



## 2024 MEDICARE AGE-IN STUDY EXECUTIVE RESEARCH BRIEF #1

### Before Supplemental Benefit Austerity Hits, MA's Sheen Has Already Started to Fade with Some Age-Ins.

George Dippel, President

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Deft Research recently published the 2024 [Medicare Age-In Study](#). This national market research report of nearly 2,000 Age-Ins and recent enrollees is the “gold standard” assessment of how Commercial Group, ACA, Medicaid, and the uninsured navigate their journey into Medicare. As these Age-Ins are only part way through their odyssey, the study compares their experiences to the reflections of those who just completed it. The 2024 report uncovers the ideal timing for Age-In marketing campaigns, why certain segments prefer one private option over the other, which tactics are associated with members who convert from their old Commercial brand to the same brand for Medicare, and how Age-Ins feel about the services of their agent. Armed with these insights, carriers, marketers, agents, and consultants alike will be better positioned to win with the over four million 64-year-olds who are on the cusp of Medicare eligibility today.

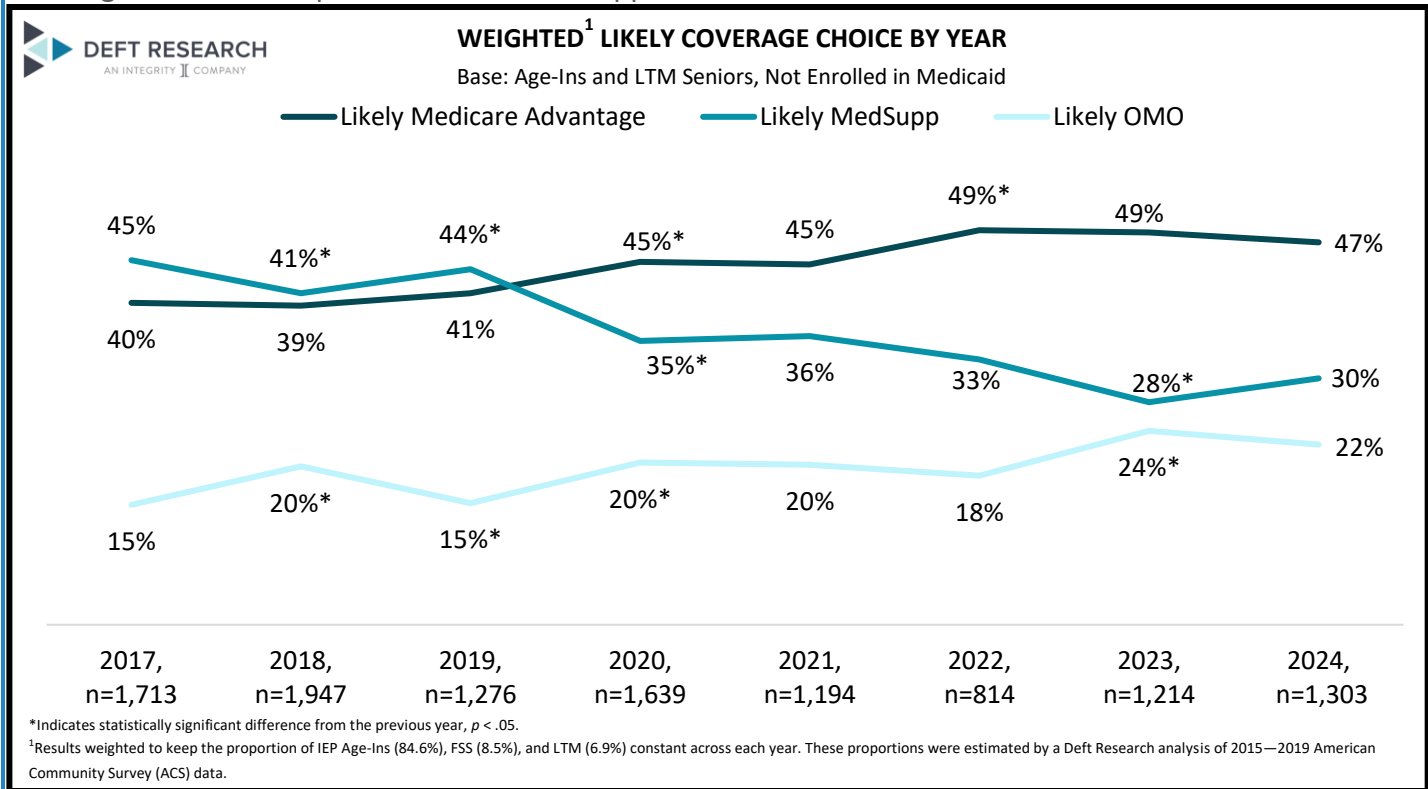
This research brief will examine a couple of interesting findings from the broader report as it relates to initial product preference and the importance of supplemental benefits to Age-Ins leaning toward Medicare Advantage. For more information on the rest of the [Medicare Age-In Study](#), contact your Deft Research associate or email [info@deftresearch.com](mailto:info@deftresearch.com).

