HMA

Insights

Analysis of the 2020 Medicare Advantage Annual Election Period

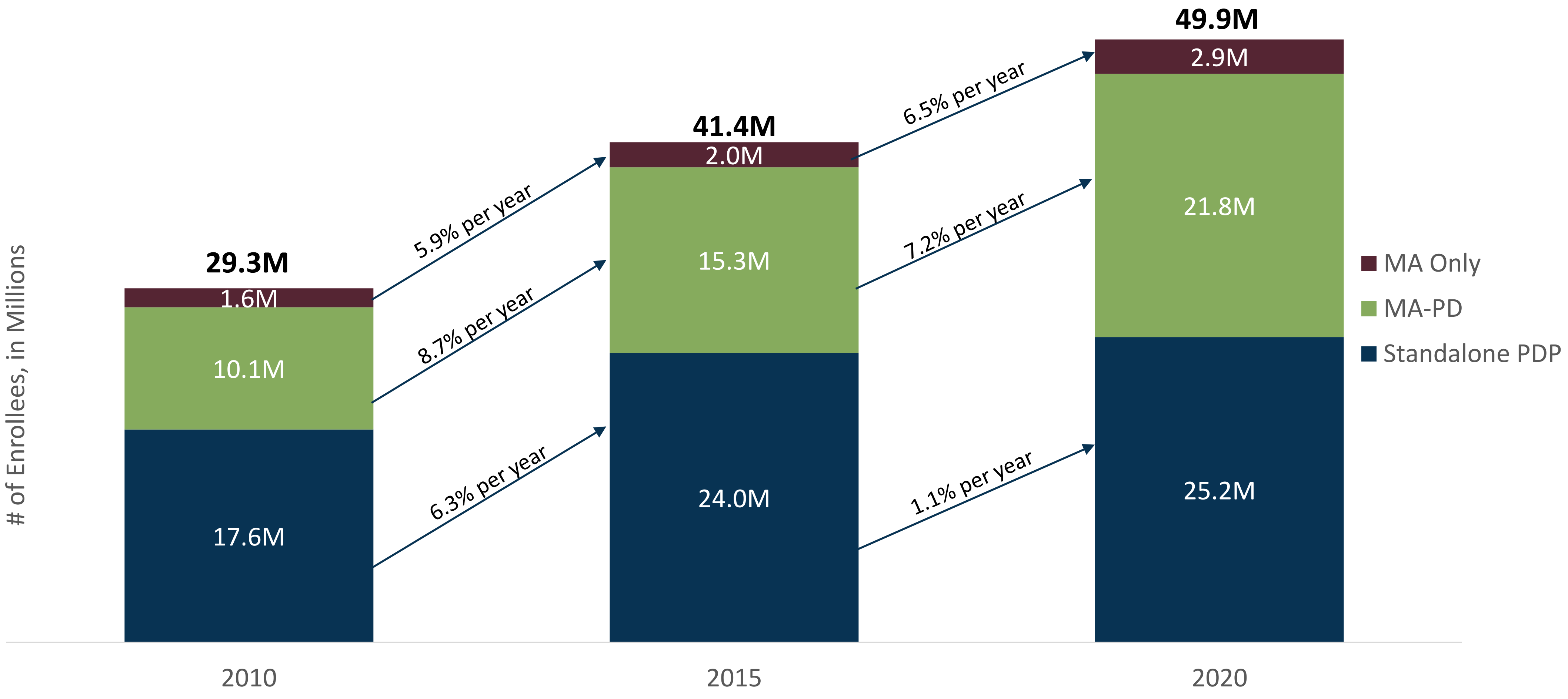
March 11, 2020

Medicare Advantage 2020 Landscape
Continued Enrollment Growth and Concentration

- **2020 Annual Election Period:** The Centers for Medicare & Medicaid Services (CMS) released February 2020 enrollment files, revealing the changes in plan enrollment resulting from the most recent Annual Election Period (AEP). These slides provide a snapshot of the 2020 Medicare Advantage (MA) enrollment.

