



**REDUCING BENEFITS FOR DUALS PRESENTS CHALLENGES TO CARRIERS AND MEMBERS ALIKE. WHAT MIGHT YEAR TWO OF BENEFIT REDUCTION BRING TO D-SNP MEMBERS?**

**Deft's 2024 Dual Eligible Acquisition Study Executive Research Brief**

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Deft Research recently published the 2024 Dual Eligible Acquisition Study. This national market research report of over 2,100 Dual Eligibles and seniors who are low-income and close to Dual status examines the benefits these members are attracted to, their interaction with agents and social workers, how SDOH factors influence their consumerism, the impact of Medicaid recertification, and general shopping and switching metrics—both within the AEP as well as the OEP/lock-in. This Executive Research Brief examines a couple of interesting points from the overall study as it relates to the value these Duals and low-income seniors place on certain supplemental benefits, and their relative tolerance for seeing those benefits reduced in future AEPs.

Armed with the insights from this study, D-SNP carriers, marketing agencies, and sales organizations will have a better grasp of what moved Dual consumers for the 2024 AEP and what must be done to help the 4.6 million unmanaged Duals find better, more coordinated care. For more information on the rest of the report please contact your Deft Research Client Services associate or email [info@deftresearch.com](mailto:info@deftresearch.com).

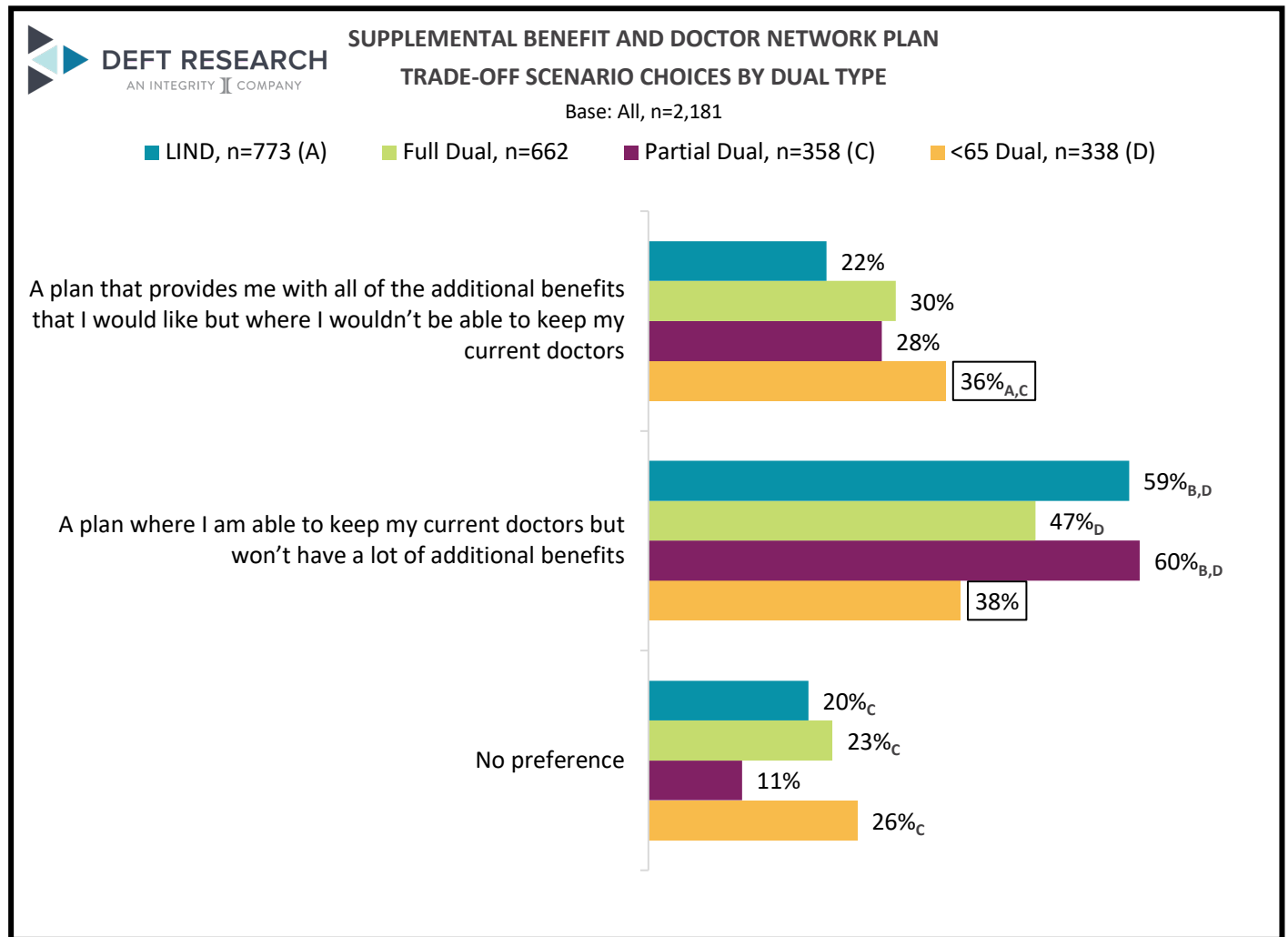
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Austerity struck the Medicare Advantage world in 2023 when carriers were faced with the reality that they would need to “make do with less.” For the first time in most MA managers’ careers, they were forced to construct future year designs with less PMPM oomph than they had the year before. Gone were the days of holding down premiums and cost shares while also enriching supplemental benefit packages. For the first time in a long time, carriers had to make difficult choices.

