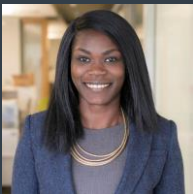


2019 Medicare Advantage Outlook

Leveraging Supplemental Benefits for MA Growth

Apr. 18th, 2019

1:00 – 2:00PM EST



Sandra Agik
Senior Analyst
agiks@advisory.com

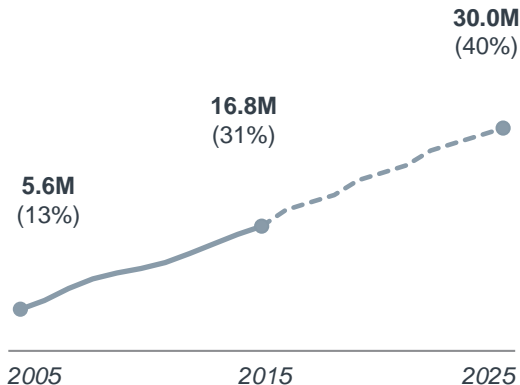
- 1 Defining the growth opportunities
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-

Medicare Advantage continues record growth

Popularity driven by satisfaction with overall costs and benefit coverage

MA enrollment to nearly double by 2025

Total enrollment and percentage of total Medicare population



Factors driving MA enrollment growth

Influx of MA eligible individuals

10K

Baby Boomers turn 65 every day since 2011

Satisfaction with coverage and costs¹

86%

MA enrollees satisfied with benefits coverage

80%

MA enrollees satisfied with costs of MA plan

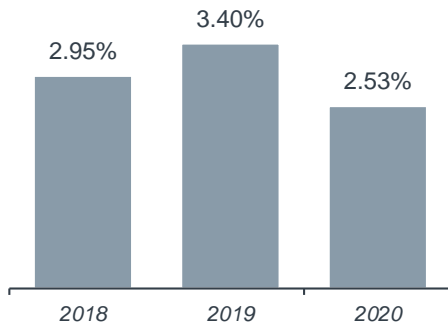
Source: "Medicare Advantage: Total Enrollment," Kaiser Family Foundation, Accessed January, 2020, <https://www.kff.org/medicare/state-indicator/ma-total-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>; "Medicare Advantage Fact Sheet," Kaiser Family Foundation, October, 2017, <http://kff.org/medicare/fact-sheet/medicare-advantage-fact-sheet/>; "Medicare Congressional Budget Office's January 2017 Baseline," CBO, <https://www.cbo.gov/sites/default/files/113-02-2017-01-medicare.pdf>; National Tracking Poll, Morning Consult, March 2015, <http://morningconsult.com/wp-content/uploads/2015/03/150307-MC-National-Medicare-Poll-CROSSTABS.pdf>; Health Plan Advisory Council interviews and analysis.

Unpacking a favorable financial opportunity

Plans forced to lean on performance revenue amid fluctuating rates

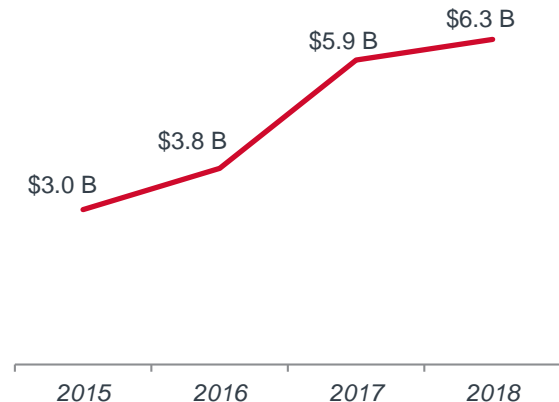
Payment rate increases continue to fluctuate

Annual MA payment rate increases 2018-2020



Bonuses paid to MA plans more than doubled over four years

Total Bonuses Paid out to MA Plans in billions of dollars (2015-2018)