- **HMA Insights:**
  1. The rapid growth of MA has led to nearly equal enrollment between MA and standalone Part D Plans
  2. Special Needs Plans (SNPs) are the fastest growing type of MA plan during the last decade
  3. While MA plans experience the greatest growth during AEP, SNPs have more significant gains outside the AEP
  4. The five largest MA organizations now cover 2 out of 3 MA enrollees
  5. Nearly 80% of enrollees have chosen MA plans with 4 or more Stars
  6. Smaller markets are experiencing faster growth as MA plans look for new opportunities

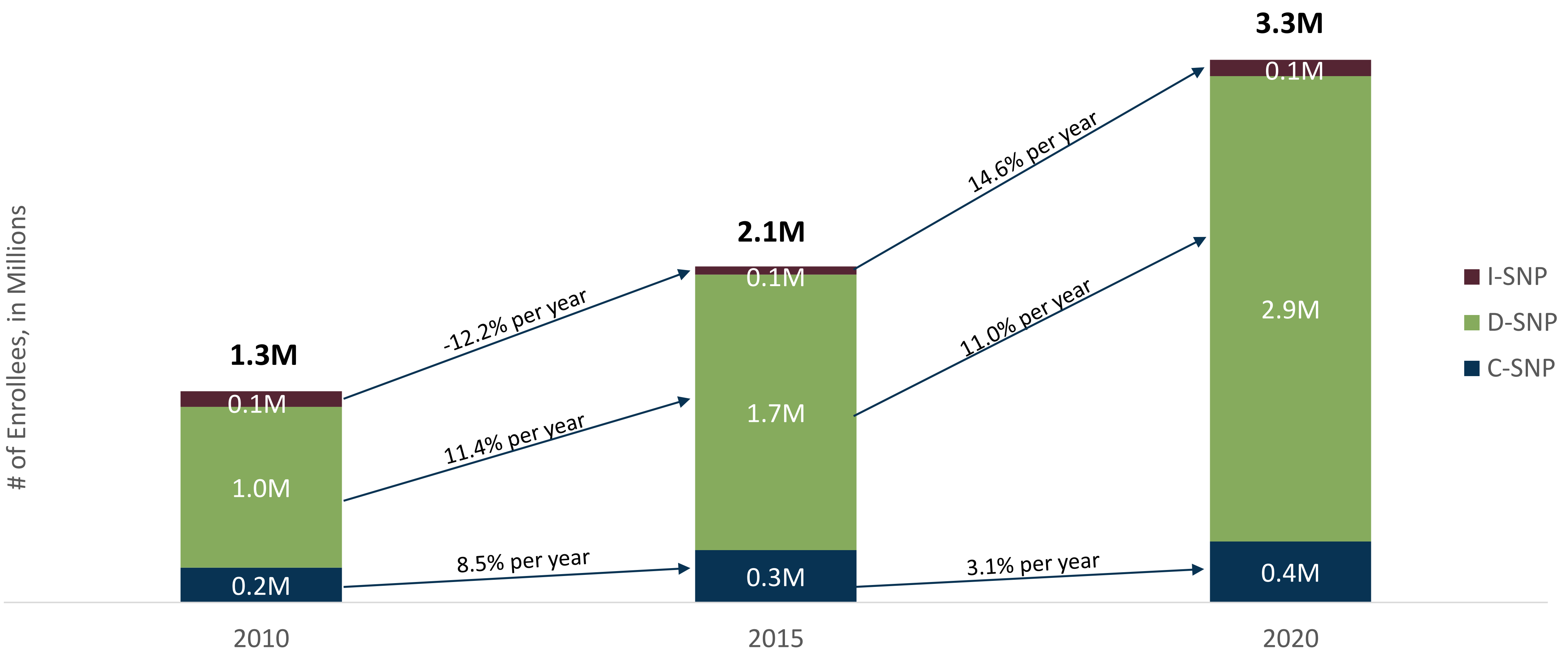
MA-PD Enrollment Growth Outpacing Standalone Part D Plans



The rapid growth of MA has resulted in nearly equal enrollment in 2020 between MA and Standalone Part D Plans.

