

MARKET ALERT | 03.25.20

# Deep Dive into Medicare Advantage Supplemental Benefits Trends from 2020 AEP

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The health insurance industry has been turned upside down by the COVID-19 crisis. There is much uncertainty surrounding the relief health plans can expect from the government, [what has already been announced](#), and the lasting effects this pandemic will have on your business and members alike. We are in uncharted territory.

One of the questions that many Medicare Advantage Organizations (MAOs) have been asking is around the Calendar Year (CY) 2021 deadline for bid submissions. As of March 24, 2020, the Centers of Medicare and Medicaid Services (CMS) had not released any information about [an extension to the June 1 deadline](#).

Knowing this, it's important for health plans to focus on—as much as you can given competing priorities due to COVID-19—[formulating product pricing and benefit design strategies for 2021](#). At Pareto, we know that data can get you to the right decisions quicker. So we wondered, how can we use data to better inform strategic decisions going forward and moving beyond this crisis? An area that came to mind was supplemental benefits.

When determining plan benefit design, MAOs use supplemental benefits to attract, care for, and retain members with different strategies and varying levels of success. In these unique times, many supplemental benefits, such as [the mail-order Over-the-Counter \(OTC\) benefit](#) and pharmacy services, meal plans, and telehealth, present unique opportunities for MAOs to serve beneficiaries in their homes, as elderly members follow the necessary precautions to keep themselves and others safe and healthy.

To support prepping for 2021 bids and exploring the different benefit offerings, Pareto evaluated the year-over-year trends in supplemental benefit offerings prevalence and adoption across the Medicare Advantage (MA) market after the Annual Enrollment Period (AEP). Consider using the insights below to make more informed product decisions for 2021.

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Below are some of the key takeaways from the analysis:

- Continued expansion in supplemental benefit adoption: In evaluating AEP results by comparing product benefit enrollment from December 2019 to February 2020, we found that many MA beneficiaries gained access to additional supplemental benefits as MAOs expanded benefits on existing plans and introduced new Plan Benefit Package (PBP) options in 2020. Some of the fastest growing and most adopted benefits include:
  - Annual Physical Exam: 27% growth (12.9M members in 2019, 16.4M in 2020)
  - Comprehensive Dental: 24% growth (12.1M members in 2019, 15.0M in 2020)

- OTC: 23% growth (12.1M members in 2019, 14.9M in 2020)
  - Meal Benefit: 23% growth (7.7M members in 2019, 9.4M in 2020)
  - Transportation Services: 20% (7.1M members in 2019, 8.5M in 2020)
- Supplemental benefits in the Individual market (HMO/PPO) insights: National MAOs continue to expand supplemental offerings at rates that outpace other entity types. And as highlighted in our previous article on the 2020 AEP results, National MAOs are growing faster than the competition and expanding market share. Some of the supplemental benefits that the Nationals have used to attract and retain membership, which differ strategically from other MAOs, include:

### % OF INDIVIDUAL MEMBERS WITH BENEFITS

Supplemental Benefit	Nationals	Blues	Provider-Owned	Regional
OTC	79%	44%	59%	67%
Comprehensive Dental	78%	70%	68%	64%
Meals	52%	20%	30%	16%
Transportation	32%	26%	26%	67%

- Market maturity varies greatly by state: The competitive pressure to offer and adopt supplemental benefits varies greatly. Depending on the state, certain supplemental benefits (such as OTC) may now be table stakes, requiring more creative benefit design to differentiate from the competition.

### % OF MEMBERSHIP WITH BENEFIT

State	2020 Enrollment	OTC	Comprehensive Dental	Meal Benefit	Transportation
CA	2,023,764	77%	73%	13%	45%
FL	1,580,808	85%	75%	33%	51%
TX	1,155,069	82%	88%	49%	37%
NY	917,810	18%	55%	38%	14%
PA	810,621	75%	78%	56%	47%

## Conclusion

For additional insights relevant in your specific service area, [contact Duncan Wierengo to discuss Pareto Spotlight](#), an MA market intelligence solution that applies advanced analytics across over 300 disparate third party datasets and benchmarks to generate a holistic view of performance and the competitive landscape across the MA market (including at a national, state, and county level).