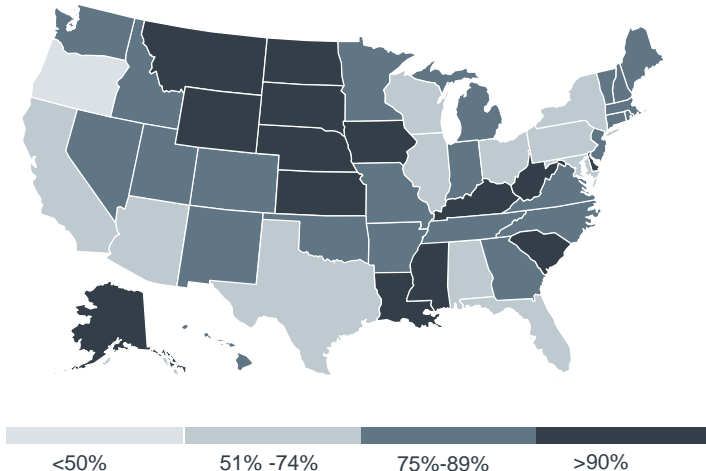
Source: Jacobson, G, Damico A, Neuman, T, "A Dozen Facts About Medicare Advantage", November, 2018, <https://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage/>; V, "CMS gives Medicare Advantage plans a raise, Modern Healthcare, April 2018, <https://www.modernhealthcare.com/article/20180402/NEWS/180409987/cms-gives-medicare-advantage-plans-a-raise>; Medicare Advantage plans see smaller rate hikes for 2020, Modern Healthcare, January 2019, <https://www.modernhealthcare.com/article/20190130/NEWS/190139987/medicare-advantage-plans-see-smaller-rate-hikes-for-2020>; Ladsariya et al., "Medicare Advantage: Dispelling market misconceptions," McKinsey & Company, January 2014; Health Plan Advisory Council interviews and analysis.

Competition intensifies as MA plans multiply

Despite high consolidation, MA markets attract established and new carriers

Three firms account for more than three-quarters of MA enrollment in most states

Combined market share of the three firms or affiliates with the largest number of Medicare Advantage enrollees by state, 2017



Established and new carriers offer more products

18%

Increase in number of plan product offerings available to consumers between 2018-2019¹

7 ▶ 14

New carriers offering MA plan products in 2019, up from 7 in 2018

Source: Jacobson, G, "Medicare Advantage 2017 Spotlight: Enrollment Market Update", <https://www.kff.org/medicare/issue-brief/medicare-advantage-2017-spotlight-enrollment-market-update/>; CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council interviews and analysis.

Loosened restrictions extend benefit flexibility to plans

Plans can design products to attract enrollees and address social needs



Custom(ish) Benefit Design

- Plans can design **disease-specific benefits** for enrollees with chronic or high-risk conditions



Reduced co-pays for diabetic enrollees



Additional tobacco cessation sessions for enrollees with COPD



Supplemental Benefit Expansion

- Supplemental benefits can cover **services that diagnose, prevent or improve** effects of health conditions



Example Plan Services



Transportation to primary care appointments



Temporary and portable mobility ramps for in-home safety

“CMS expands Medicare Advantage telehealth benefits”

Modern Healthcare
March, 2019

Source: Shelby, R, “CMS expands Medicare Advantage telehealth benefits”, Modern Healthcare, April 2019, <https://www.modernhealthcare.com/care-delivery/cms-expands-medicare-advantage-telehealth-benefits>; “2019 Medicare Advantage and Part D Announcement and Call Letter”, CMS Fact Sheet, April 2018, <https://www.cms.gov/newsroom/fact-sheets/2019-medicare-advantage-and-part-d-rate-announcement-and-call-letter>; Health Plan Advisory Council interviews and analysis;

Enrollees have more opportunities to switch products

Plans must guarantee a seamless experience early in the plan year

“

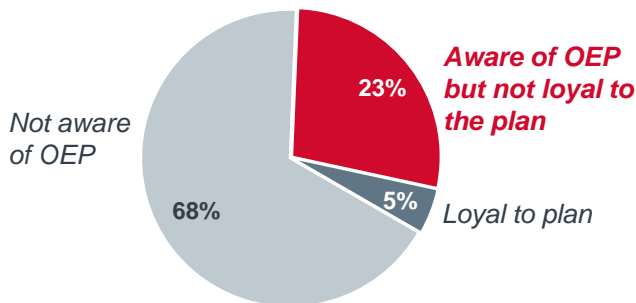
CMS reinstates open enrollment period

“The New Medicare Advantage Open Enrollment Period: Your Chance To Find A Better Match”

FORBES, Feb. 2019

Percent of MA enrollees aware of OEP¹

Deft survey of 1,200 MA enrollees, 2018



Potential impact of member experience frictions on switching

Types of member experiences reported by enrollees aware of OEP and at risk of switching

100% -----



I was billed higher than expected

Drug I filled is no longer covered

Source: Omdahl, D. "The New Medicare Advantage Enrollment Period: Your Chance to Find a Better Match", Forbes, Feb 2019, <https://www.forbes.com/sites/dianeomdahl/2019/02/26/the-new-medicare-advantage-open-enrollment-period-your-chance-to-find-a-better-match/#1b9d55445473>; Radar on Medicare Advantage, January 17, 2019, Volume 25, Issue 2; Health Plan Advisory Council interviews and analysis.