Source: HMA Analysis of CMS Enrollment Files, 2010, 2015, and 2020

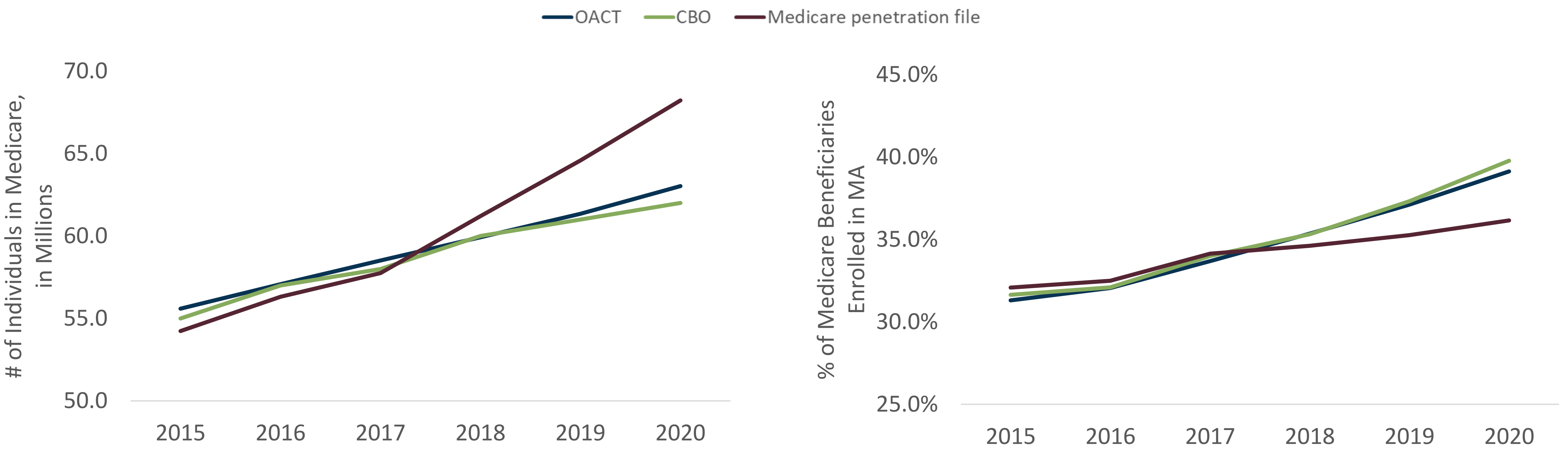
D-SNPs Are Fastest Growing Type of MA Plan



Overall SNP enrollment is up 250% over the past 10 years.

I-SNP: Institutional Special Needs Plan; D-SNP: Dual Eligible Special Needs Plan; C-SNP: Chronic Special Needs Plan
Source: HMA Analysis of CMS Enrollment Files, 2010, 2015, and 2020

