



MEDICARE
Cafe.

Medicare Supplement Conference Notes

By Mike Gattorna


Medicare Supplement
Conference
April 11-13, 2017
Dallas, TX

Mike's mod podge of notes...

The following are the notes I could decipher from my scribbles (otherwise known as my handwriting):

#1 reason seniors change Medicare supplement policies in AEP is due to changes in their Medicare Part D plan. In 2013 there were some major changes in part D plans. More than double the beneficiaries changed Medicare supplement plans in 2013 over 2017 AEP.

Top 3 reasons people choose a Medicare Supplement over a Medicare Advantage plan:

- Network
 - All bills paid by the carrier
 - Simple to use
- 

Many group / employer plans have rising deductibles and cost sharing over the past few years, which is helping drive people to Medicare Supplements since they have little to no cost sharing.

Top 3 reasons beneficiaries will change Part D plans:

- Brand drug cost share
- Generic drug cost share
- Deductible amount

A \$25 per month Medicare supplement premium increase will cause approximately 40% of plan members to look for other coverage.

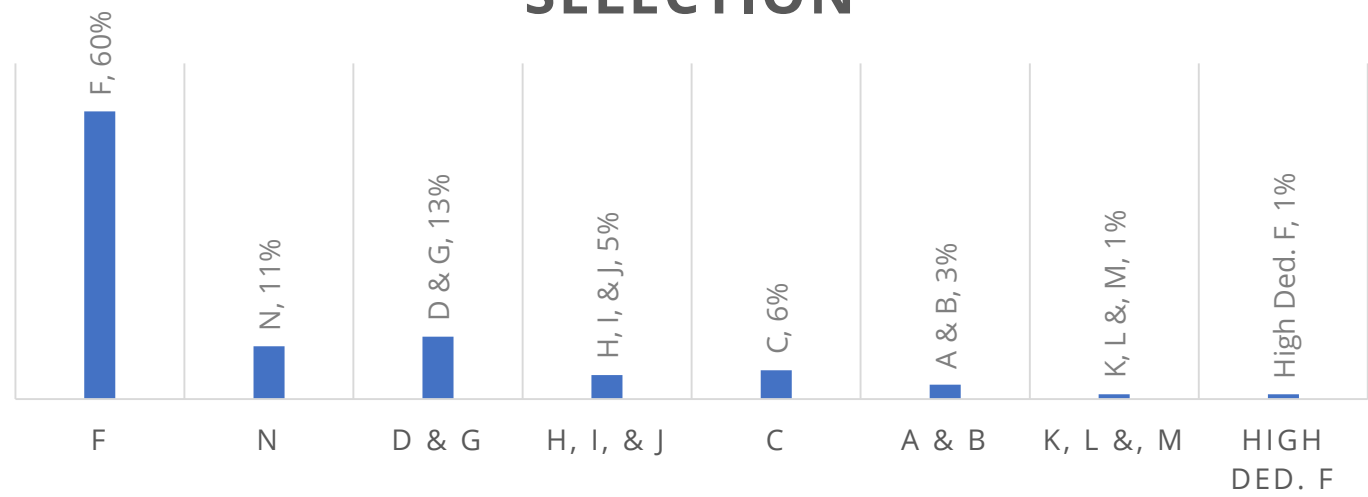
Internet research, for the first time, has surpassed direct mail in the #1 way boomers look for Medicare information. However, direct mail can greatly increase traffic to a specific website.

More and more seniors are using the internet to search for Medicare information, however, over the past 3 years online enrollment (self enrollment by the beneficiary) has only risen from 12% to 15%.

Between 64 and 65, there is a steady usage of the internet for researching Medicare information. The closer someone is to age 65, the more direct mail is utilized with a peak at 64 and 9 months.