1) Open enrollment period

Key takeaways: Defining the growth opportunities

Implications for health plans

1 Plans must increasingly rely on **high performance on quality ratings** to maintain stable revenue year-over-year

Compared to the fluctuating payment rate increases, plans have an opportunity to increase their payments by up to five percent if they achieve high-quality ratings. Plans must continue to invest in strategies to maintain and increase star ratings.

2 Plans must **attract and retain enrollees** throughout the year amid growing competition

While changing regulatory policies offer favorable margin growth opportunities, they have also resulted in increased competition and increased enrollee ease of switching. Plans must refine strategies to guarantee a seamless experience to attract and retain enrollees throughout the year.

- 1 Defining the growth opportunities
 - 2 Current plan strategies for growth reaching their limits
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-

Plan strategies to attract enrollees

Three common health plan strategies to attract enrollees

1

Low premiums

Offer low-cost products



2

Plan quality

Maintain high star rating



3

Extra benefits

Offer supplemental benefits



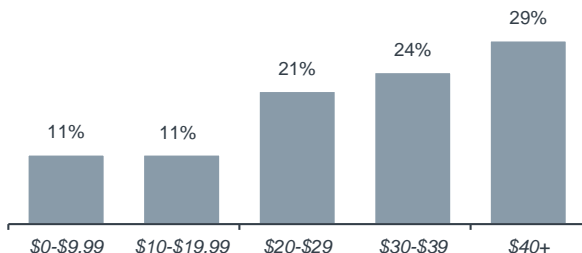
Enrollees will switch for lower premiums

Most enrollees have access to low-cost products

Share of MA enrollees voluntarily switching plans

By increase in monthly premiums¹, 2013-2014

n=4.96 million enrollees



Enrollee access to affordable plan options in 2019

90% MA enrollees have access to zero-premium plans

6% Reduction in premium prices for plans in 2019

\$40 Average premium price per month across available products²

1) Numbers may not sum to 100 percent because of rounding.

2) Not weighted on enrollment and excludes \$0 premium products

Source: "Jacobson G, Neuman T, "Medicare Advantage Spotlight: 2019 Outlook", Kaiser Family Foundation, October, 2018, <http://files.kff.org/attachment/Data-Note-Medicare-Advantage-2019-Spotlight-First-Look>; Jacobson G, Neuman T, "Medicare Advantage Plan Switching: Exception or Norm?", Kaiser Family Foundation, <https://www.kff.org/report-section/medicare-advantage-plan-switching-exception-or-norm-issue-brief/>; Health Plan Advisory Council interviews and analysis.

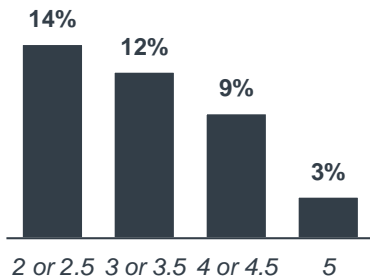
Enrollees more likely to switch to higher rated plan

Majority of enrollees in 4+-star plans

Share of MA Enrollees voluntarily switching plans

By Star rating of 2013 plan,
(2013-2014)

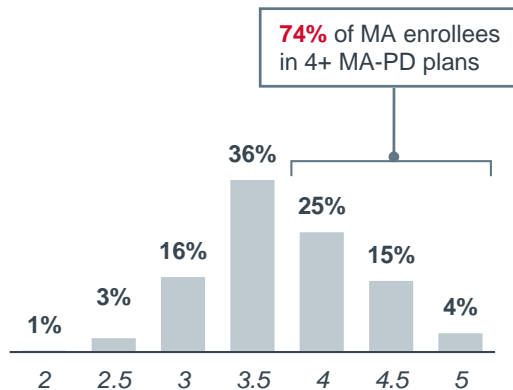
n=4.96 million enrollees



Distribution of plan Star ratings, 2018

Number of MA-PD¹ plans by Part C star ratings

n=385 issuers



Source: "Medicare offers improved access to high-quality health coverage choices in 2018," CMS, <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2017-Press-releases-items/2017-10-11.html>; McKinsey Center for U.S. Health System Reform, "Addressing the 2017 Medicare Advantage Star ratings," http://healthcare.mckinsey.com/sites/default/files/Intelligence-Brief_2017-Medicare-Stars-Performance.pdf; Jacobson G, Neuman T, "Medicare Advantage Plan Switching: Exception or Norm?," Kaiser Family Foundation, <https://www.kff.org/report-section/medicare-advantage-plan-switching-exception-or-norm-issue-brief/>; Health Plan Advisory Council interviews and analysis.