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One staple of Deft Research's yearly examination of consumers who are entering Medicare is a simple set of questions aimed at identifying those who are leaning toward MA and those who are leaning toward MedSupp (as well as Original Medicare Only—OMO). Deft has asked this question without any wording alterations since 2017 which allows us to trend consumer sentiment, identify if it is changing, and if so, in which direction.

As seen on the chart on the following page, beginning after the 2019 reporting year, what had been mostly an even race between the two private Medicare options to secure initial Age-In interest suddenly diverted. MA grabbed the slight lead MedSupp had built up and never looked back. What was a 10-point interest

differential in the favor of MA ballooned over the next three years to more than 20 points when MA hit its all-time high of 49% initial preference and MedSupp hit its nadir of 28% in 2023.



Now for this year, the massive lead that MA has enjoyed over MedSupp shrank a touch—not enough to be a statistically significant pullback, but what was once a 21-point edge now is 17. And even though such a decrease—albeit slight—is outside of the margin of error for this study, any potential change in public opinion is worth digging a bit deeper into to see if there is fire behind the smoke. There may very well be.

Those who follow the MA industry have seen a tremor of sorts building in intensity these last few cycles, where just prior to and during the AEP there always seems to appear a spate of negative news stories about MA. Some of these negative reports are, quite frankly, well-deserved by MA. Stories of claim denials impacting seniors and their health are factual and can be very troubling. Deft’s [Medicare Member Experience Study](#) and [AEP Gut Check Study](#) showed in 2023 that 7% of MA seniors reported a claim denial, and that same percentage of all seniors report their intention to never enroll with a brand they have heard denied care to someone they know.

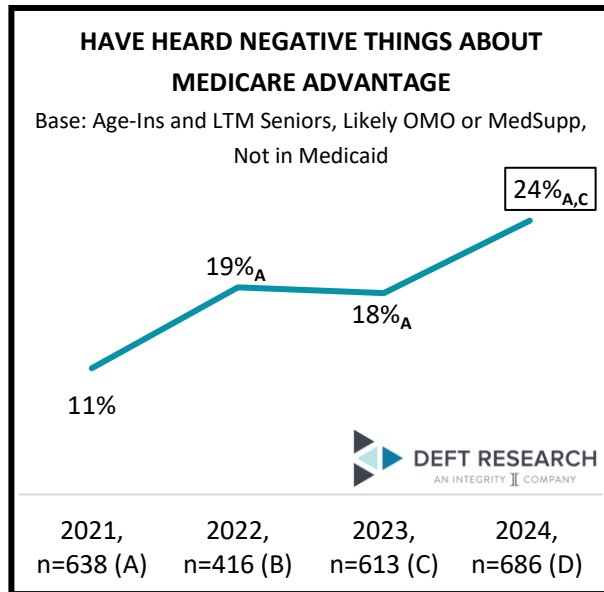
Other negative reports are just the result of two stakeholders negotiating in a very public way. Several prominent health systems played hard ball last fall by sending letters to patients informing them that they would need to change their MA plan if they wanted to keep their doctor. Even though many of these disputes were resolved at the last minute, word got out and seniors were shaken.

And some negative reports appeared to be little more than amplified and well-orchestrated PR attempts to weaken MA before its big sales season. Online articles profiling seniors who were frustrated that they would have to go through underwriting when they decided to leave their affordable \$0 MA plan (which they benefited from for years) for a prohibitively expensive MedSupp plan when their health needs grew. Or that

seniors in MA had no idea that they could not see any doctor who accepts Medicare. These stories only reported what both products are.

MedSupp is a premium-based, network-free, underwritten insurance option where consumers can bypass underwriting for a short period soon after their IEP. And those stories represent what MA is—network-based managed care at a low upfront cost plus rich supplemental benefits, but with more point-of-care cost shares down the road. Despite these stories simply pointing out what is common knowledge to industry observers, one product class was generally made to look like the villain and the other the hero.

As seen on the chart to the right, for Age-Ins who are leaning toward OMO or OMO + MedSupp, they are hearing more and more negative things about the dominate private option today: Medicare Advantage. Today, nearly a quarter of all Age-Ins initially leaning against MA have heard negative things about MA. That percentage has more than doubled since Deft began asking this question in 2021, and it has meaningfully increased in 2024 versus 2023. Right or wrong, the negative PR that MA has received appears to be having an effect. Sentiment is shifting. The negative publicity MA has endured appears to be influencing the next generation of Medicare beneficiaries, all at a time when both product classes are in crisis mode.



