



Using Medicare Plan Finder for Competitive Analysis

10/30/2010

by *LuAnne Farrah*

Medicare Advantage and Part D plans are sizing up opportunities and analyzing the competition as they prepare to sell their products on the open market. With changes in the disenrollment timeframe, plans will have a shorter selling season this year. During this busy period from November 15th (onset of Annual Election Period) through February 14th (end of Annual Disenrollment Period), health insurers and prescription drug companies will be campaigning to retain members and prospecting for new ones.

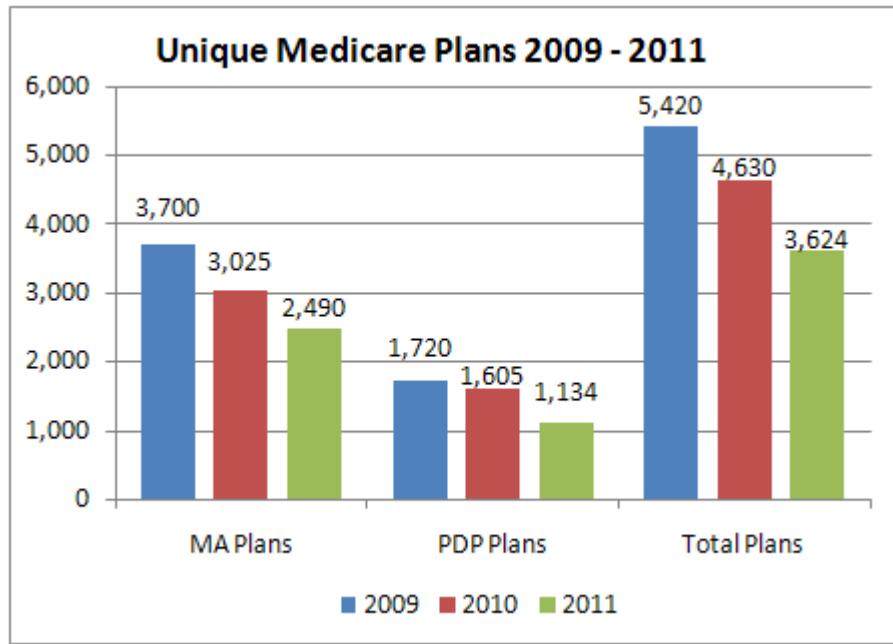
Medicare companies typically begin intensive market analysis in October when CMS (Centers for Medicare & Medicaid Services) uploads new plan benefits and co-pays to Medicare Plan Finder. This online tool, designed to help beneficiaries compare coverage options and assess out-of-pocket expenses, is also a valuable source of market intelligence for the Medicare plans' themselves. In addition to benefit attributes, Plan Finder also includes the star ratings that measure the relative quality of all Medicare Advantage and Part D plans. However users beware, the site doesn't lend itself to easy data analysis. In fact, a redesign earlier this year to afford beneficiaries more search customization makes Plan Finder even less user-friendly as a competitive analysis tool. For each Plan Finder query, output is limited to only plans within the zip code entered by the user.

To help Medicare companies with this essential market analysis, Mark Farrah Associates in partnership with Strenuous organizes Plan Finder data in an easy-to-use database ([click here \(/products/medicare-benefits-analyzer.aspx\)](/products/medicare-benefits-analyzer.aspx) for more information about Medicare Benefits Analyzer™).

This brief presents some interesting snapshots of the 2011 Medicare marketplace using Plan Finder data from Medicare Benefits Analyzer™.