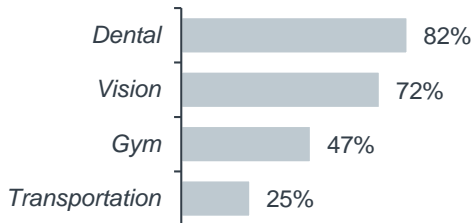
1) Medicare Advantage plan with Part D offering

Supplemental benefits popular among enrollees

Enrollees have limited access to products with new supplemental benefits

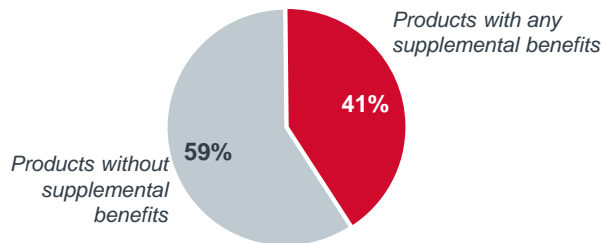
Consumers willing to switch to products with supplemental benefits

Member proclivity to switch to MA plan with listed benefit¹



Less than half of MA plans filed products with supplemental benefits

Percent of 2019 MA plans with supplemental benefits
n= 5019 plan products



Enrollee access to products with new supplemental benefits²

7% MA enrollees have access to plans with **new** supplemental benefits in 2019

1) KPMG Strategic Health Perspectives consumer survey, 2013

2) KFF estimates

Source: "The 2013 Strategic Health Perspectives consumer survey", KPMG, <https://assets.kpmg/content/dam/kpmg/us/pdf/2016/12/medicare-advantage-whitepaper.pdf>; CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Jaffe, S, "Trumpeted New Medicare Advantage Benefits Will Be Hard for Seniors to Find", <https://khn.org/news/trumpeted-new-medicare-advantage-benefits-will-be-hard-for-seniors-to-find/>.

Supplemental benefits largely untapped

Markets saturated with low-cost products from high-quality plans

Three common strategies and market opportunities for MA growth

1

Low premiums

Members more likely to switch when facing higher premium increase

90%

MA enrollees have access to zero premium plans

2

Plan quality

Members in higher rated plans less likely to switch

74%

MA enrollees in 4+ MA-PD¹ plan 2019

3

Supplemental benefits

Members value supplemental benefits

7%

MA enrollees have access to plans with new supplemental benefits

Source: Jacobson, G, "Medicare Advantage 2018 Spotlight: Enrollment Market Update", <https://www.kff.org/medicare/issue-brief/medicare-advantage-2017-spotlight-enrollment-market-update/>; <https://assets.kpmg/content/dam/kpmg/us/pdf/2016/12/medicare-advantage-whitepaper.pdf>; CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council interviews and analysis.

1) Medicare Advantage plan with part D benefit

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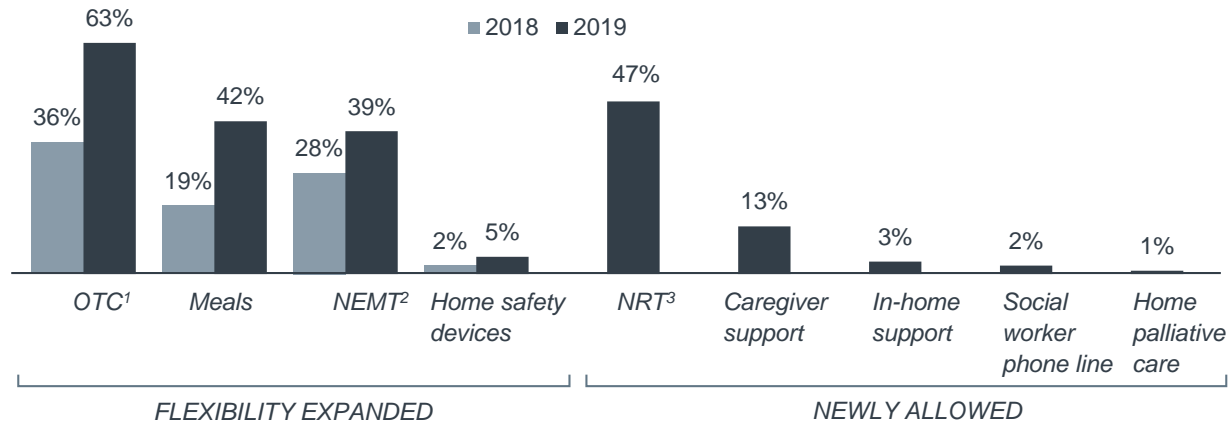
Most plans slow to embrace newly allowed benefits