Increase costs, cut benefits, or both? In the full-pay MA world (i.e., non-D-SNP) the market overall added a smidge of cost in the form of small premium hikes, increases to drug deductibles, and a modest average

\$47 hike in MOOPs.<sup>1</sup> Some carriers also pulled back in some of the lesser supplemental benefits while being careful to not do too much damage to dental. More full-pay MA consumers picked up preventative dental this year, and comprehensive, and preventative allowances were much more likely to have increased than decreased.

That was not the case with D-SNP. D-SNP consumers saw, on average, their preventative plus comprehensive dental allowance slashed by \$340.<sup>2</sup> Ouch. These consumers who are living below 150% of the Federal Poverty Limit and who generally have less than \$10,000 of assets now have less at their disposal when it comes to taking care of their teeth. Some of that “austerity” may have been at the hand of lower CMS reimbursement and some of it may have simply been a reaction to selection issues that carriers with richer comprehensive coverage felt necessary to take. Regardless, some low-income seniors felt that belt tightening. And for many Duals, worse supplemental benefit access hurts more than a more restrictive network.



<sup>1</sup> Source: Deft Research 2024 Medicare Shopping and Switching Study.

<sup>2</sup> Source: Deft Research 2024 Medicare Shopping and Switching Study analysis of CMS 2023–2024 Medicare Advantage landscape, crosswalk, and PBP files. All figures exclude SNP, MMP, and EGHP plans. Enrollment figures from CMS October 2023 CPSC file.

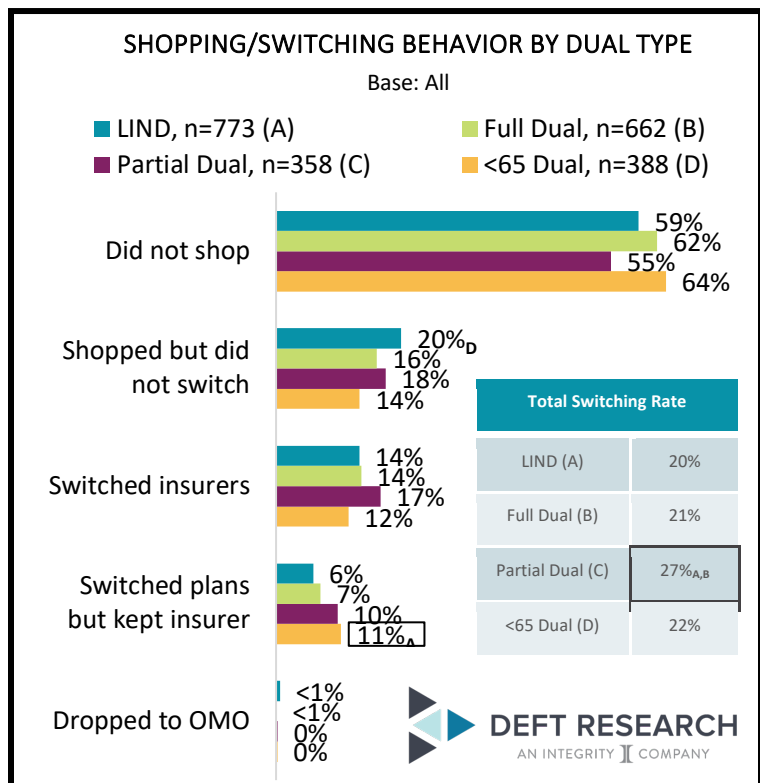
According to the chart on the previous page, perhaps more than a quarter of Dual eligibles today would rather have a plan that provides them all the additional supplemental benefits and allowances they would like than the ability to keep their current doctor. If you ever wondered how important supplemental benefits are to Duals, there's your answer.

And it wasn't just dental. Around a quarter of Duals and Low-Income Non-Duals reported decreases in some flex card allowances, around a fifth indicated they felt cuts in medical transportation, and about that same saw cuts in foot care.

The safest benefits in an era of austerity are the ones that no one uses. The benefits most at risk are the ones that consumers covet. And Duals do value dollars on flex cards, dollars for dental, and rides to medical appointments (to a lesser extent). Perhaps this is why switching in the 65 plus Dual and Low-Income Non-Dual market hit a four-year high?

