

PLAN N for the Win!



KEY POINTS

A Forecast for Change

- Med Supp Plan G will likely remain a crowd favorite, but it may experience headwinds in 2024.
- Med Supp Plan N can be a good option offering lower premiums, minimal cost sharing and reasonable coverage.
- Plan N is poised for GROWTH — and you still have time to be ahead of the pack!





PREPARE FOR A MARKET CORRECTION

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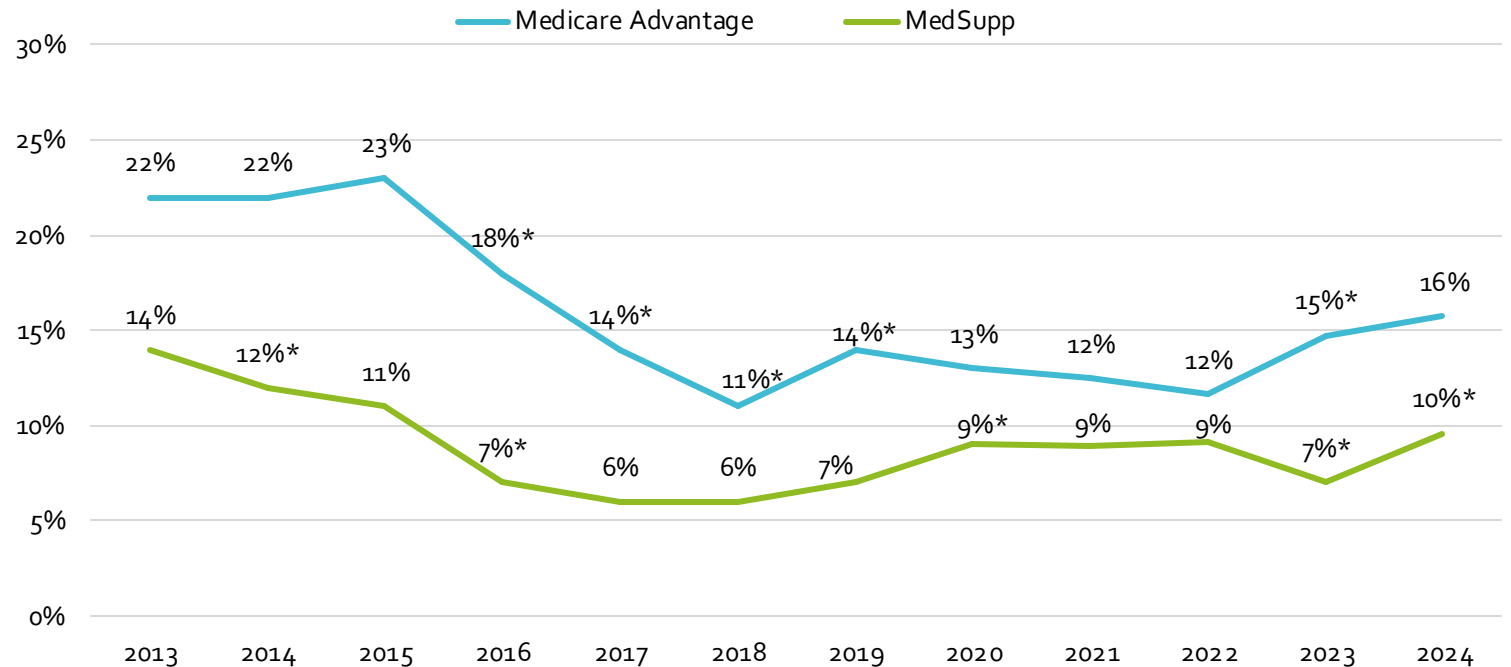
The 2024 AEP saw the highest MA switch rate in eight years and a marked increase in MedSupp switching over 2023.

Between decreases in some supplemental benefits and a reduction in reimbursement for 2024, in conjunction with the popular fitness reimbursement benefit, the market has shifted.

Should future years be met with similar rate cuts (or smaller builds), attracting more members with richer supplemental benefits will be a greater challenge.

CMS's stance on "proving" SSBCI benefits have a direct health benefit may also yield lower movement in future cycles.