Plans predominantly offered previously allowed supplemental benefits

Distribution of types of supplemental benefits offered in 2019

Percent of plans offering benefit type [among plans offering any supplemental benefits]

n=2047 plan products with supplemental benefits



1) Over-the-counter drug benefit

2) Non-Emergent Medical Transportation

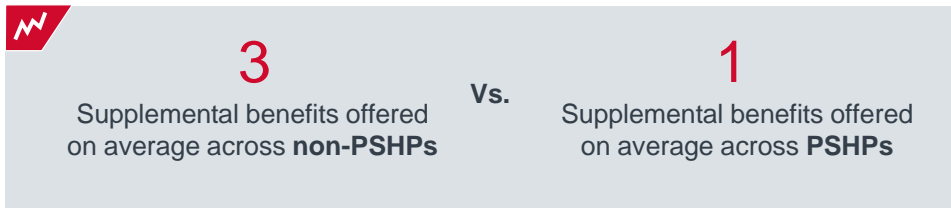
3) Nicotine Replacement Therapy

Source: CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Sung, J, "Supplemental Benefits in Medicare Advantage: What's Changing in 2019 and What's Not", AARP Blog, Oct., 2018, <https://blog.aarp.org/2018/10/30/supplemental-benefits-in-medicare-advantage-whats-changing-in-2019-and-whats-not/>; Health Plan Advisory Council interviews and analysis.

PSHPs prioritize different benefits than non-PSHPs

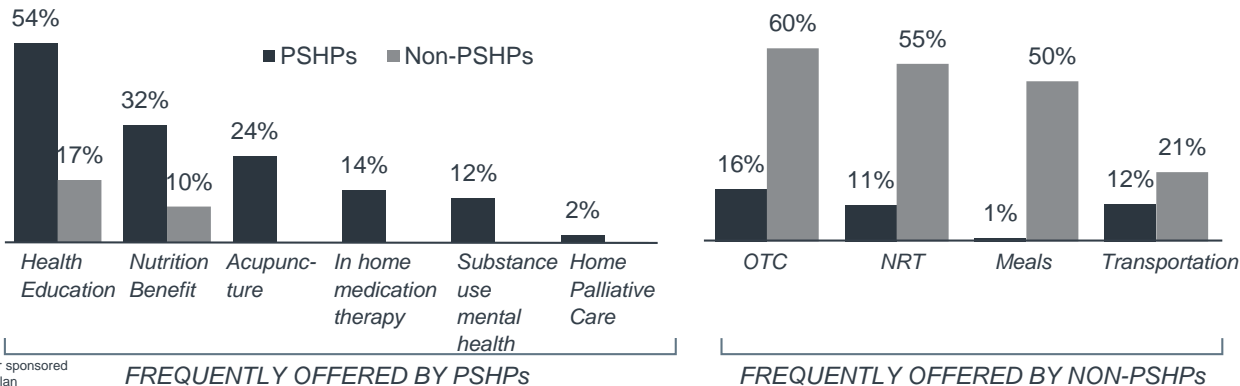
PSHPs adopt fewer supplemental benefits

PSHPs offered half the average number of supplemental benefits than non-PSHPs



Percent of products with supplemental benefits by plan type

n =247 PSHP plan products, 1792 non-PSHP plan products



1) Provider sponsored health plan

2) Results statistically significant (p-value <0.05)

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Source: CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrollData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council Interviews and analysis.