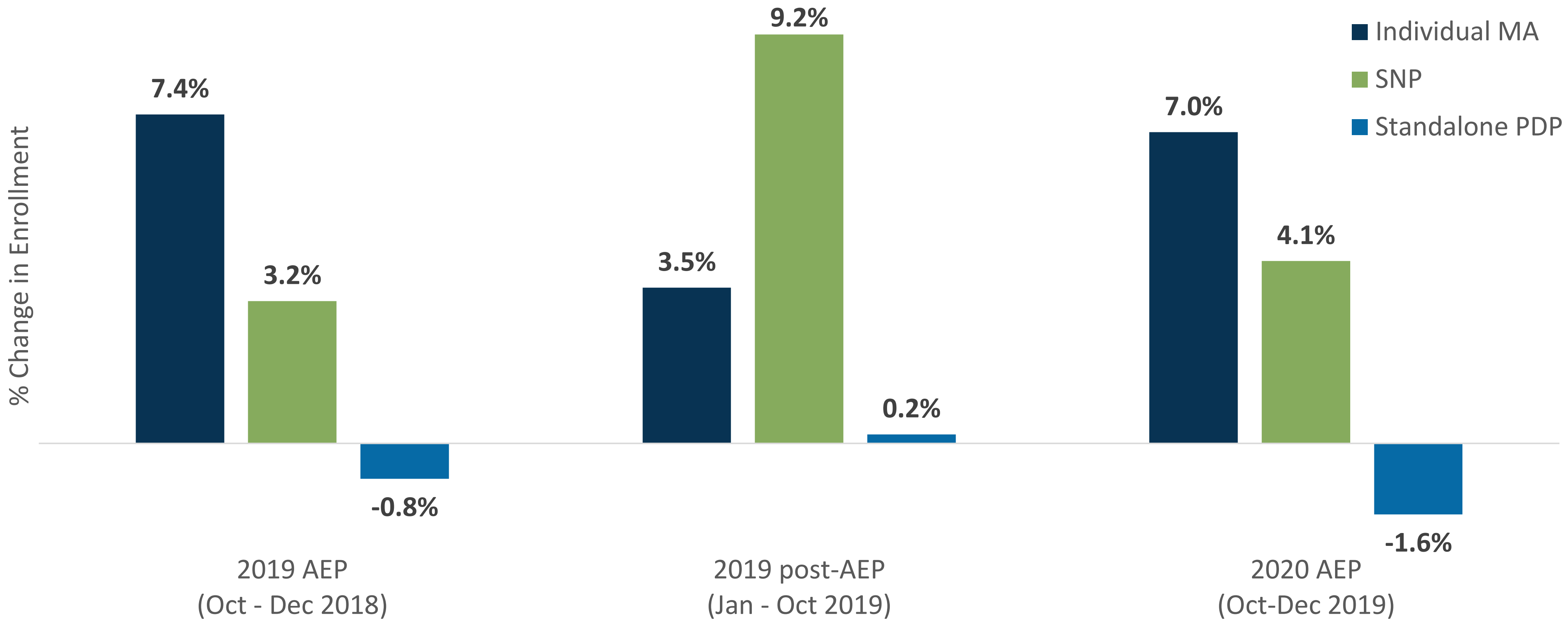
Exact Medicare Advantage Penetration Unclear



- At some point in 2017, CMS started reporting higher total Medicare enrollment compared to the Congressional Budget Office (CBO) or the Medicare Trustees Report (OACT). While the difference is nearly 6 million in 2020, the reason for such divergence is unknown
- Using actual plan-level enrollment, MA penetration is between 36% and 40% in 2020
- **HMA advises caution when examining local market penetration levels, given the uncertain reasons for different national penetration rates**

Source: HMA analysis of CMS MA Penetration Files, Congressional Budget Office Medicare Baseline Report, and Medicare Trustees Annual Report

