

Crowded Starting Blocks Demand MA Runners to Differentiate or Get Lost in the Shuffle.

Deft's 2022 National Medicare Advantage Supplemental Benefits Conjoint Study Research Brief

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Deft Research recently published the 2022 National Medicare Advantage Supplemental Benefits Conjoint Study. This national market research report of over 2,000 Age-Ins and seniors in Original Medicare Only, Medicare Supplemental coverage, or Medicare Advantage uncovers the tradeoffs these consumers are willing to make when it comes to a wide array of common supplemental benefits found in MA plans today. Armed with these insights, MA designers will have a better grasp of the plan attributes and benefit levels that are necessary to interest each of these four consumer segments. This Executive Research Brief will examine a couple of interesting findings from the report as it pertains to packaging supplemental benefits and the value consumers place on pest control, water filtration, air filtration, and assistance with monthly utility bills. For more information on the rest of the report--and the virtual MAPD supplemental benefits product simulator that accompanies the research--please contact your Deft Research associate or email info@deftresearch.com.

Does this sound familiar?

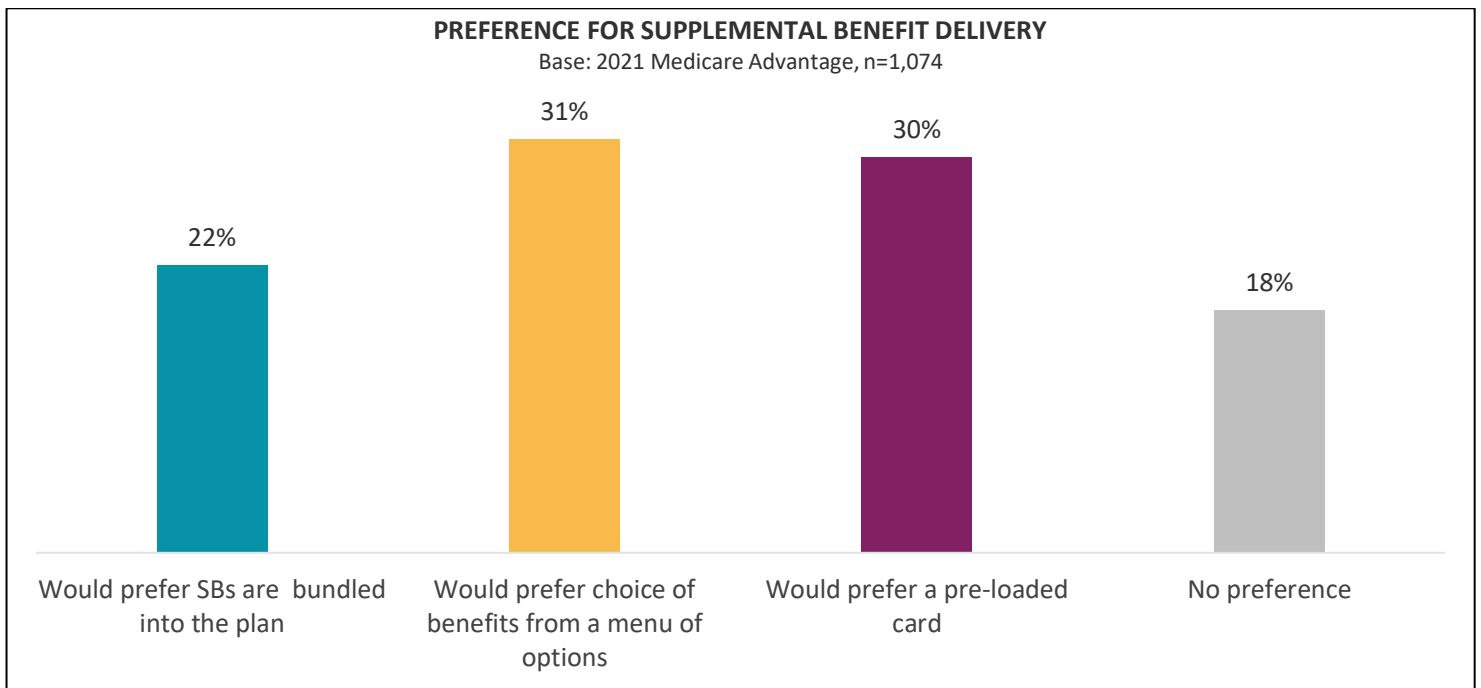
"It looks like we're going to have more company next year. The nationals are coming in hot and heavy, and the rumor is another major hospital system is joining the MAPD fray. Oh, and by the way, we are being asked to grow above the market since last year we fell a bit short. How are we going to do that?"

If that doesn't sound familiar, consider yourself lucky. Between 2021 and 2022 the average county saw its MA options increase by 16% from 25 plans to 29, with the most crowded counties sporting multiples of those totals. Seniors across the country will find themselves looking for the "scroll down" key on their laptops when visiting Medicare.gov next year.