Plans rely on robust usage restrictions to contain costs

Meal benefits require copays, prior authorization, or have other limits

Majority of plans require authorization and copays for meal benefits

Percent plan products requiring copay and authorization for meal benefits in 2019

n=895 plan products



90%

Of plan products with meal benefits require co-pay



91%

Of plan products with meal benefits require authorization

Meal benefit limits

Average benefit allowances, 2019



46

Maximum meals per coverage period



22

Days per coverage period

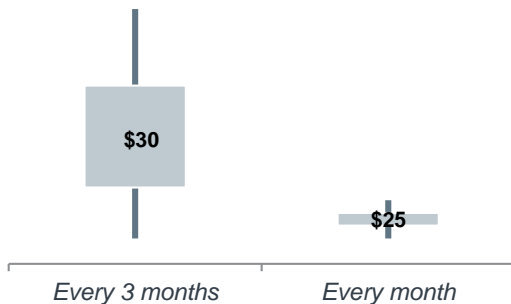
Plans also limited dollar and rollover amounts

OTC benefit coverage amounts are low and don't carry over

OTC benefit coverage amounts are relatively low

Ranges of OTC coverage amounts in 2019

N=994 plan products



OTC benefit limits, 2019

91%

Plans cover NRT under OTC benefit

20%

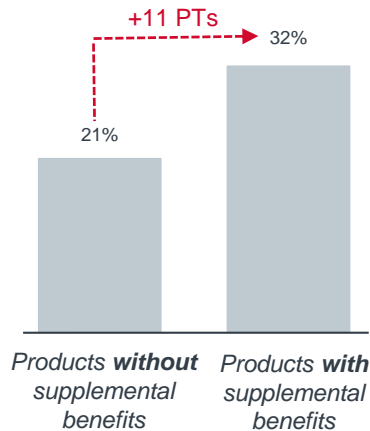
Plans allow unused OTC benefits to carry over

Supplemental benefits linked to enrollment growth

Investments in supplemental benefits pay off

Average percent enrollment growth for products with and without supplemental benefits in 2019¹

n=210 state-issuer combinations



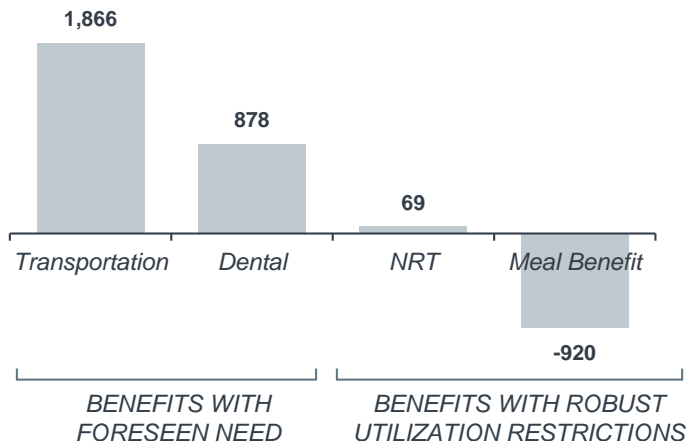
1) Analysis controlled for price and star ratings, p-values statistically significant

Enrollment related to specific types of benefits

Benefits with fewer restrictions and foreseen need drive enrollment growth

Average increase in number of enrollees by type of supplemental benefit offered in 2019¹

n = 210 state-issuer combinations



Source: CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council interviews and analysis.

1) Analysis controlled for price and plan quality

Methodology and Assumptions



- We identified MA plans with coverage for next year based on the 2019 Medicare Advantage Landscape Source Files. Our analysis excludes PACE, Part B Only Plans, and employer-sponsored plans since they are not represented in the MA Landscape files.
- To calculate the share of plans offering a given supplemental benefit, we merged information from the 2019-Quarter 1 Plan Benefit Package file (PBP) into the MA Landscape file. The PBP file contains all benefits approved by the Center for Medicare and Medicaid Services (CMS) for plans with 2019 coverage.
- To determine absolute and percentage growth in enrollment, we identified MA plans January 2019 and January 2018 enrollment numbers from the “Monthly Enrollment by Plan” files for each respective year. The information on supplemental benefits included in MA plans sold in 2017 came from the 2017 Plan Benefit Package file.
- Finally, we conducted a linear regression analysis to estimate the effect of offering a supplemental benefit on growth. We controlled for average premium price, plan quality using variables obtained from the MA Landscape Source Files.

Source: CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDENrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council interviews and analysis.

Key takeaways: Insights from 2019 plan benefit filings

Implications for health plans

- 3** Most plans were **conservative with new supplemental benefits offerings** Only seven percent of enrollees have access to the new supplemental benefits. For plans that offered these benefits, most increased offerings for benefits that were previously allowed and attached utilization restrictions to contain costs.
- 4** Plans **with supplemental benefits experienced a greater increase in enrollment** and enrollment growth varied by type of benefit offered. Plan products with supplemental benefits experienced enrollment growth of 11 percentage points greater than those without. Supplemental benefits that enrollees can easily anticipate using attracted more enrollees, while those with robust utilization restrictions did not have a significant effect on enrollment