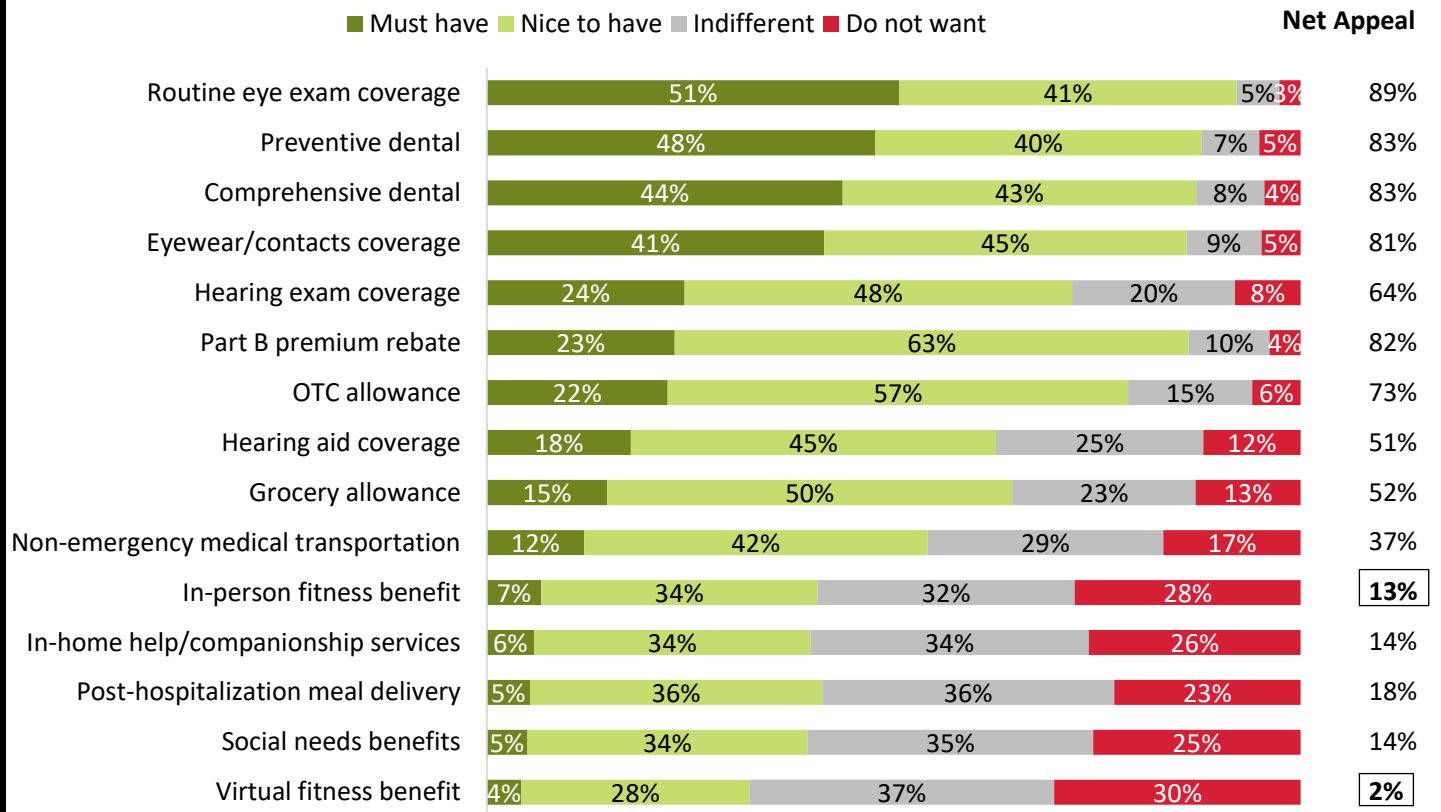
The crisis for the MedSupp industry is evident. As the covid catch-up drags on, carriers are experiencing utilization at levels their premiums cannot support. And when premium increases in MedSupp top 10% a year, even affluent seniors begin to question the suitability of their product after years of inflation eating away at their spending power. That, plus potential nasty premium increases in Part D due to the Inflation Reduction Act, may force even more seniors to question the appropriateness of separate insurance policies for medical, drug, dental, and vision when a single combined Part C option is right there for the taking and at a low or no premium.