More options are generally a good thing for beneficiaries, but more options for any individual plan designer or MA marketer spell trouble. *How will we stand out from the crowd?* As more than 60% of consumers find themselves in \$0 premium options, and as hot button cost shares like PCP copay and Tier I/ Tier II drug copay have all been commoditized to between \$0 and just a handful of dollars, supplemental benefit "bells and whistles" have taken center stage.

But the enhanced supplemental benefit boom from a few years ago is nothing new today. Many consumers who were interested in an OTC or a transportation benefit may have been attracted to those shiny lures a few cycles ago. Can we really attract a 2019 switcher who moved because of an OTC allowance once again in 2022, but with a larger allowance this time? ...especially if that 2019 switcher doesn't come close to exhausting her OTC benefit today? Probably not.

But we may be able to attract her by repackaging her supplemental benefits in a fashion that makes it easier for her to direct where her Medicare dollars go.



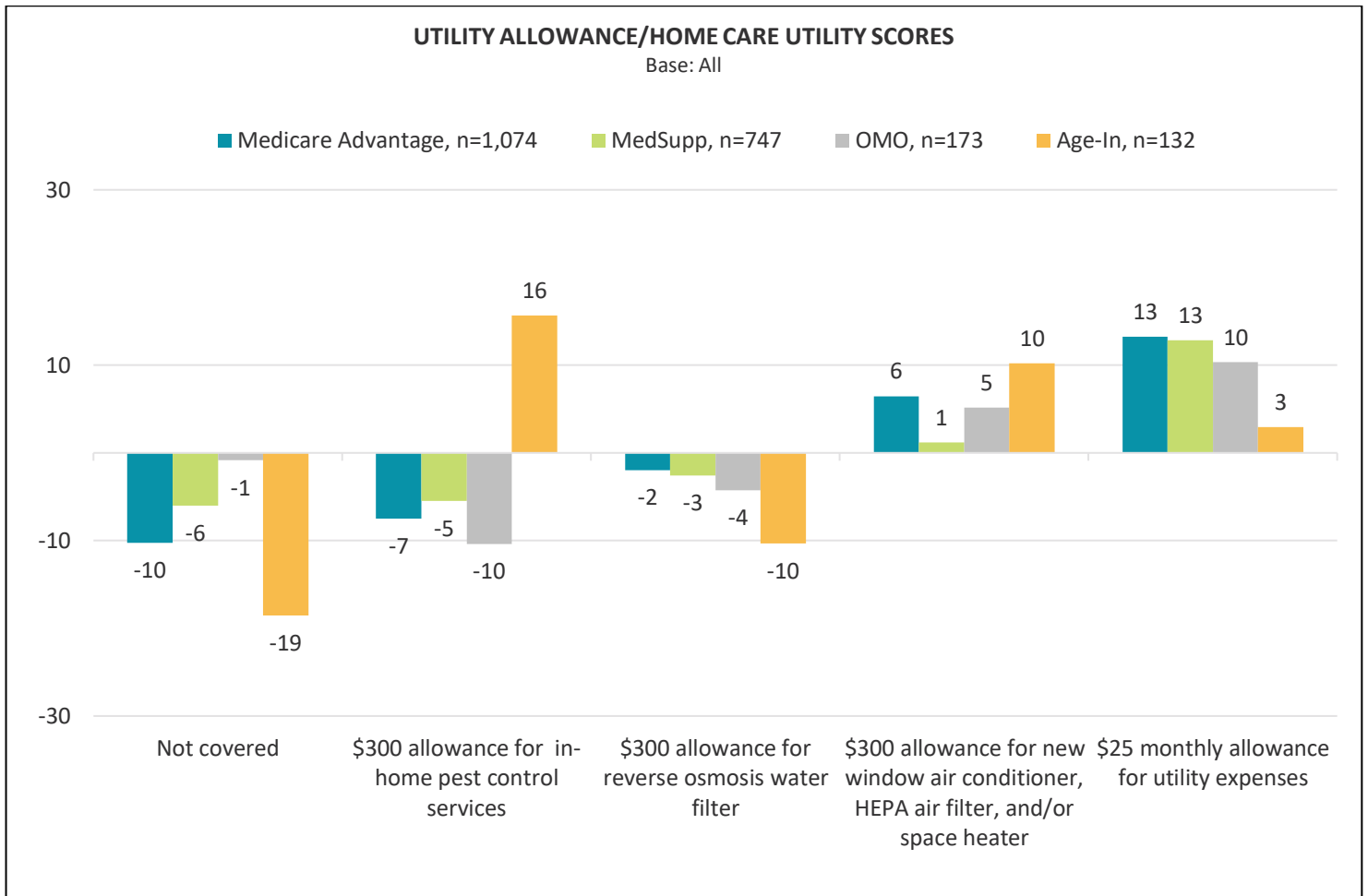
According to the chart above, nearly two-thirds of MA seniors would rather have some autonomy when it comes to how their supplemental dollars are allocated, either through a menu-based option or through a flexible supplemental benefits card. Typical supplemental benefit bundling may only appeal to around a quarter of today's current MA market, and that's not enough to separate your plan from the growing masses during AEP.