Number of Plans Continues to Shrink

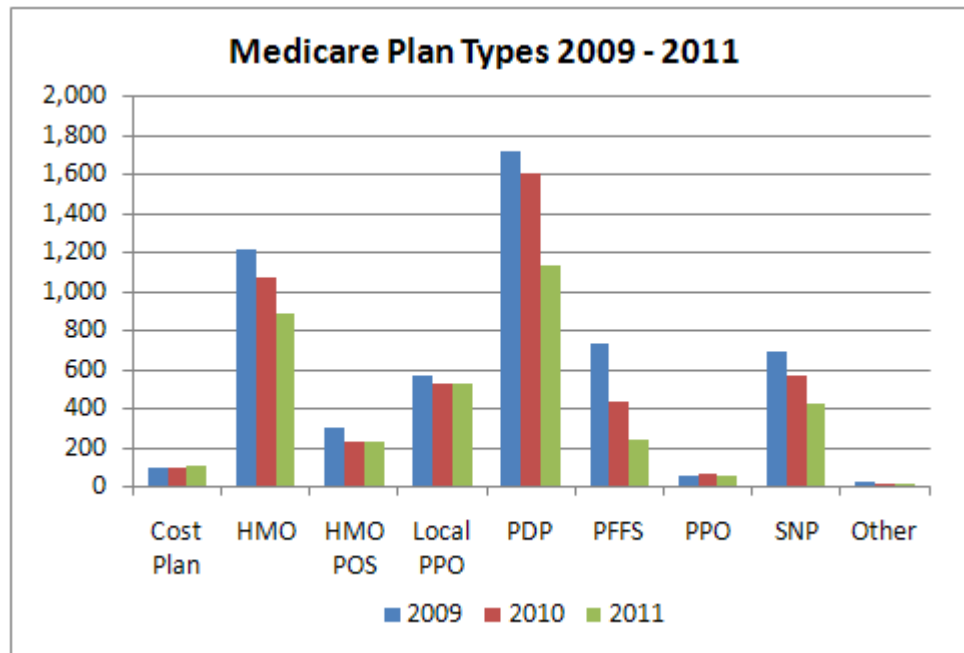
Overall, there are 18% fewer Medicare Advantage (MA) plans for 2011 as the number of unique plans offered nationwide declined from 3,025 to 2,490. The number of stand-alone prescription drug plans (PDPs) declined by 29% from 1,605 in 2010 to 1,134 for 2011. Declines were expected as CMS continues to urge Medicare-focused companies to eliminate plan offerings that have little or no enrollment, and to streamline duplicative plan offerings.



Source: Medicare Benefits Analyzer™ presenting data from Medicare Plan Finder

Not surprisingly, the number of PFFS plans available nationwide dropped by 46% with only 239 active in 2011, down from 440 in 2010.

Companies decreased offerings across all plan types for 2011 with the exception of Cost Plans and Local PPOs which increased in number only slightly. Insurers are offering 17% fewer Health Maintenance Organizations (HMOs) and there are 26% fewer Special Needs Plans (SNPs) next year.



Source: Medicare Benefits Analyzer™ presenting data from Medicare Plan Finder

Comparing Health Plan Benefits and Costs

Medicare plans report premiums, benefit details and co-pays in the Plan Finder to help seniors compare coverage choices. The information and data points are presented within these broad categories: Estimated health plan costs; Health plan benefits; Estimated drug costs; Prescription drug coverage; and Optional supplemental benefits. Visit [MFA's website \(/products/medicare-benefits-analyzer.aspx\)](http://products/medicare-benefits-analyzer.aspx) to access detailed lists of data elements available.

When comparing Medicare Advantage options using Plan Finder data, the disparity in monthly premiums and out-of-pocket expense estimates can be quite significant across plans. In any given market, beneficiaries generally have many plans to choose from with varying copay levels across a wide array of health benefits. To calculate Out-of-Pocket Cost Estimates, CMS uses events or incidents of health care usage reported by individual people with Medicare from the Medicare Current Beneficiary Survey (MCBS).

The following examples demonstrate cost and premium ranges, from Low to High for Miami-Dade, Florida and Allegheny County, Pennsylvania. Annual beneficiary cost estimates for HMO plan options in the Miami-Dade area range from a low of \$1,700 for Humana Gold Plus to mid-range WellCare Choice at \$2,450 on up to BlueMedicare at \$3,000. In Allegheny County, HMO options range from low-cost SecurityBlue HD at \$2,950 to mid-range UPMC for Life (\$4,550) to the higher-cost plan, UPMC Enhanced with an estimated annual out-of-pocket cost of \$5,800.