Enrollment Timing Varies by Type of Plan



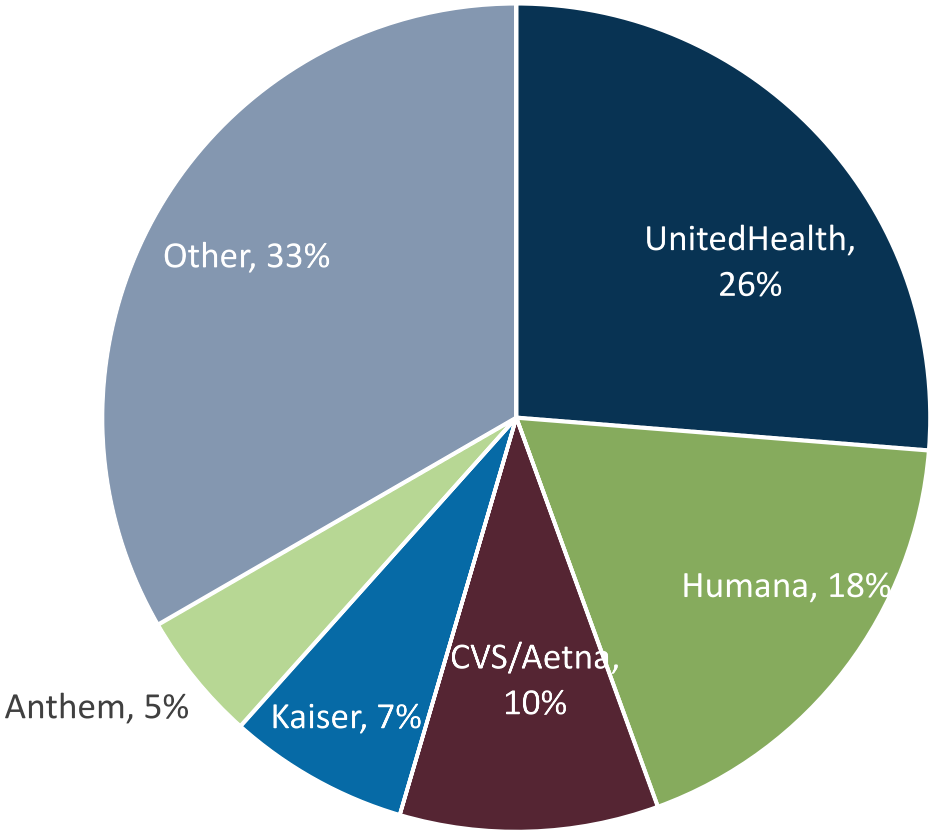
Traditional MA plans experience most of their enrollment growth during the Annual Election Period (AEP), including shifting Medicare beneficiaries out of standalone Part D plans during the last two AEPs.

Special Needs Plans tend to see more enrollment gains outside of the AEP.

