Where are new members coming from?

Enrollment in Medicare Advantage (MA) plans continues to grow – do not miss out on what is fueling this growth.

It is not just about the baby boomers.
WHO IS GORMAN HEALTH GROUP?

Gorman Health Group is the leading solutions and consulting firm for government-sponsored health programs.

Government Programs
Leading enterprise of national consulting services and software solutions for payers and providers.

Our Mission
Our mission, as the industry’s most active professional services consultancy and provider of technology-based solutions, is to empower health plans and providers to deliver higher quality care to beneficiaries at lower costs, while serving as valued, trusted partners to government health agencies.

Washington, DC
Headquartered in Washington, DC, with more than 200 staff and contractors nationwide with over 2,000 combined years of Government Programs experience.

Leadership
Deep payer and provider knowledge coupled with Centers for Medicare & Medicaid Services (CMS) regulatory expertise.

Privately Owned
Founded in 1996
Our clients have one-stop access to expert advice, guidance, and support, in every strategic and operational area for government-sponsored programs, across seven verticals.

**CLINICAL**
Changing how you approach Medical Management, Quality and Stars.

**PHARMACY**
Leading experts in Part D, PBM, formulary and pharmacy programs.

**HEALTHCARE ANALYTICS & RISK ADJUSTMENT SOLUTIONS**
Implementing cross-functional risk adjustment programs for medical trend management and quality improvement.

**COMPATIBILITY**
Offering guidance and support in every strategic and operational area to ensure alignment with CMS.

**OPERATIONS**
Bringing excellence to every aspect of your implementation from enrollment to claims payment.

**PROVIDER INNOVATIONS**
Supporting network design and medical cost control implementation.

**STRATEGY & GROWTH**
Driving profitable growth and member retention through strategic marketing, sales, and product development.
AGENDA

What’s Driving Growth in Your Plan

• Nationwide Enrollment
• Trends in Enrollment by Plan Type
• MA-PD Enrollment by State
• Medicare Supplement Enrollment
• Market Analysis
• Benefit Design
• Sales Channel
• Age-in Population
• ACA
• Marketing Evolution
NATIONWIDE ENROLLMENT

Overall Trends in Enrollment

• 56 million Medicare beneficiaries
  o 32% (17.9 million) enrolled in Medicare Advantage (MA)
• Grew by 7% between 2014 and 2015
• 2.5% growth in 2016 AEP
• Growing number of baby boomers
• Shift from traditional Medicare to MA

Total Medicare Private Health Plan Enrollment, 2012-Feb 2016

2.5% growth in 2016 AEP
TRENDS IN ENROLLMENT BY MA TYPE

32% MA Enrollment

Distribution of Enrollment in MA Plans, by Plan Type, Feb 2016

- HMO: 38%
- PPO: 27%
- HMO SNP: 9%
- Other: 15.5%
- Cost: 11%
- Regional PPO: 5%
- HMO-POS: 5%
- MMP: 2%
- Regional PPO SNP: 1%
- PFFS: 1%
- Other: 0.8%

Medicare Beneficiary Distribution

Fee-for-Service, 68%
Medicare Advantage, 32%
MA ENROLLMENT BY STATE

• Enrollment increased in states all States except for 3 States (ID, OH and NY)
• In 23 states, more than 30% of beneficiaries are enrolled in MA-PD plans as of Feb. 2016
• 6 states (FL, HI, MN, PA, OR and CA) – more than 40% of beneficiaries are enrolled in MA plans

• Factors:
  o History of managed care in the state
  o Prevalence of employer-sponsored insurance for retirees
MEDICARE SUPPLEMENT TRENDS

- Medicare Supplement trends
- March data (2015)
- Who is buying?
- Target your plan to demographics

Medicare Supplement Enrollment, 2012-2015

- 2012: 10,181,401
- 2013: 10,640,986
- 2014: 11,208,332
- 2015: 11,666,204
MEDICARE SUPPLEMENT ENROLLMENT

By Standardized Plan Type (No Plan F)
GROWTH

- FFS
- Medicare Advantage
- PDP
- Med Supp

Years:
- 2012
- 2013
- 2014
- 2015
- 2/1/2016

Y-axis:
- 0
- 5,000,000
- 10,000,000
- 15,000,000
- 20,000,000
- 25,000,000
- 30,000,000
- 35,000,000
- 40,000,000

