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OnPoint

A HEALTH AND WELL-BEING
PERSPECTIVE

3 Key Strategies

To increase member retention and loyalty during the transition to Medicare, health plans can implement these three key strategies.

1 Generate Awareness

2 Become the Go-To Source of Information

3 Connect with Members Early in the Process

Retaining Medicare-Eligible Members

The Challenge

Health plans that offer Medicare Advantage and Medigap plans report losing up to 70 percent of their members when they make the transition to Medicare.

This lack of member retention will only escalate as the Medicare Advantage market becomes more competitive. In 2021, 3,550 Medicare Advantage plans were available nationwide for individual enrollment—a 13 percent increase (402 more plans) from 2020 and the largest number of plans ever available.¹

The Opportunity

Retaining members during the transition to Medicare can produce a significant economic benefit for health plans. When considering average revenue, margin, and the length of time members stay in a plan, the lifetime value of a Medicare Advantage member is over three times that of a large group member, and almost ten times that of an individual member.²



3 Key Strategies

To increase member retention and loyalty during the transition to Medicare, health plans can implement these three key strategies.

1 | First Things First: Generate Awareness

Let's begin with the one fundamental fact that must be addressed.

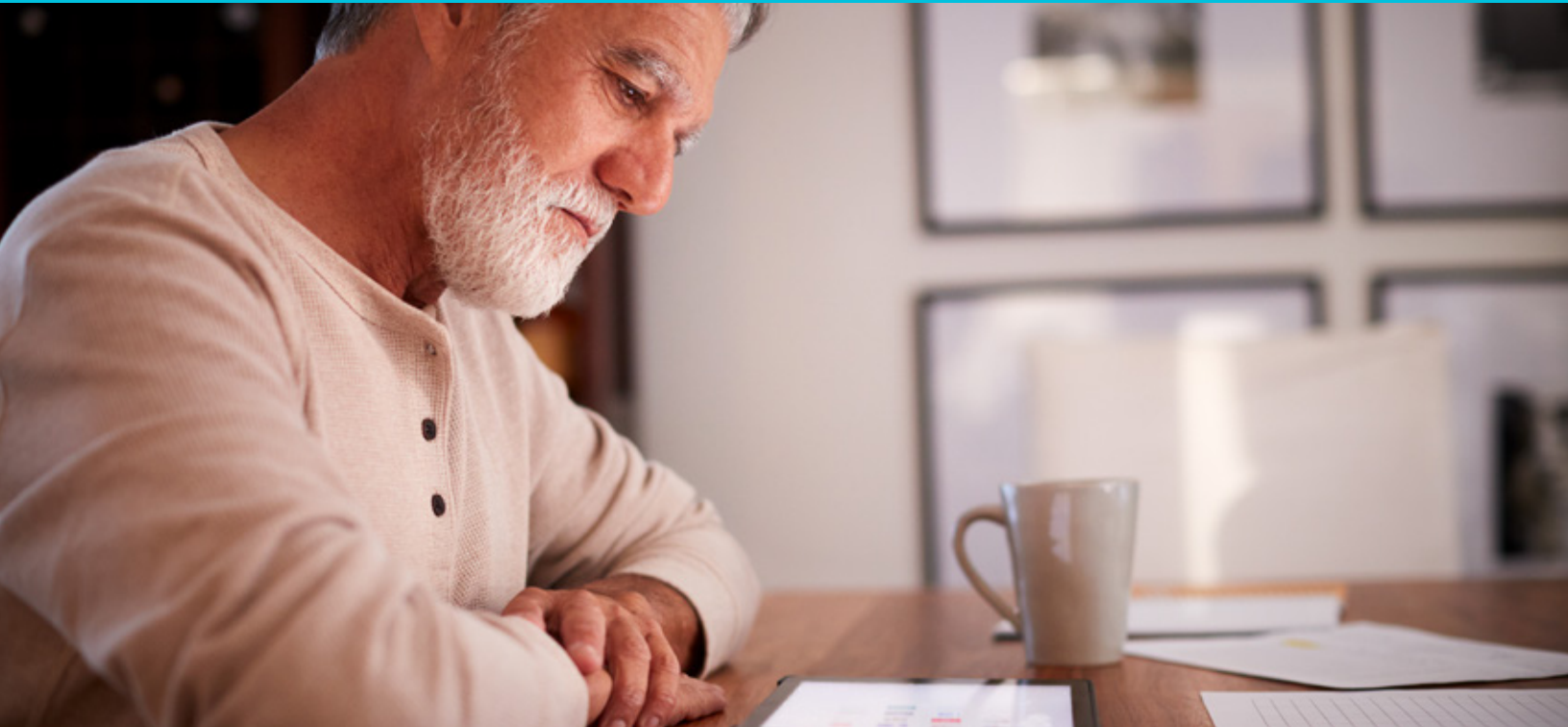
In many cases, members are not even aware that their current health plan offers Medigap and Medicare Advantage plans.

