

Are Medicare Advantage Plans Meeting Expectations?

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America's Health Insurance Plans

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Beneficiary Out of Pocket Costs: Are Medicare Advantage Plans a Better Deal?

Data from the Commonwealth Study

Out-of-Pocket Costs are Lower for Those:

In good health in all 88 MA Plans Studied

• In fair health in 86 out of 88

• In poor health for 69 out of 88 (78%)

Are Medicare Advantage Plans a Better Deal: How AHI Do We Establish a Benchmark to Consider this Question

Sample Size

• 88 plans out of 1607 (5.5% sample)

Comparison of MA vs. Medigap F:

- Approximately 10% of the10.6m Medigap Beneficiaries are in AARP F
- Drugs were provided to 80% of MA Beneficiaries in `05
- Additional Benefits Provided in MA

Benchmark for Analysis

- Groupings of Health Status are not Experience Based
- Averages not Experienced Based

Are Medicare Advantage Plans a Better Deal: AHIP Other Issues Relevant to Comparison

Broader Benefits

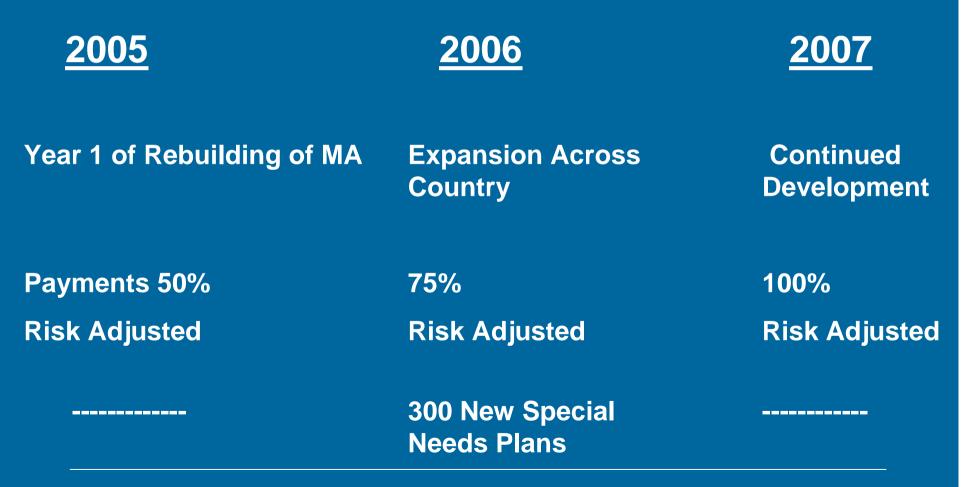
- MA Plans Offer Disease Management
- MA Plans Offer Care Coordination
- MA Plans Stop-Loss (85% enrollees)
- MA Plans Cap Hospital Cost Sharing (87% of enrollees)
- MA Plans Offer Prevention and Other Benefits
- MA Plans Offered Drugs in `05 prior to Part D
- Higher Quality
 - JAMA MA Plans Outperform FFS in 5 of 7 Key HEDIS Quality Measures
- Higher Satisfaction
 - Very Low Disenrollment



Are Medicare Advantage Plans a Better Deal?

- Savings for Government
 - MA Plans Return 25% of Savings to Government = \$2.3 Billion Savings `06-`09
- Safety Net for Low Income
 - 50% of MA Enrollees in 2002 had incomes less than \$20,000
 - 71% non white enrollees had incomes lower than \$20,000

What Should You Know About 2005 vs. 2006



4.

AHIP

Opportunities for Improvement

- Repeal Lock-in
- Continuously assess the predictive power of risk adjustment
- Discussion of new benefits should begin on FFS side and apply to entire program
- Simplify the information beneficiaries receive for plan selection



Partnering to Create Uniformity

Beneficiaries:

- Standardized coinsurance/copay refund request forms
- Enrollment Support expanding authority for beneficiary representatives
- Pharmacists:
 - Standardized messaging
 - PQA strategy for improving performance at the pharmacy/pharmacist level
- Physicians:
 - Standard formulary exception form and other coverage determination forms