X-axis:
- 2012
- 2013
- 2014
- 2015
- 2/1/2016
MARKET ANALYSIS

Demographics

• Market Analysis
  o Medicare Population and Penetration
  o Product and Plan Trends
  o Benefit Design Analysis – Innovation
  o Multicultural Diversity
  o Competitive Analysis and Trends

• Membership Analysis
  o Age of Entry
    • Age-in Population
    • Disability
    • Dual Eligible
SWITCHING BETWEEN MA & MED SUPP

- Last 3 years, members shifting from MA plans to Med Supp plans has increased
- Past 2 years, Med Supp plans becoming more competitive
  - Reasonable rates: Plan F, high-deductible plans, Plan N
AGE-IN: NOT NECESSARILY 65 ANYMORE

Product Options

• Come to the Medicare market with strong predispositions toward MA or Medicare Supplement

MEDICARE ADVANTAGE
- Employer Plan
- Health/Wellness Programs
- Cost Savings
- Coordination of Care

MEDICARE SUPPLEMENT
- Health Status
- Travel
- Flexibility
BENEFIT DESIGN

Structured Approach Works Best

- Utilize market analysis
- Trends in the marketplace
- Network considerations
- Strong analytics
  - Competitive
  - Financials
  - Benefit/Claims/Membership
  - Pharmacy
- Matrix team approach to design and implementation
SALES CHANNEL

Are You Leveraging Multi-Channel Strategies and Platforms

• Sales Channel
  o Internal
  o Captive Channel
  o Brokers

• Transition Manager or “Navigators” – Distribution of direct-to-consumer insurance products, support insurance companies in building direct-to-consumer distribution capabilities
  o Xerox
  o Extend Insurance Services
  o Tranzact
  o Aon/Hewitt

✓ Increased purchasing power
✓ Evolving competitors
✓ New distribution channels
PRIMING THE PUMP

How Is It Changing?

• Commercial
  o Shift from Group retirement to Individual

• Affordable Care Act (ACA)
  o No loyalty
  o Natural progression to MA
  o Age-in program
    • Formalized aggressive program that complements current program
    • But…some additional touch-points
      - More personalized approach to marketing
      - Current customer allows more leeway in marketing
MARKETING EVOLUTION

Social Media vs. Traditional

- Plan for the evolution
- Currently, online plan research is the norm among Medicare beneficiaries
- Beginning to see more online media work in the marketplace
  - Search Engine Optimization and Paid Search currently most cost-effective
- ACA will drive the process online
  - Now becoming the new normal
“TIPPING POINT” IN GOVERNMENT-SPONSORED PROGRAMS

Commercial Group: Declining, Shifting.

Exchanges
- 2015: 14 M
- 2020: 27 M

Medicaid
- 2015: 63 M
- 2022: 82 M

MA
- 2015: 18 M
- 2023: 29 M

Dual Eligibles
- 2015: 1 M
- 2025: 11 M
FINAL THOUGHTS

2.5% growth in 2016 Annual Election Period (AEP)

6 states (FL, HI, MN, PA, OR and CA) – more than 40% of beneficiaries are enrolled in MA plans

32% MA enrollment

Plan F continues to be largest Med Supp standardized plan; Plan N is only other plan with growth

ACA will change the landscape of the age-in program – more personalized and seamless process

Social media will play a bigger role in influencing prospects

Decline in Commercial plans and increase in Government Programs; MA
Gorman Health Group, LLC (GHG) is a leading consulting and software solutions firm specializing in government health programs, including Medicare managed care, Medicaid and Health Insurance Marketplace opportunities. For nearly 20 years, our unparalleled teams of subject-matter experts, former health plan executives and seasoned healthcare regulators have been providing strategic, operational, financial, and clinical services to the industry, across a full spectrum of business needs. Further, our software solutions have continued to place efficient and compliant operations within our client’s reach.

GHG offers software to solve problems not addressed by enterprise systems. Our Valencia™ software reconciles membership of more than 10 million members in Medicare, Medicaid and the Health Insurance Marketplace. Over 3,000 compliance professionals use the Online Monitoring Tool™ (OMT), our complete Medicare Advantage and Part D compliance toolkit, while more than 33,000 brokers and sales agents are certified and credentialed using Sales Sentinel™. In addition, hundreds of health care professionals are trained each year using Gorman University™ training courses.

We are your partner in government-sponsored health programs