



# EXECUTIVE RESEARCH BRIEF

2021 MEDICARE SUPPLEMENT AND ORIGINAL MEDICARE ONLY TO MAPD CONJOINT

## *The Race to Build MA's Share of the Medicare Eligible Pie Will be Won Through Two Different Approaches.*

Deft's 2021 National MedSupp and Original Medicare Only to MAPD Conjoint Study Research Brief

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Deft Research recently published the 2021 National MedSupp and Original Medicare Only to MAPD Conjoint Study. This national market research report of over 2,000 seniors in Original Medicare Only or Original Medicare with a Medigap (MedSupp) plan uncovers the tradeoffs these beneficiaries are willing to make when it comes to a potential conversion into Medicare Advantage. Armed with these insights, MA designers will have a better grasp of the core plan attributes and benefit levels that are necessary to interest each of these two segments. This Executive Research Brief will examine a couple of interesting findings from the report as it pertains to MOOP and Premium, and how each segment of seniors reacts to them. For more information on the rest of the report--and the virtual MAPD product simulator that accompanies the study--please contact your Deft Research associate or email [info@deftresearch.com](mailto:info@deftresearch.com).

Upon proudly presenting management with the previous year's AEP haul, many MA product designers are crestfallen after hearing something like this: "Well, where's the rest of them? After all, the CMS files show that there are still two times as many seniors not in MA in our service area. Why can't we (heard as "you") get them all to bite?"

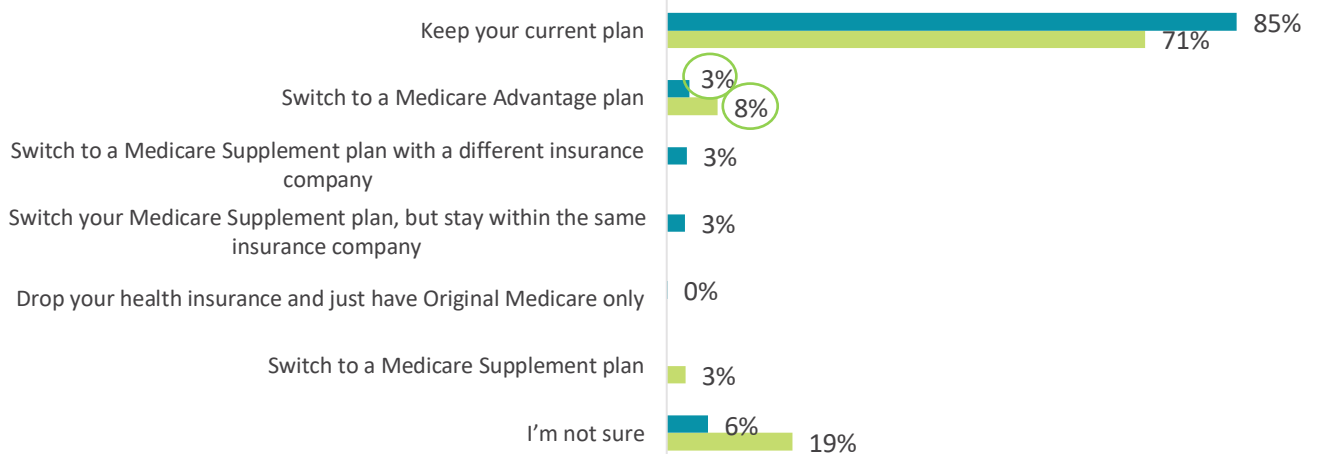
If only it were that easy.

### Likely 2021 Coverage Decision

Base: MedSupp Members and OMO Members

■ MedSupp, n=1,615

■ OMO, n=397



As seen on the previous page, 3% of current MedSupp members and a whopping 8% of OMO members had their sights set on an MAPD conversion last fall. But as consumers are prone to do, stated intentions to switch do not always manifest themselves into an actual new enrollee. According to the soon-to-be-published 2021 Medicare Shopping and Switching Study, about 2% of MedSupp consumers *did* take the MA plunge this year and 3% of OMO members followed suit. Although these numbers are lower than what consumers thought they may do (we are still in the middle of a pandemic, after all) what MA plan in America wouldn't have welcomed another 5% of non-penetrated beneficiaries into their year-end haul? We all would.

But proactively working to ensnare current MedSupp or OMO beneficiaries into your MA net is different than hoping that these fish just flop in over the transom. It takes substantial planning, effective marketing execution, and convincing sales support. But most of all, it takes proper plan design. The fact that these members initially opted against MA means that resetting the MA value proposition through design is an uphill battle.

So, what matters more to these seniors? Is it a rich dental benefit? The flexibility of spending down a supplemental benefits card? A PPO?