For example, approximately 90 percent of people who are nearing Medicare-eligible age are insured nationally, but less than half of 64-year-olds enrolled in a group plan know if their commercial carrier offers Medicare products. That number drops to less than 25 percent for 63-year-olds.³

If your members don't know that your health plan offers MA plans, you've lost the game before it ever starts.

It's essential that health plans develop an effective and systematic program to communicate their Medicare offerings. These multiple communications could include any media already used to connect with an individual member (for example, emails and addendums to current mailings) as well as utilizing the health plan's well-being platform. Such an effort is well worth the investment. Members who are aware of their current insurer's Medicare plans and receive information about it are more than twice as likely to continue coverage with their current insurer.⁴

Each OnPoint issue provides a concise, insightful summary about a key health and well-being issue facing health plans and employers today.



2 | Become the Go-To Source of Information

There is an enormous opportunity for health plans to reduce member attrition by positioning themselves as the go-to source of information for all things Medicare for their members. That's because Americans who are nearing Medicare eligibility are eager, even desperate, for information and guidance to help them make an informed decision about their Medicare coverage. One recent survey found that 72 percent of adults 50 and older wished they had a better understanding of Medicare coverage.⁵ In another survey, more than 50 percent of seniors stated that choosing the right plan during Open Enrollment was confusing, and 35 percent stated that they were not prepared to choose a plan that was right for them.⁶ And, according to the Medicare Rights Center, confusion about enrollment is an ongoing concern for people who call its national Medicare helpline.⁷

All of this confusion is understandable when you consider how many seniors lack even a basic understanding of the fundamentals of Medicare.

- // **More than half of seniors** do not know that Medicare Part B is not free.⁸
- // **Almost 60 percent** incorrectly thought that Medicare paid for long-term nursing-home care.⁹
- // A survey of **more than 1,000 Medicare beneficiaries** found that:
 - **56 percent** could not answer the question, "What is a deductible?"¹⁰
 - **69 percent** could not answer the question, "What is coinsurance?"¹¹

There is also confusion among members as to when to enroll in Medicare. The rules and timelines that govern enrollment are so complicated that many seniors miss sign-up deadlines. Variables that impact when seniors enroll include working past age 65, remaining on a company health plan, and being self-employed or an early retiree who buys individual coverage on the health care exchange. Because of this confusion, more than 700,000 Medicare beneficiaries are forced to pay financial penalties for failing to sign up for Part B when they were first eligible.



When members lack the knowledge to make an informed decision about their Medicare coverage, they tend to seek guidance from the MA plans they are most familiar with (Humana, United Healthcare, etc.) because these plans have the highest brand recognition.