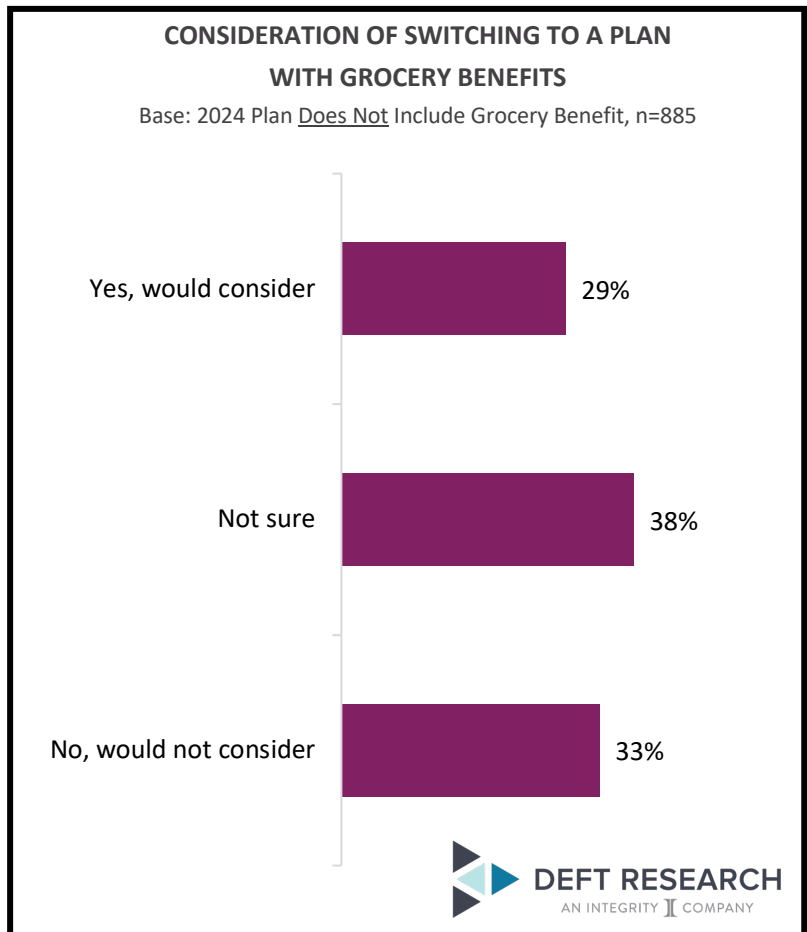
As seen to the right, switching for the 2024 AEP was 22%—statistically significantly greater than any of the three previous AEPs.

This portends poorly for the 2025 AEP should the “year one” austerity seen in 2024 turn into a full-fledged “era of austerity” for 2025 and beyond. If D-SNP managers once again find themselves in need of trimming, what should they train their scissors on next? Or better yet, what should they avoid trimming if they wish to hold onto their swelling membership and once again take advantage of the Dual market that has provided unparalleled market growth in the last four years (averaging 23% growth since Q1 of 2020)?



According to the 2024 Dual Eligible Acquisition Study, the one benefit carriers ought to be loath to trim would be food allowances. 79% of Duals who have a grocery assistance benefit for 2024 indicate it was somewhat of a reason, or a strong reason, they enrolled in their plan in the first place. It stands to reason that if a consumer joined a plan to obtain a benefit and then that benefit was cut or eliminated, then such consumers would be in the market for new coverage.

As seen in the chart to the right, nearly a third of Dual Eligibles indicate they would switch their plan if their grocery benefit were to be eliminated. Recent CMS direction mandates that carriers need to move forward with two of three benefits for their Dual members: food, medical transportation, and non-medical transportation. Transportation to the doctor and the pharmacy is needed for the 10–12% of Full and Partial Duals who missed a medical appointment last year. Similarly, the 9–13% of Full and Partial Duals who missed non-medical appointments and get togethers last year would greatly value a non-medical transportation benefit. But all Duals need to eat. And about 40% of Senior Duals ran out of food last year before they could buy more. Two thirds of disabled Under 65 Duals faced the same.



Regardless of what happens with reimbursement, carriers need to preserve or consider augmenting their food benefit for D-SNP. No other supplemental benefit matters more to these members.

#### Don't miss these offerings related to the Duals Eligible Acquisition Study

- [National Dual Eligible Benefit Design Conjoint Study](#) provides a deeper dive into the trade-offs that Dual Eligibles make when selecting a plan to help plan designers prepare for upcoming bids.
- [Medicare Shopping and Switching Study](#) is a must-have to understand the senior health insurance market and what led consumers to switch this last AEP.
- [National Part D Addendum Study](#) can help plan designers to understand senior consumers' preferences about drug plans and prepare for their upcoming bids.

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 trade-offs between supplemental benefit preferences, amounts, and purses to identify what Dual Eligible consumers value the most.
- [National Dental Benefit Design Conjoint Study](#) identifies the trade-offs that consumers are willing to make based on their current dental needs in either an embedded dental plan or stand-alone.
- [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 stand-alone 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.