Deft's National MedSupp and Original Medicare Only to MA Conjoint Study actually progressed MedSupp and OMO seniors through a series of 12 Medicare product choice exercises. During each exercise, these beneficiaries were tasked with selecting one of two MA plans that they would pick as the one best suited for themselves. Each of these two choices showed seniors different benefit levels for 11 common MA attributes: Premium (sometimes including Part B rebates), MOOP, Network, Doctor Inclusion/Exclusion in Network, Rx Deductible, Generic Drug Copay, Brand Drug Copay, Dental Coverage, Extra Benefits, and PCP and Specialist Copays. As seen in the chart to the right, seniors could also confirm their selection in the research by stating "I would actually consider switching to this plan".

Imagine you were looking for new health insurance coverage and came across the following Medicare Advantage plans. Which Medicare Advantage plan would you be most likely to purchase for yourself?

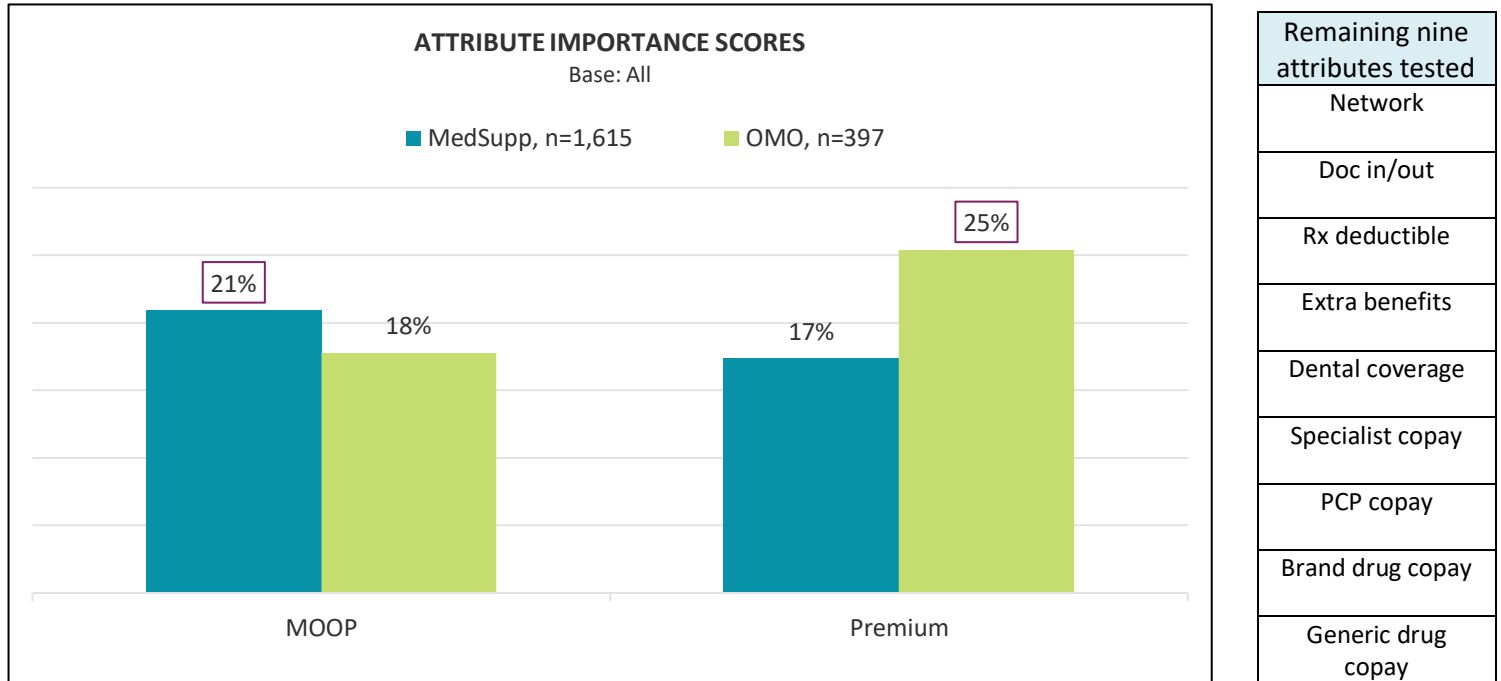
(1 of 14)

