



THE HERTEL REPORT

2017 ARIZONA MEDICARE ADVANTAGE MARKET DATA

Medicare Advantage (MA) insurers are now nipping at the heels of Medicare, gaining a 30 percent national market share in 2017.

Looking back, the federal program that now serves 38 million Americans should have seen it coming. Since 2010 MA enrollment nationally has grown 71 percent.

Those eligible for Medicare have been attracted to MA plans' stable monthly premiums and packages that include extra benefits such as dental and reimbursements for over-the-counter drugs, fitness benefits and more.

This year in Arizona, nearly 467,000, or 38 percent, of the state's 1.2 million Medicare eligible adults, enrolled in an MA plan instead.

Arizona's 2017 market has UnitedHealthcare (UHC) continuing to pull ahead of its competition. In June, enrollment reports show the insurer expanded its MA market footprint in the state to 45 percent. Nationally, Humana and UHC share 41 percent of MA enrollment. In Arizona, Blue Advantage pushed past Humana in 2016 and 2017 to remain in UHC's shadow as the state's No. 2 competitor in the MA market.

2016-2017 Growth

Earning a double-digit growth rate from June 2016 to June 2017 was market leader UHC (18 percent). UHC Community Plan, Arizona's leading insurer in the MA Special Needs Plan (SNP) market segment, enjoyed an 18 percent bump year over year (YOY) in enrollment with a little help from Maricopa Integrated Health Systems (MIHS).

Last summer, MIHS got out of the Arizona MA market altogether. In June, the health system transferred about 1,500 Maricopa Care Advantage Health Plan SNP members to UHC Community Plan. In total, the insurer gained more than 7,000 new members in 2017.

This year, all 13,769 of Phoenix Health Plans' MA and MA SNP members became opportunities for other insurers when PHP withdrew from the market after repeated years of poor star ratings.

Cigna, Arizona's only 5-star plan, experienced double digit losses in 2017. The Centers for Medicare and Medicaid Services (CMS) sanctions prevented the insurer from selling its plans following the annual enrollment period (AEP). Cigna's MA membership dropped 18 percent YOY, a loss of more than 5,000 members.

In 2018, Bright Health, led by former UHC executives, will enter the Arizona MA marketplace. The insurer will partner with the Arizona Care Network to give consumers in Maricopa County one more choice over Traditional Medicare.

The 2018 AEP begins October 15 and continues through December 7, 2017.

INSURER	MEMBERSHIP
UnitedHealthcare/Pacificare	165,693
Blue Advantage	65,441
UHC Community Plan	46,967
Humana	59,915
Cigna	41,565
Health Net	23,322
Mercy Care Advantage	18,633
CareMore	12,394
Health Choice Generations	9,776
University Care Advantage	7,247
Aetna	8,213
Wellcare	2,063
Other	2,060
TOTAL	467,875