2013-2024 MEDICARE PLAN/CARRIER SWITCH RATES



Medicare Advantage n=	1,671	1,652	422	984	971	1,579	1,615	1,533	1,782	1,846	1,702	2,874
MedSupp n=	1,765	1,651	634	676	778	1,351	1,607	1,300	1,412	1,183	1,029	1,562

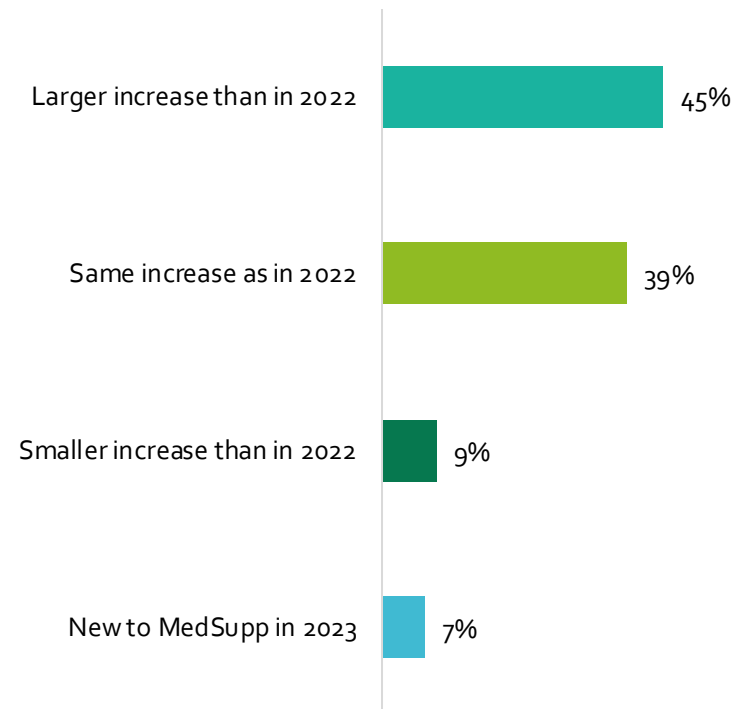
* Asterisks indicate significant differences from the previous year.
 2024 Medicare Shopping and Switching Study.
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The greatest share of Med Supp members believe their 2023 premium increases were larger than they experienced in 2022, which was associated with higher switching.

14% of MedSupp members who reported larger premium increases in 2023 than in 2022 switched their coverage, compared to fewer than 10% of those who saw steady or smaller premium increases.

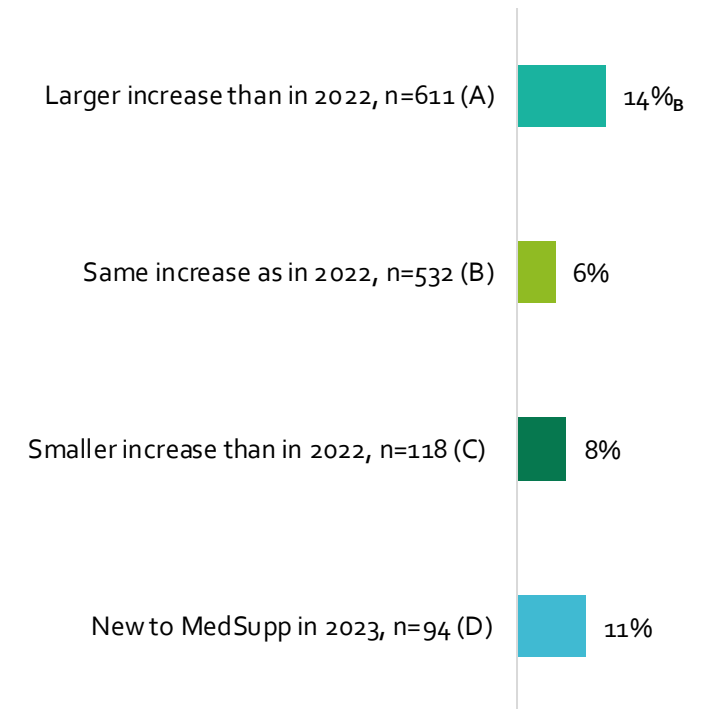
2023 MEDSUPP PREMIUM INCREASE AMOUNT RELATIVE TO 2022

Base: MedSupp, Remembers Premium Increase Amount, n=1,355



MEDSUPP SWITCH RATE BY PREMIUM INCREASE AMOUNT RELATIVE TO 2022

Base: MedSupp, Remembers Premium Increase Amount



HISTORIC PRECEDENT

We've Seen Similar Trends

- In 2015, Medicare shifts meant that Plan G overtook Plan F as the preferred Med Supp plan. Now we're experiencing a similar shift with Plan N.
- We're also seeing premium increases in response to post-COVID healthcare trends.
- Consequently, all eyes are watching for a market correction — which can bring NEW opportunities!