Source: HMA analysis of CMS Enrollment Files, 2018-2020

Top Plans Generally Outgrow Rest of MA Market

% of MA Enrollment by Parent Organization, 2020



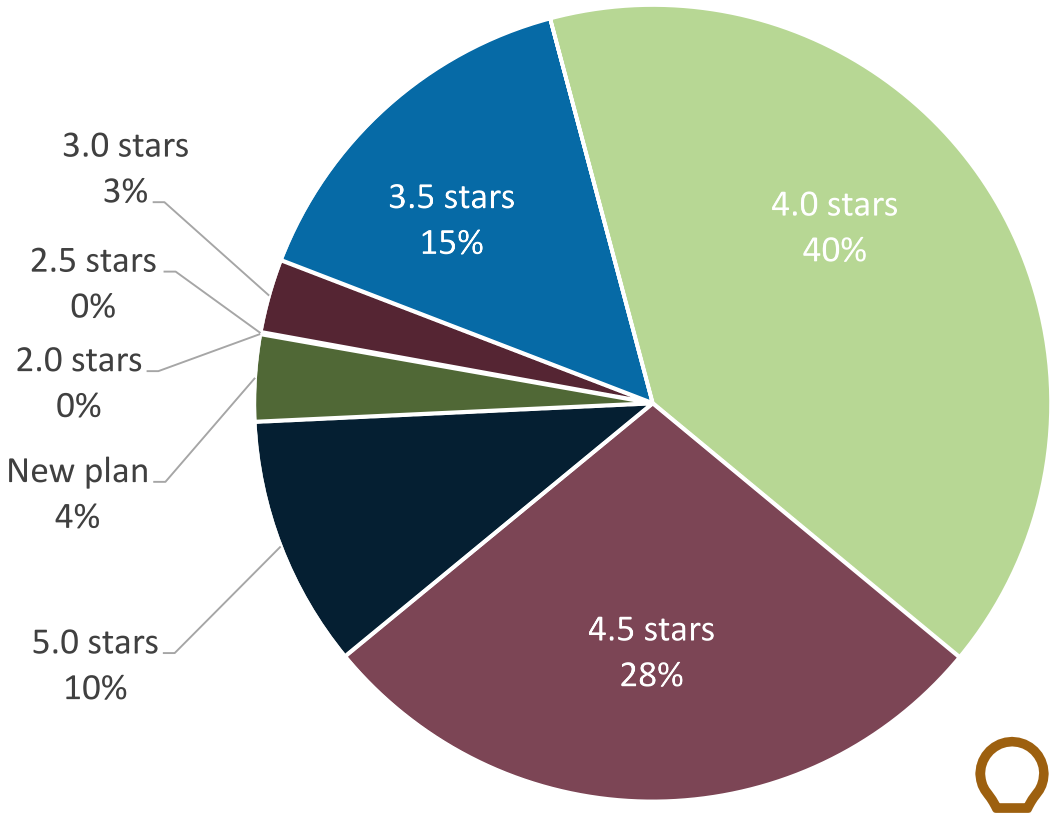
Parent Organization	% Change in Enrollment, Traditional MA Plans 2019 AEP (Oct-Dec 2018)	 2019 non-AEP (Jan-Oct 2019)	 2020 AEP (Oct-Dec 2019)
UnitedHealthcare	3.9%	3.0%	10.2%
Humana	11.8%	3.8%	6.5%
CVS/Aetna	22.3%	8.4%	8.0%
Kaiser	4.2%	3.1%	1.4%
Anthem	5.7%	6.5%	11.5%
All others	4.9%	2.2%	5.5%
Total MA	**7.4%**	**3.5%**	**7.0%**

The top 5 parent organizations cover 2 out of 3 MA enrollees and tend to see higher-than-average AEP growth.

Source: HMA analysis of CMS Enrollment Files, 2018-2020. Enrollment excludes SNPs and employer-only plans.

