to report being in "excellent" or "very good" health compared with FFS Medicare enrollees (47% vs. 54%). What's more, a strong majority of all beneficiaries who are dually eligible for both Medicare and Medicaid benefits (65%) – who often experience complex health conditions – choose MA.

3. MA Delivers Better Quality & Services

According to a recent study, Medicare Advantage outperformed FFS Medicare in 10-of-11 preventive measures for the seniors and individuals with disabilities who rely on it.[5] MA provides at least the same benefits as FFS Medicare – and usually offers additional services and coverage like:

- **Care coordination and disease management**
- **In-home support services**
- **Wellness programs**
- **Vision, hearing and dental benefits**
- **Transportation and meal delivery benefits**
- **Prescription drug coverage, including home delivery of prescriptions**
- **Companion care**

4. Reducing Costs for Beneficiaries & Taxpayers

Medicare Advantage helps hold down costs for beneficiaries and taxpayers. The more people who enroll in MA, the slower costs grow for FFS Medicare.[6] Per-beneficiary government payments for basic coverage are lower for MA than FFS Medicare, and MA beneficiaries have lower out-of-pocket costs[7] for these services than those with FFS Medicare. The Medicare Part A Trust Fund could be extended by as much as 17 years if Part A services in the FFS Medicare program were used at the same level as MA.[8]

MA delivers significant value to the Medicare program and American taxpayers by aligning coverage incentives with beneficiaries' health and well-being, and prioritizing long-term solutions like care coordination, preventive services, management of chronic conditions, and more.

17 years

The Medicare Part A Trust Fund could be extended by as much as 17 years if Part A services in the FFS Medicare program were used at the same level as MA.

5. Overwhelming Support for Medicare Advantage

With beneficiaries who choose Medicare Advantage saving more than $2,500[1] per year on their health care compared with those enrolled in FFS Medicare, more than half (52%) of those eligible to enroll in Medicare[9] choose MA, and the vast majority[1] of seniors with MA coverage (95%) report satisfaction with their benefits.

1 www.bettermedicarealliance.org/medicare-advantage/about-medicare-advantage
2 www.kff.org/medicare/issue-brief/medicare-advantage-2025-spotlight-a-first-look-at-plan-premiums-and-benefits/#:~:text=CMS%20estimates%20that%20the%20average,in%20Medicare%20Part%20B%20premiums.
3 www.bettermedicarealliance.org/wp-content/uploads/2024/10/Analysis-of-the-2025-Medicare-Advantage-Plan-Landscape.pdf
4 Based on AHIP analysis of 2022 Medicare Current Beneficiary Survey Public Use File.
5 www.ahip.org/resources/medicare-advantage-provides-higher-quality-of-care-and-better-rates-of-preventive-service-use-when-compared-to-original-medicare
6 Johnson, Garret, Figueroa, José F., Zhou, Xiner, et al. Recent growth in Medicare Advantage enrollment associated with decreased fee-for-service spending in certain US counties. Health Affairs 35(9): 1707-1715. September 2016.
7 www.milliman.com/-/media/milliman/pdfs/2024-articles/4-29-24_value-of-ma-to-the-federal-government.ashx#:~:text=We%20estimated%20the%20value%20of%20reduced%20cost%20sharing%20and%20additional,not%20covered%20by%20Medicare%20FFS.
8 www.ahip.org/news/press-releases/new-research-finds-that-if-original-medicare-had-similar-utilization-to-medicare-advantage-it-could-boost-medicares-trust-fund-viability-by-nearly-two-decades
9 Centers for Medicare & Medicaid Services. Medicare Advantage/Part D Contract and Enrollment Data. December 2024.