- 1 Defining the growth opportunities
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Consumers struggle to select and use benefits

Enrollees unable to predict future needs or understand benefit information

Consumer challenges during supplemental benefit selection and use

1

Future benefit needs are unknown



Members don't know which benefits to select since they can't anticipate their future needs in the plan coverage year

2

Benefit information is confusing



Quantitative limits, cost-sharing and restrictions are hard to understand and deter members from choosing plan products

Confusing options dissuade benefit selection and use

Current enrollment environment exacerbates consumer selection challenges

Consumer challenges to product selection in the current enrollment environment

Unpredictable benefit needs

61% Of top spenders in a given year¹ are new

29% U.S. adults have undiagnosed diabetes²

Complex benefit information

42% Of seniors cannot describe a deductible or understand coinsurance

90% Of health plans with meal benefits required authorization and co-pay to use the benefit

1) Measured for pairs of years from 2008 to 2015 for U.S. adults under age of 65

2) Includes U.S. adults of all ages

Source: Johnson, William, et al, "Consistently high turnover in the group of top health care spenders", *NEJM Catalyst*, February 1, 2018, <https://catalyst.nejm.org/high-turnover-top-health-care-spenders/>; Yang, W et. al., "Diabetes diagnosis and management among insured adults across metropolitan areas in the U.S.", *Preventive Medicine Reports*, Volume 10, 2018, <http://www.sciencedirect.com/science/article/pii/S2211335518300524>; Jacobson, G, "Medicare Advantage 2019 Spotlight: First Look"; <https://www.kff.org/medicare/issue-brief/medicare-advantage-2019-spotlight-first-look/>; CMS.gov. Public use file [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; [Accessed Jan. 2019]. Available from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>; Health Plan Advisory Council interviews and analysis.

Pare down tasks to select and use curated products

Two imperatives to alleviate consumer hurdles during product selection

Solutions to common consumer challenges during enrollment

CHALLENGE 1



**Future benefit needs
are unknown**

CHALLENGE 2



**Benefit information
is confusing**

Plan imperatives for a frictionless product selection process

IMPERATIVE 1



**Curate products for
members using
historical data**

IMPERATIVE 2



**Shorten member tasks
required to select and
use benefits**

Pare down tasks to select and use curated products

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Solutions to common consumer challenges during enrollment

CHALLENGE 1



**Future benefit needs
are unknown**

CHALLENGE 2



**Benefit information
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Plan imperatives for a frictionless product selection process

IMPERATIVE 1



**Curate products for
members using
historical data**

SAMPLE TACTIC

1. Claims data-driven product recommendations

IMPERATIVE 2



**Shorten member tasks
required to select and
use benefits**

SAMPLE TACTIC

2. Embedded benefits eligibility information during product use

Use historical data to pre-populate member needs

Humana uses integrated claims data to tailor plan recommendations

Humana drug plan selection process

Humana Rx Calculator

Using Medicare's Blue Button 2.0, we can quickly transfer your prescription info and estimate your drug costs.

Blue Button 2.0 securely connects Humana with up to four years of your Medicare Parts A, B and D claims data. Your prescription list will be built using your current year of data. You have full control over how your protected health information (PHI) can be used. Your identity and authorization are controlled through tools on MyMedicare.gov.

Note: because this involves PHI, only the potential plan member can complete this.

Let's connect you to MyMedicare.gov to price your prescriptions!

[Yes, connect to MyMedicare.gov](#)

[No, I'd rather enter my prescriptions manually →](#)

Humana drug plan finder tool

Humana Preferred Rx Plan PDP Humana prescription drug View details <input type="checkbox"/> Add to Compare	✘ Medical ✔ Prescription drug Deductible: \$415.00 Estimate your drug cost	This plan only covers prescription drugs. \$29.70 <input type="button" value="→ Enroll now"/>
Humana Enhanced PDP Humana prescription drug View details <input type="checkbox"/> Add to Compare	✘ Medical ✔ Prescription drug Deductible: \$0.00 Estimate your drug cost	This plan only covers prescription drugs. \$74.80 <input type="button" value="→ Enroll now"/>



Value proposition to members

- Accurate estimates for prescription costs
- Decrease in time required for selecting plan
- Plan recommends products that adequately fits member needs