But is separating your plan from the masses in AEP the only play to get that new enrollment above goal? Not when a majority of new MA enrollment every year comes from Age-Ins rolling off Commercial Group coverage or the ACA market. It's important to have a Medicare plan that performs well year-round, particularly if this malaise in AEP switching persists another year. (*For more information on the 2021 AEP switching trends, please see the 2022 [Medicare Shopping and Switching Study](#).*)

To ensure that supplemental benefit design works for all beneficiaries including those working through their IEP, it is important to note nuances in how Age-Ins prefer their supplemental benefit design. The 2022 [National Medicare Advantage Supplemental Benefits Conjoint Study](#) not only assessed the tradeoffs current eligibles are willing to make, but it also did so for consumers nearing the threshold for Medicare eligibility.

As it turns out, Age-Ins are somewhat different as Medicare rookies vs. more seasoned seniors in their preference for some supplemental benefits and some benefit levels. One such example is seen when assessing preference for utility or home care allowances. The 2022 [National Medicare Advantage Supplemental Benefits Conjoint Study](#) took all four sets of respondents (Age-Ins, current MA, current MedSupp, and current OMO members) through an adaptive-based conjoint exercise where they demonstrated their preference for MA premium (with or without givebacks), medical network, dental options, eye care, meals/ grocery delivery, OTC options, tools to help seniors age in place, hearing, transportation, fitness, and the aforementioned utility/ home allowances. For the utility/ home allowance attribute, we showed four dollar-equivalent options alongside a "none" choice. The four options were:

- \$300 yearly allowance for pest control
- \$300 yearly allowance for reverse osmosis water filtration
- \$300 yearly allowance for a window AC unit, HEPA air filter, or space heater
- \$25 monthly assistance with utility bills.



As seen above, Age-Ins are giving the nod to a pest control benefit while such a benefit actually detracts from plan preference for current eligibles. Age-Ins are also less interested in cash assistance with utility bill help than are current fixed-income seniors. Plan actuaries may turn green when assessing what percent of seniors may exhaust an actual dollar offset for utility bills, but their nausea may subside when projecting utilization of a pest control benefit.

Standing out from a field that is growing more crowded by the day is tough. Winning disproportionately in such a crowded field is even tougher. But knowing the nuances of both supplemental benefit structure as well as senior segment benefit preference can give plan managers the best chance to do both. Please contact your Deft Research associate for more information on all the benefits tested in the 2022 [National Medicare Advantage Supplemental Benefits Conjoint Study](#) as well as information on the powerful online product simulator tool that accompanies the results.

About the Research

The National Medicare Advantage Supplemental Benefits Conjoint Study is the first of nine major Medicare research projects Deft will produce in 2022 as part of the **Senior Market Insights Service**. This study surveyed over 2,000 Age-In, MA, MedSupp, and OMO beneficiaries to better understand what design nuances will be more successful in luring them when they are in the market for new coverage. Carriers, agencies, and consultants alike can gain from understanding the benefit preferences of all four of these consumer types.

Deft Research's **Senior Market Insights Service** includes eight 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 four of the newly reinstated shopping period. May features Deft's Age-in Study which will chronicle how consumers progress from ACA coverage or Commercial Group into Medicare.

This year we will also follow up the Age-In Study in mid-June with our first ever Age-In Multicultural Study which will examine what various ethnic groups want and need in health coverage and service. July will feature two releases with the first being the second year of the popular AEP Gut Check Study which provides producers and distributors their marching orders to best connect with this year's most likely shoppers. The end of July will feature year two of the Medicare Digital Tools Study which helps the industry better understand these more connected seniors. Finally, the **Senior Market Insights Service** will conclude in September with the ever-important loyalty and CAHPS deep-dive found within the Medicare Member Experience Study.

The 2022 **Senior Market Insights Service** studies include:

- Medicare Shopping and Switching (January 2022)
- Dual Eligible (March 2022)
- OEP Study (April 2022)
- Age-In Study (May 2022)
- Age-In Multicultural Study (June 2022)
- AEP Gut Check (July 2022)
- Medicare Digital Tools Study (July 2022)
- Medicare Member Experience (September 2022)

Deft also produces four Commercial studies as part of the 2022 **Commercial Market Insights Service**. Those studies include:

- IFP Shopping and Switching (February 2022)
- Employer/ Employee Insurance Study (June 2022)
- Commercial Digital Tools Study (August 2022)
- IFP Member Experience Study (October 2022)

For more information on the full results of the *2022 Medicare Advantage Supplemental Benefits Conjoint Study* email info@deftresearch.com with the subject line MA Supplemental Conjoint.