2011 HMO Plan Cost Estimates - Miama-Dade - Florida			
	Low	Mid-range	High
Plan ID	<i>Humana Gold Plus H1036-054</i>	<i>WellCare Choice H1032-008</i>	<i>BlueMedicare H1026-001</i>
Oct 2010 Members	28,722	757	2,909
Annual Beneficiary Out-of-pocket Est	\$1,700	\$2,450	\$3,000
<u>Monthly Est</u>			
Part B	\$96	\$96	\$96
Health Premium	\$0	\$0	\$0
Drug Premium	\$0	\$0	\$0
Inpatient Care	\$11	\$11	\$33
Outpatient Drugs	\$17	\$67	\$96
Dental	\$6	\$24	\$12
Other Svcs	\$12	\$5	\$11

2011 HMO Plan Cost Estimates - Allegheny County - Pennsylvania			
	Low	Mid-range	High
Plan ID	<i>SecurityBlue HD H3957-036</i>	<i>UPMC for Life HMO Rx H3907-029</i>	<i>UPMC HMO Rx Enhanced H3907-006</i>
Oct 2010 Members	-	32,043	-
Annual Beneficiary Out-of-pocket Est	\$2,950	\$4,550	\$5,800
<u>Monthly Est</u>			
Part B	\$96	\$96	\$96
Health Premium	\$0	\$12	\$140
Drug Premium	\$0	\$47	\$54
Inpatient Care	\$11	\$19	\$14
Outpatient Drugs	\$96	\$116	\$116
Dental	\$23	\$34	\$34
Other Svcs	\$103	\$56	\$31

Source: Medicare Benefits Analyzer™ presenting data from Medicare Plan Finder

Drilling into benefit details such as Annual Out-of-Pocket Limits and Deductibles; Primary Care Doctor Visit Copays; Specialist Doctor Visit Copays; Inpatient Hospital Copays; Ambulance and Emergency Room Copays; and Drug Tier Copays can explain differentials in cost estimates. This type of comparative analysis provides invaluable competitive intelligence for Medicare plans preparing to promote and sell products.

The following comparison of key benefit attributes for two UPMC plans makes it easier to understand the differences in total estimated out-of-pocket costs from one plan to the other. Although the monthly premium is significantly more for the higher-cost plan, doctor visit and inpatient hospital copays are considerably less than

the lower-cost plan.

2011 HMO Plans - UPMC Comparison		
Plan ID	UPMC for Life HMO Rx <u>H3907-029</u>	UPMC for Life HMO Rx Enhanced <u>H3907-006</u>
Annual Beneficiary Out-of-pocket Est	\$4,550	\$5,800
Monthly Premium	\$59	\$194
Annual Max OOP Limit	\$3,400	\$3,200
PDP Copay	\$15	\$5
Specialist Copay	\$40	\$20
Inpatient Hospital Copay	\$300 per stay \$900 maximum	\$100 per stay \$200 maximum

For companies in need of in-depth Medicare market analysis, take note the 2011 Plan Benefits Information is available now in Medicare Benefits Analyzer™. The database also includes 2010 Plan Benefits for comparative analysis. When CMS releases 2011 Star Quality Ratings on or around November 5th, this highly important data will immediately complement the 2010 ratings available now in Medicare Benefits Analyzer™. If you'd like more information about this useful database, please call Mark Farrah Associates at 207.985.8484.

About Mark Farrah Associates (MFA)

Mark Farrah Associates (MFA) is a leading data aggregator and publisher providing health plan market data and analysis tools for the healthcare industry. MFA's Medicare Business Online™ (MBO) product simplifies the tracking of Medicare Advantage and PDP growth and competition on a monthly basis. MBO coupled with Medicare Benefits Analyzer™ provides a full suite of business intelligence for the competitive Medicare Advantage market. Committed to simplifying analysis of health insurance business, our products include Medicare Business Online™, Medicare Benefits Analyzer™, the Health Coverage Portal™, Health Insurer Insights™ and Health Plans USA™.

Healthcare Business Strategy is a FREE monthly brief that presents analysis of important issues and developments affecting healthcare business today. If you aren't on our email distribution list, [click here \(/email-options/subscribe-to-healthcare-business-strategy.aspx\)](/email-options/subscribe-to-healthcare-business-strategy.aspx) to subscribe now.

LuAnne Farrah is President of Mark Farrah Associates.



Mark Farrah Associates
Phone: 724.338.4100
Web: www.markfarrah.com

© Copyright 1997-2018. All rights reserved. Unauthorized use is prohibited. Healthcare Business Strategy™ is the product of Mark Farrah Associates. No part of this product may be reproduced, in any form or by any means, including posting in its entirety in blogs or other media applications, without permission in writing from Mark Farrah Associates - (724) 338-4100.