Providing basic information about Medicare that is accessible, clear and concise should be a top priority for any program. Topics can include:

- // Choosing between Medicare and Medicare Advantage
- // Buying Medigap Insurance
- // Explaining Medicare Parts A, B, C and D
- // When To Enroll
- // In-Network Physicians
- // Government Resources Available

AGING INTO MEDICARE

Onlife's Aging Into Medicare is the first and only Medicare education and member retention program that is integrated into a health and well-being platform. Through email campaigns, self-guided programs, online educational content, customized marketing tiles and other tools, Aging Into Medicare delivers almost 50 new opportunities to engage and inform members. Starting at age 57, the program provides the resources your members need to make an informed decision about their Medicare coverage. The program can be implemented on both a well-being member portal and mobile app with minimal or no enhancements to the health plan's current platform. Aging Into Medicare is also white labeled, highlighting your brand throughout the platform to position your health plan as a trusted, reliable and go-to resource for all things Medicare.



3 | Connect with Members Early in the Process

Many seniors start researching, planning and considering their Medicare options years before they become Medicare-eligible at age 65. Although it is true that 33 percent of members start researching Medicare within 12 months of their 65th birthday, an equal or even greater number start their research much earlier. For example, one study found that 32 percent of members start their research between ages 58-63.¹²

By reaching out to members in their late 50s and early 60s, health plans have the opportunity to position themselves as a trusted source of information early in the process.

HEALTH PLANS THAT DO NOT COMMUNICATE WITH THESE MEDICARE "EARLY BIRDS" RISK LOSING THE INTEREST OF THESE HIGH-PRIORITY PROSPECTS AND EVENTUALLY THEIR BUSINESS.

Onlife Health, a GuideWell company, brings end-to-end simplicity to population health and well-being. Connecting and integrating people, technology, and benefit design through our user-friendly engagement platform, we guide consumers on “the next right thing to do” in their healthcare journey. With its built-in agility, the Onlife platform can be configured and scaled quickly and easily to serve any market, from commercial health insurance to Medicare Advantage and Individual (ACA) lines of business.

1 Advisors, GHG. (2018, October 02). Streamline your medicare enrollment. Retrieved July 5, 2022, from <https://ghgadvisors.com/build-a-better-medicare-advantage-enrollment-experience/>

2 Health plans must change medicare marketing. (2018, April 10). Retrieved July 5, 2022, from <https://www.accenture.com/us-en/insights/health/health-plans-must-change-medicare-marketing>

3 Research, Deft. (n.d.). Converting commercial members to Medicare Members: Barriers and opportunities. Retrieved July 5, 2022, from <https://blog.deftresearch.com/resources/converting-commercial-members-to-medicare-members-barriers-and-opportunities>

4 Ibid.

5 Mercado, Darla. (2018, June 27). What you don't know about Medicare can cost you. Retrieved July 5, 2022, from <https://www.cnbc.com/2018/06/27/threekey-facts-youre-getting-wrong-about-medicare.html>

6 Over 50% of Seniors say the Medicare process is confusing. (n.d.). Retrieved July 5, 2022, from <https://weissratings.com/articles/over-50-of-seniors-say-the-medicare-process-is-confusing>

7 Minemyer, P. (2018, March 16). Report: Medicare beneficiaries are often confused about enrollment deadlines, struggle to pay. Retrieved July 5, 2022, from <https://www.fiercehealthcare.com/payer/medicare-rights-center-beneficiary-challenges-affordabilityenrollment-part-b>

8 Mercado, Darla. (2018, June 27). What you don't know about Medicare can cost you. Retrieved July 5, 2022, from <https://www.cnbc.com/2018/06/27/threekey-facts-youre-getting-wrong-about-medicare.html>

9 Omdahl, D. (2021, February 25). Does Medicare pay for Long-Term care? Don't make a big mistake! Retrieved July 5, 2022, from <https://www.forbes.com/sites/dianeomdahl/2020/01/14/does-medicare-pay-for-long-term-care-dont-make-a-bigmistake/?sh=17a750e011f3>

10 Most Medicare beneficiaries don't understand their coverage. (n.d.). Retrieved July 5, 2022, from <https://www.medicareadvantage.com/original-medicare/medicare-literacy-survey>

11 Ibid.

12 BCBS 2021 Medicare Age-in Study