SHOPPERS & SWITCHERS

What's Driving Client Decisions



Medicare Supplement clients love their Med Supp! But more MA insureds are reconsidering their current MA plan due to:

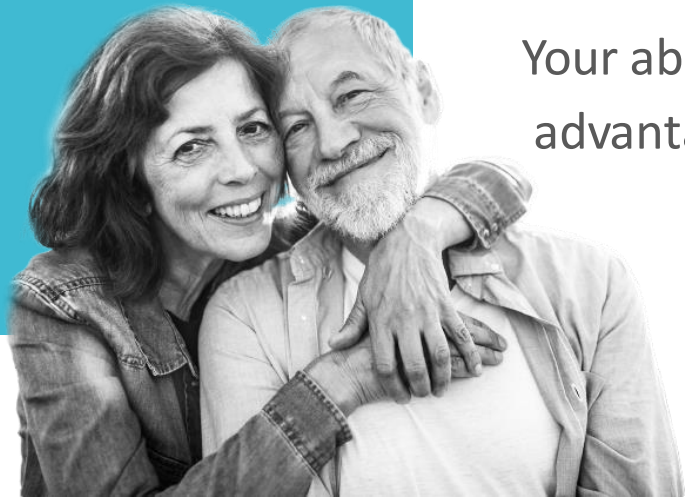
- Rate increases and rising healthcare costs
- Confusing OTC benefit mechanics
- A likely reduction in benefits

Clients are shopping for more affordable premiums that still offer great coverage.

SHOPPERS & SWITCHERS

(cont'd)

Plan N Advantages



For Plan G insureds who are frustrated by rising costs, Plan N could offer:

- More reasonable premiums
- More stable premiums (over the long term)
- Minimal cost sharing

Your ability to educate these shoppers could give you a significant advantage!

SHOPPERS & SWITCHERS

(cont'd)

Making the Case for Plan N



Be prepared to address pain points, including:

- Networks, claim denials, reduction in benefits, etc.

Also, determine your clients' appetite for some cost sharing:

- Copays, minimal excess charges, etc.

SHOPPERS & SWITCHERS

(cont'd)

In Review



- Know the upcoming potential **market disruptions**.
- Identify **pain points** for your Med Supp and MA clients.
- Be prepared to **educate** your clients on the state of the market.
- Identify your **shoppers** and **switchers**.
- Be prepared with a **well-rounded portfolio!**
- Be ready for more UW business!



SEIZE THE OPPORTUNITY

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WHAT IS PLAN N?

A Strong Med Supp Option

Plan N could offer clients several advantages.

- A lower premium plan with cost sharing.
- Competitive premiums that are potentially more stable over the long term.
 - Lower and more controlled utilization offers stability.
- Copays that are easy to understand.
- Potential for minimal risk of excess charges.



COPAYS

Simple and Easy to Understand

The subscriber is responsible for meeting the deductible before any coinsurance or copayment is collected. Also, not all visits result in a copay.

- **Doctor Office** — Up to 20% or \$20/\$50, whichever is lower!¹
- **ER** — Up to \$50 but waived if admitted.¹
- **Other services:**
 - Diagnostic services (usually no copay on preventive services)
 - Surgery DME, ambulance, diabetic supplies, diagnostic testing, imaging, and lab work
 - Many Teledoc/virtual services.²
- Watch for updates to CMS documents and policies.²

1. https://www.cms.gov/Medicare/HealthPlans/Medigap/downloads/Plan_N_Guidance2.pdf

2. *CMS documents update pending?

MEDICARE ASSIGNMENT & EXCESS CHARGES

A Handful of Doctors
May Cost More



Medicare Assignment is “an agreement between healthcare providers and Medicare, where providers accept the Medicare-approved amount as full payment, preventing them from charging beneficiaries extra.”¹

- Doctors who do not accept Medicare Assignment can charge more. However, Plan N does NOT cover these excess charges.
- This may worry some clients, but you can help put their mind at ease!