In 2015 58% of Medicare supplement plan holders were female (42% male)

MEDICARE SUPPLEMENT PLAN SELECTION



AGE GROUPS	Under 65	65-74	75-84	85+
All Medicare	17%	46%	27%	11%
Medigap	4%	50%	32%	13%

Many Medicare Supplement members have higher utilization and are more sensitive to changing plans

Plan Switching Behavior in AEP

MA to MA plan

2015 64%

2016 61%

MA to Medicare Supp

2015 9%

2016 4%

Medicare Supp to Medicare Supp

2015 17%

2016 15%

Medicare Supp to MA

2015 3%

2016 7%

OMO to MA

2015 3%

2016 6%

OMO to Medicare Supp

2015 3%

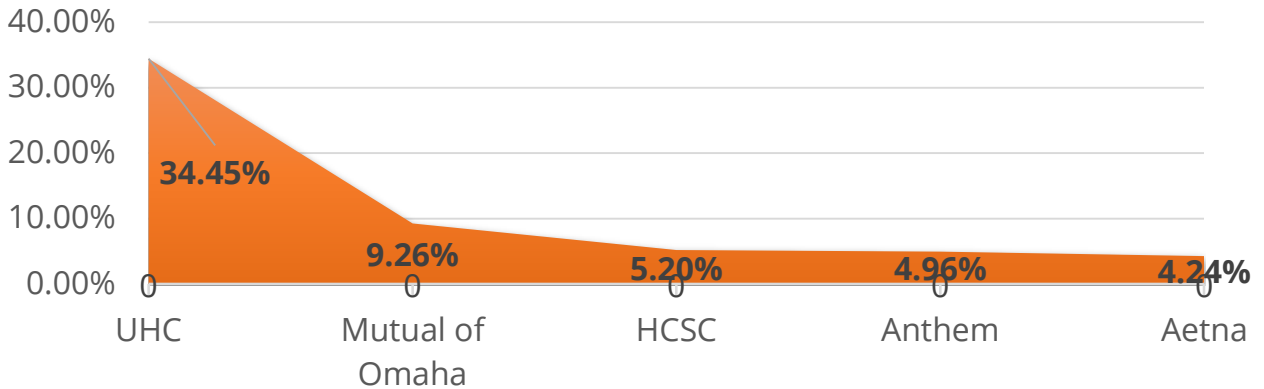
2016 4%

*OMO = Original
Medicare Only*

Coffee Stain



Top 5 Medicare Supplement Carriers (2015)



Direct Mail Info

Generic vs. Branded

Generic designed to generate interest and create a call to action

Branded work better if you are working with an affiliate group, such as a retirement group or organization

Types of format

Postcards – Better for personal branding / seminars

#10 envelope – works better with higher net worth clients or affinity groups

Bi / Tri Fold BRC – Usually work best for the Medicare market
If wanting to mail to the same group, try changing the color

*BRC - Business
Reply Card*

Adding colors (pictures) will not generate enough of an increased reply to offset the increased cost to produce

MA mailers – Usually mailed to lower income areas

Medicare Supplement mailers - Higher income areas

Cap income at 200 / 250K as higher incomes will usually not reply

Focus on CPS (Cost Per Sale) rather than CPL (Cost Per Lead)

Direct mail cont...

Allow a three week turn around for leads

Stagger lead drops to give a more consistent flow of leads

ALWAYS order the list they mail to so you can work the non-responders with a door to door campaign or call campaign

Roughly 12% of the names ordered will have phone numbers not on the DNC list

When prompted, about 80% of responders will place their phone number on the lead card

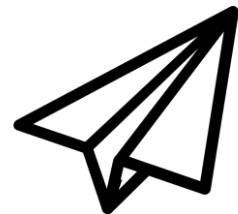
Don't give the respondent too many ways to reply as this may cause them to delay their reply and possibly not reply at all

In 2015, Medicare covered 55.3 million people – 46.3 million over 65 and 9 million disabled

Total expenditures in 2015 were \$647.6 billion and total income was \$644.4 billion which consisted of \$633.9 billion in non-interest income and \$10.5 billion in interest earnings.

The estimated depletion date for the HI trust fund is 2028, two years earlier than in last year's report.

The rest of my notes ->





Every Tuesday @
10:00am (Central)

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