Attribute	Plan A	Plan B
<b>Monthly Premium</b>	\$125	\$0, and you receive a <a href="#">Part B premium Give Back</a> of \$50 per month
<b>Annual Out-of-Pocket Maximum</b>	\$5,500	\$6,700
<b>Health Plan Network</b>	Plan has a network: <ul style="list-style-type: none"> <li>• Must select an in-network primary doctor.</li> <li>• Need a referral to see a specialist.</li> <li>• Network includes select hospitals and doctors.</li> <li>• You pay 100% of the cost for out-of-network, non-emergency care, and must submit a claim for 70% to 80% reimbursement.</li> </ul>	Plan has a network: <ul style="list-style-type: none"> <li>• You do not need to choose a primary doctor</li> <li>• No referral needed to see a specialist</li> <li>• You pay 10% for non-emergency services received out-of-network</li> </ul>
<b>Prescription Drug Deductible</b>	\$445	\$350
<b>Generic Drug Copay</b>	\$20	\$5
<b>Dental Coverage</b>	Dental coverage is included: <ul style="list-style-type: none"> <li>• 2 cleanings per year</li> <li>• 2 x-rays</li> <li>• No coverage for root canals, fillings, bridges, crowns, and other similar restorative services</li> <li>• No coverage for dentures or implants</li> </ul>	Enhanced dental coverage is included: <ul style="list-style-type: none"> <li>• 2 cleanings per year</li> <li>• 2 x-rays</li> <li>• Plan pays 80% of the cost for root canals, fillings, bridges, crowns, and other similar restorative services</li> <li>• Plan pays 80% of the cost for dentures or implants</li> </ul>
<b>Extra Benefits</b>	Includes fitness benefits: <ul style="list-style-type: none"> <li>• 20% monthly gym membership discount</li> <li>• Fitness DVDs sent to your home</li> <li>• On-demand home workouts through mobile app</li> </ul>	\$500 Flexible Benefit—Plan provides a \$500 "debit card" each year. Can use towards: <ul style="list-style-type: none"> <li>• Dental services</li> <li>• Hearing services</li> <li>• Eyewear</li> <li>• Pharmacy expenses</li> <li>• Gym memberships</li> <li>• Telehealth visits</li> </ul>
<b>Primary Care Physician Copay</b>	\$0	\$15
<b>Specialist Copay</b>	\$25	\$40
<b>Brand Name Drug Copay</b>	\$20	\$40
	Select	Select

Would you actually consider switching to this plan from your plan?

Yes No

One result of the choice exercise is a read on the influence each attribute has on consumers' final decisions. As seen in the chart below, 21% of the reason why MedSupp consumers chose the plans they ended up selecting had to do with MOOP. 17% of their decision-making process was related specifically to the premium amounts shown to them. The percentage scores from those two attributes, plus the percentage scores from the remaining nine attributes total 100%. (The percentage scores from the other nine attributes are intentionally removed from this chart.)



What does this all mean? The MOOP level MA plans choose to incorporate into their designs will be more influential with MedSupp consumers than OMO consumers if and when they ever decide to move to MA. For MedSupp members, this influence is greater than that of premium.

The same cannot be said for OMO members. For OMO members, premium amount is critical and much more so an influence in their final decision than is MOOP. Net: you aren't going to entice these two consumers equally with the same "one-size-fits-all" design.

The momentum to MA is unlikely to stop any time soon. Capitalizing on that momentum will require MA plans to design to the specifics of both segments—in separate designs.

For a complete description of the impact of all 11 attributes studied, and all 54 benefit levels within those attributes, contact your Deft Research associate. The 2021 National MedSupp and Original Medicare Only to MAPD Conjoint Study also contains two other important features: 1) a MaxDiff exercise which illuminates the set of supplemental benefits that can appeal to the broadest swatch of OMO and MedSupp members, and 2) an online virtual MAPD plan simulator. The simulator allows plan designers to test nearly an unlimited number of different design combinations to better understand which may do the best, and with which type of beneficiary—MedSupp members or OMO ones.

## About the Research

The National MedSupp and Original Medicare Only to MAPD Conjoint Study is the first of seven major Medicare research projects Deft will produce in 2021 as part of the **Senior Market Insights Service**. This study surveyed over 2,000 MedSupp and OMO beneficiaries to better understand what design nuances will be more successful in luring them should they ever be in the market to move to MA. Carriers, agencies, and consultants alike can gain from understanding the benefit preferences of both of these consumer types.

Deft Research's **Senior Market Insights Service** includes six other main reports that will publish later in the year. In January, the Medicare Shopping and Switching Study will highlight what made members venture to new products during this past AEP. In March, Dual Eligibles will provide insights into how seniors with Medicaid eligibility (D-SNP or otherwise) shop and consider new coverage. In late April we will publish the results of the OEP Study that focuses on year three of the newly-reinstituted shopping period. June kicks off with Deft's Age-in Study which will chronicle how consumers progress from Individual Under 65 coverage or Group into Medicare. July will feature the first edition of our newest research project with Medicare Health Insurance Digital Tools Study. Finally, Deft's Medicare Member Experience Study will show what causes attrition, switching intention, and lower CAHPS scores when it publishes in late September.

The 2021 **Senior Market Insights Service** studies include:

- Medicare Shopping and Switching (January 2021)
- Dual Eligible (March 2021)
- OEP Study (April 2021)
- Age-in (June 2021)
- Medicare Health Insurance Digital Tools Study (July 2021)
- Medicare Member Experience (September 2021)

For more information on the full results of the *2020 Medicare Member Experience Study*, email [info@deftresearch.com](mailto:info@deftresearch.com) with the subject line "2020 MedSupp/OMO to MAPD."