1. <https://www.medicare.gov/basics/costs/medicare-costs/provider-accept-Medicare>

MEDICARE ASSIGNMENT & EXCESS CHARGES (cont'd)

There's Minimal Risk
for Excess Charges

Plan N subscribers have a minimal risk for excess charges because:

- 98% of U.S. physicians who accept Medicare patients *also* accept Medicare Assignment — which means 98% of doctors cannot charge excess charges.¹
- 99.7% of bills submitted by physicians who can charge an excess charge do not include an excess charge!²
- Less than half of one percent of claims have excess charges!³

1. <https://www.cms.gov/files/document/medicare-participation-announcement.pdf>

2. https://www.medpac.gov/wpcontent/uploads/2023/03/Ch4_Mar23_MedPAC_Report_To_Congress_SEC.pdf

3. https://www.medpac.gov/wpcontent/uploads/2023/03/Ch4_Mar23_MedPAC_Report_To_Congress_SEC.pdf



MEDICARE ASSIGNMENT & EXCESS CHARGES (cont'd)

Always Identify Non-Participating
Providers



- Doctors who do not accept Medicare Assignment are known as “non-participating providers.”
- They can charge a **maximum of 15% more** than the approved Medicare reimbursement rate for covered services — so clients generally want to avoid them.¹
- Remind clients to always ask their doctor:

“Do you accept Medicare Assignment?”

1. “Does Your Provider Accept Medicare as Full Payment? | Medicare.” www.medicare.gov, www.medicare.gov/basics/costs/medicare-costs/provider-accept-Medicare.

MEDICARE ASSIGNMENT & EXCESS CHARGES (cont'd)

The Incentive for Providers to
Participate



Medicare incentivizes penalties against non-participating providers, including:

- Reimbursing them 5% less than participating providers.¹
- Not offering the convenience of “one-stop billing.”
 - This means providers must ask patients to pay for services upfront, then have patients pursue their own reimbursement.

These penalties continue to motivate nearly all (98%)² doctors to be participating providers and incentivize non-participating physicians to avoid excess charges on bills.

1. Medicare Participating Physician or Supplier Agreement | Centers for Medicare & Medicaid Services | <https://www.cms.gov/medicare/cms-forms/cms-forms/downloads/cms460.pdf>

• 2. MedPAC March 2023 Report to the Congress: Medicare Payment Policy https://www.medpac.gov/wp-content/uploads/2023/03/Ch4_Mar23_MedPAC_Report_To_Congress_SEC.pdf

MEDICARE ASSIGNMENT & EXCESS CHARGES *(cont'd)*

States Without Excess Charges

MA, MN, OH , PA, RI, VT

View Sources: [OH](#), [PA](#), [MN](#), [VT](#), [MA](#), [RI](#)



SHIELDED FROM GUARANTEED ISSUE (GI)

What Is Guaranteed Issue?



- **Guaranteed Issue:** The right of insureds who have lost coverage — through no fault of their own — to gain coverage elsewhere with no underwriting requirement.
- **Triggering Event:** No-fault loss of coverage
 - **EXAMPLE:** A plan pulls out of a county because claims are too high (implies unhealthy block of business).
- **Window of Time:** 63 days¹ (letter in hand is essential)

1. “Rules & Regulations of the State of Georgia | Guaranteed Issue for Eligible Persons”
<https://rules.sos.ga.gov>, <https://rules.sos.ga.gov/GAC/120-2-8-.12?urlRedirected=yes&data=admin&lookingfor=120-2-8-.12>

SHIELDED FROM GUARANTEED ISSUE (GI) *(cont'd)*

How Plan N Is More Stable

- Because GI often stems from a less healthy block of business, products exposed to GI are vulnerable.
- PLAN N is typically not exposed to GI business.
- Consequently, PLAN N is more likely positioned for stability.





WHY PLAN N IS A WIN-WIN!

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HOW CONSUMERS WIN

Savings & Stability

- Lower starting premiums.
- Rate stability = rest easy.
- Opportunity to apply savings elsewhere — especially to essential ancillary coverage.



HOW AGENTS WIN

Retention & Growth



- Possibility of stronger retention.
- Less maintenance = more time to grow!
- Lower premiums on Medicare supplement = possible ancillary sales growth.

ESSENTIAL TAKEAWAYS

Change Brings Opportunity

- Med Supp Plan G is amazing and will continue to be a crowd favorite, but it's likely to experience headwinds in 2024.
- More insureds are likely to shop their Med Supps or switch from MA. Fortunately, Plan N can be a good Med Supp option for both groups!
- There's still opportunity for early adopters!



Thank You

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