Majority of Enrollees in High Quality Plans

% of MA Enrollment by Star, 2020



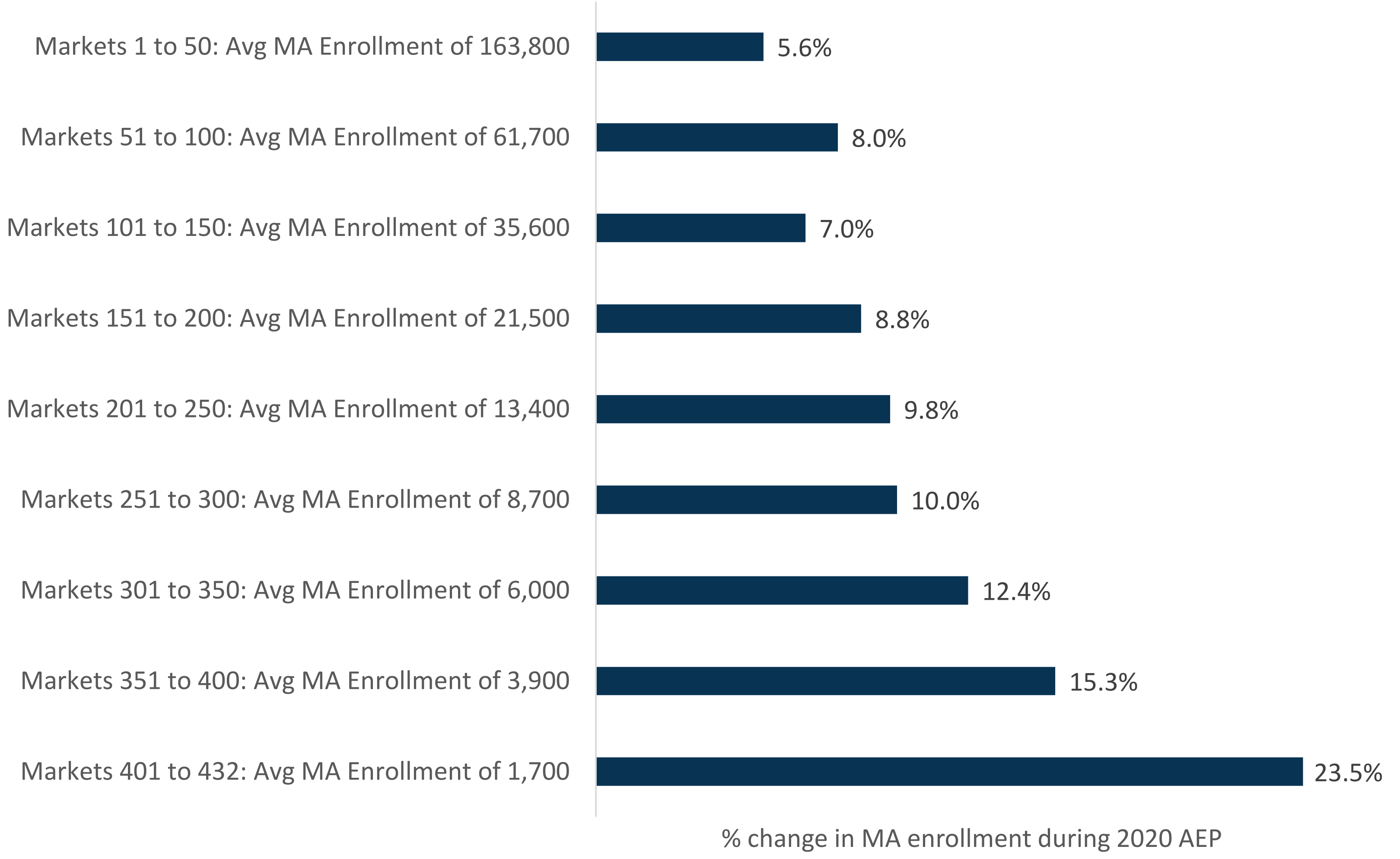
	Change in Enrollment, Traditional MA Plans		
2020 Star Level	**2019 AEP (Oct-Dec 2018)**	**2019 non-AEP (Jan-Oct 2019)**	**2020 AEP (Oct-Dec 2019)**
2.0 stars	200	-1,400	-1,900
2.5 stars	700	200	2,400
3.0 stars	26,200	18,100	36,600
3.5 stars	800	13,200	-52,100
4.0 stars	448,100	128,600	402,000
4.5 stars	789,900	147,300	223,400
5.0 stars	108,500	55,400	52,000
New plan	128,900	37,900	380,500
Total MA	**1,503,200**	**399,400**	**1,042,900**

MA plans with 4+ Stars accounted for 65% of the 2020 AEP growth.

New plans also had strong 2020 AEP results.

Source: HMA analysis of CMS Enrollment Files, 2018-2020. Enrollment excludes SNPs and employer-only plans. Enrollment round to nearest 100.

Smaller Markets Growing Faster as Plans Look for New Opportunities



MA plans continue to see modest enrollment gains in larger markets…

…while smaller markets are experiencing much more rapid growth due to increased attention from MA plans

Source: HMA analysis of CMS Enrollment Files, 2019-2020. Enrollment excludes SNPs and employer-only plans. Markets defined as Core-Based Statistical Areas (CBSA) to reflect common service areas.

HMA Continues to Analyze the Medicare Advantage Landscape

- Why do certain markets grow faster than others?
- What types of MA benefits attract the most enrollees?
- Which plans/plan types saw significant declines in enrollment? Why?
- How can plans optimize enrollment growth during the AEP and post AEP?

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