Pare down tasks to select and use curated products

Two imperatives to alleviate consumer hurdles during product selection

Solutions to common consumer challenges during enrollment

CHALLENGE 1



**Future benefit needs
are unknown**

CHALLENGE 2



**Benefit information
is confusing**

Plan imperatives for a frictionless product selection process

IMPERATIVE 1



**Curate products for
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SAMPLE TACTIC

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IMPERATIVE 2



**Shorten member tasks
required to select and
use benefits**

SAMPLE TACTIC

2. Embedded benefits eligibility information during product use

Making it easier to use OTC health plan allowance

Many of Anthem-affiliated plan consumers can obtain OTC medications and health-related items through Walmart via in-stores, phone, online, or app

Anthem-Walmart OTC benefits shopping experience also leverages Walmart's everyday low prices

How to use your benefits

OTC Benefits: To use your over-the-counter benefits from Walmart log on to <https://www.healthybenefitsplus.com>

Anthem-Walmart Over-the-Counter Benefits Portal

Hi Emily, would you like to proceed with this purchase?

Your cart: 6 items

Vitamin D pills Qty: 3 \$27.00

(\$9.00/bottle)

Band-Aids Qty: 3 \$14.91

(\$4.97/box)

Pick up in store

Order Summary:

Item(s) Subtotal: \$41.91

Shipping: FREE

Est. Taxes and Fees \$2.10

Grand Total: **\$44.01**

Check out with your Anthem OTC Card

*Note: This is a simulation of the check out screen. Actual check out screen may be different.

Expected Program Results

More Medicare consumers will be interested in enrolling in Anthem-affiliated plans

Members will be more satisfied with Anthem-affiliated plans, likely improving NPS

Members will be more likely to remain with Anthem-affiliated plans

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Source: Anthem Inc.; CMS.gov 2019 plan filing data; Health Plan Advisory Council Analysis

Pare down tasks to select and use a curated list of products

Two imperatives to alleviate consumer hurdles during product selection

Solutions to common consumer challenges during enrollment

CHALLENGE 1



Future benefit needs are unknown

CHALLENGE 2



Benefit information is confusing

Plan imperatives for a frictionless product selection process

IMPERATIVE 1



Curate products for members using historical data

SAMPLE TACTIC

1. Claims data-driven product recommendations

IMPERATIVE 2



Shorten member tasks required to select and use benefits

SAMPLE TACTIC

2. Embedded benefits eligibility information during product use

Defining the growth opportunities

Current plan strategies reaching limits

Summary takeaways

Leveraging supplemental benefits to grow your MA plan

- ▶ Amid fluctuating payment rate increases, plans must **increasingly rely on performance bonuses to maintain stable year-over-year revenue**
- ▶ **Plans must also deliver a seamless experience throughout the year as enrollees** now have more opportunities to switch products
- ▶ Plan strategies to drive enrollment growth by **offering low-cost products and maintaining high quality are reaching their limits**, but **supplemental benefits remain largely untapped**

Insights from 2019
plan benefit filings

Unlocking the growth
potential using
supplemental benefits

Summary takeaways

Leveraging supplemental benefits to grow your MA plan

- ▶ In 2019, the small fraction of plans offering newly allowed supplemental benefits were very conservative— **mostly increasing offerings for benefits that were previously allowed** and attaching **utilization restrictions to contain costs.**
- ▶ Plans that **offered any supplemental benefits in 2019 experienced greater enrollment growth greater** than plans that did not. Supplemental benefits that enrollees **can easily anticipate using such as transportation tended to attract more enrollees than benefits with robust restrictions** such as meal and OTC benefits
- ▶ To successfully drive enrollment growth using supplemental benefits, plans must alleviate the two key challenges consumers face during benefit selection and use. They can do so by **curating a list of products and reducing the number of tasks enrollees need to complete** as they select and use products with supplemental benefits.

Upcoming resource



2019 Medicare Advantage Outlook: Leveraging Supplemental Benefits to grow your MA plan

A white paper outlining imperatives for growing your MA plan using supplemental benefits with more data and tactics



Contact Sandra Agik at
agiks@advisory.com for final version
 when available or indicate on survey



Want more resources on MA strategy?



The Medicare Advantage Stars Improvement Guide

A custom toolkit for improving stars performance



How to Give Providers the Data They Want

Three steps to better data sharing with providers to close care gaps



New Partnerships for Risk Adjustment Accuracy

Tactics to encourage provider and member behavior that supports your risk adjustment strategy.



Top Three Insights on Medicare and Medicaid Consumers for Plans

Top insights from our national survey of consumers about what health care services they value most

Contact us at hpac@advisory.com for access to more resources on Medicare Advantage needs and priorities



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1 Educate and Engage Yourself



2 Implement New Ideas at the Plan



3 Drive Consensus Across the Organization