The crisis for MA is just as apparent. Two years of reimbursement austerity by CMS, plus the same aforementioned spike in senior utilization and changes to Part D, are leaving MA plan managers in a pickle. They are doing everything possible to hold the line on \$0 premiums while not doing too much damage to dental and vision. But changes to all of the fancy enhanced supplemental benefits from the 2019 era are on the table, or perhaps more accurately put, on the chopping block.

These are the very supplemental benefits that drove MA to new heights seen in the first chart of this brief and the very ones that Age-Ins today still covet and expect.

ATTITUDES ABOUT BENEFITS

Base: Age-Ins and LTM Seniors, n=1,507



As seen on the chart above, around half of seniors indicate vision and dental coverage are “must have” aspects of coverage. And when netting out those who do not want these benefits from those who do, vision garners between 81-89% net appeal and dental 83%. The message to MA managers is clear: “Hands off my dental and vision.” But that means some benefit (or benefits) have to be sacrificed. It’s easy for MA plan managers to work their way down the above “Net Appeal” list so see which benefits seniors may be most willing to give up. That would be a good logical place for anyone to start. But nothing is ever as easy as it seems, is it?

The two benefits seniors indicate that have the least appeal are both fitness related benefits: in-person fitness and virtual fitness. When the two benefits Age-Ins tell you should be sacrificed are two benefits that may actually help with keeping members healthy who use them and that may also possibly attract good utilization risk, what is a plan manager to do? At this point, it’s fair to say that carriers’ eventual decisions will likely be the “least worst” decisions they can make.

I’m not sure that anyone is ready for what this AEP will bring.

**Don't miss these offerings related to the Medicare Age-In Study:**

- [Market Assessments](#) is a must-have data tool for Age-In purchasers that allows you to take your application of 2024 Age-In findings one step further by helping you identify the population of Age-Ins in your service area. Market Assessments can help your team understand the total available market for your Medicare products to find where plans can thrive today and identify where they can expand tomorrow. Assessments are available for three groups of consumers:
  - General Medicare Market
  - Age-In Market
  - Duals Market
- [Medicare Open Enrollment Period and Disenrollment Prevention Study](#) can help you understand the shifts in consumer behavior visible during the most recent OEP.
- [AEP Gut Check Study](#) provides a final look at what to expect in the upcoming AEP just in time for plans to prepare before seniors begin to enroll.

**Keep the insights coming all year with our syndicated studies.**

The **2024 Senior Market Insights Service** includes the following studies:

- [National Dual Eligible Benefit Design Conjoint Study](#) examines tradeoffs between supplemental benefit preferences, amounts, and purses to identify what Dual Eligible consumers value the most.
- [National Dental Benefit Design Conjoint Study](#) identifies the tradeoffs that consumers are willing to make based on their current dental needs in either an embedded dental plan or standalone.
- [Medicare Shopping and Switching Study](#) highlights what made members venture to new products during this past AEP.
- [National Part D Addendum Study](#) provides insight into seniors' price sensitivity to drug plan changes and how that may influence migration from standalone Part D to MAPD.
- [Dual Eligible Acquisition Study](#) provides insights into how seniors with Medicaid eligibility (D-SNP or otherwise) shop and consider new coverage.
- [Medicare Open Enrollment Period and Disenrollment Prevention Study](#) focuses on the experiences that keep members loyal during the "redo" period.
- [Medicare Age-In Study](#) shows the products, channels, and enrollment preferences of the next generation of boomer eligibles.
- [AEP Gut Check Study](#) examines the pain points carriers and agents must address as we near the AEP.
- [Dual Eligible Retention Study](#) helps to better understand the member experience carriers, agencies, and consultants need to consider to win with this fastest growing segment of the Medicare space.
- [Medicare Digital Tools Study](#) gives an in-depth look at how seniors use digital tools for product selection, navigation, and accessing healthcare.
- [Medicare Member Experience Study](#) shows what causes attrition, switching intention, and lower CAHPS scores.

Our **2024 Commercial Market Insights Service** studies for the Individual Under 65 Market include:

- [Individual and Family Plan Shopping and Switching Study](#) examines the traditional OEP enrollment period, the channels that best connected with consumers, and how these individuals shopped for coverage.
- [Commercial Group and ICHRA Study](#) illuminates how current commercial group members feel about a potential move to ACA coverage and compares these experiences to those already in ACA coverage through ICHRA.
- [Individual and Family Plan Digital Tools Study](#) gives an in-depth look at all aspects of digital healthcare, including online shopping, portal management, e-brokers, virtual care, and virtual-first plans.
- [Individual and Family Plan Member Experience Study](#) identifies the experiences that either inflate or depress loyalty so that carriers can hold onto ACA members.