Changes to 2020 Medicare Plan Finder

What MAOs should know

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Every year, millions of Medicare beneficiaries use the online Medicare Plan Finder tool provided by the Centers for Medicare and Medicaid Services (CMS) to compare plan options and enroll in Medicare plans. In fact, CMS estimates roughly 20 million of the 60 million Medicare beneficiaries accessed this tool in 2018.[1]

The Medicare Plan Finder tool summarizes plan information to allow beneficiaries to quickly compare plan options on a computer or mobile device. CMS recently overhauled Medicare Plan Finder, retaining much of the tool's valuable and highly accessed information while aiming to improve transparency and the overall user experience.[2] This paper highlights several key changes to Medicare Plan Finder—and potential unintended consequences—and offers suggestions as to how those changes could potentially impact Medicare Advantage Organizations (MAOs).

The updated version of Medicare Plan Finder is now live and ready for beneficiaries shopping for Medicare coverage for plan year 2020. As MAOs look ahead to the Annual Enrollment Period (October 15 through December 7, 2019), they should consider how these changes could impact both the number and the risk profile of beneficiaries selecting their plans in 2020.

Change: Layout and Sorting Settings

FIGURE 1:   LAYOUT AND SORTING – LEGACY VS. NEW

	LEGACY VERSION	**NEW VERSION**
The feel	• Somewhat busy visually • Nothing highlighted to catch the eye	• Less cluttered; ample white space • Premium is shown in the largest font
Benefits displayed	• Deductible, out-of-pocket maximum • Additional detail provided on plan pages	• Deductible, out-of-pocket maximum • Primary care and specialist cost sharing • Supplemental benefits
Default sorting option	• Lowest retail out-of-pocket cost first • Separate sections for MA-only, MA-PD, and standalone PDP options	• Lowest premium first • MA-only and MA-PD options mixed together in the same sort

POTENTIAL IMPACT

Emphasis on Premium

Both the new visual layout and the new default sorting invite the enrollee to look first at each plan's monthly premium, with the lowest premium plans rising to the top of the page. This could lead more beneficiaries to shop primarily on premium, which could in turn drive greater enrollment toward plans with zero or low premiums. While premium has likely always been a critical factor for many beneficiaries, the new design further emphasizes its importance relative to other factors, such as plan benefits and expected annual out-of-pocket cost.

Other sorting options include lowest yearly drug deductible, lowest health plan deductible, and lowest drug plus premium cost. MAOs should understand which sorting options provide the highest positioning for their plans, and consider how those options may influence enrollee characteristics, such as health status or income level.

Plan Display and Order

Results for Medicare Advantage (MA) plans are no longer separated by drug coverage in the new tool, which could lead some shoppers to inadvertently select MA-only plans rather than comprehensive Medicare Advantage prescription drug (MA-PD) plans, or vice versa. Perceptive consumers might be able to identify a plan type based on the information displayed, but the change could lead to beneficiary confusion. Because the new tool only displays ten plans at a time by default, shoppers may not want to scroll through multiple pages of search results, or may not realize more than ten plans are available in their selected county. By default, results are displayed by ascending premium, and then by contract number where premium is the same, potentially giving MAOs with lower contract numbers an enrollment advantage over MAOs with higher contract numbers.

Key Benefits

The new layout also highlights the primary care and specialist copays included with the plan, and indicates whether or not the plan covers supplemental vision, dental, hearing, transportation, and fitness benefits. Additionally, beneficiaries have the option to filter plans based on whether or not these benefits are covered. For beneficiaries who look beyond the monthly premium to the benefits each plan offers, these benefits may receive extra attention, and plans with more favorable coverage of these services could see greater enrollment as a result.

[1] Bunis, D. (August 27, 2019). Medicare Plan Finder gets a makeover. AARP. Retrieved October 13, 2019, from https://www.aarp.org/health/medicare-insurance/info-2019/medicare-plan-finder-redesign.html.

[2] CMS (August 27, 2019). Medicare Plan Finder gets an upgrade for the first time in a decade. Press release. Retrieved October 13, 2019, from https://www.cms.gov/newsroom/press-releases/medicare-plan-finder-gets-upgrade-first-time-decade.

Change: Total Cost Display

The legacy Medicare Plan Finder tool provided an estimate of annual health and drug costs for each displayed plan option. This estimate included medical costs, pharmacy costs, and member premiums, based on the beneficiary's selected drugs and a representative patient medical cost profile. This cost estimate assisted beneficiaries in understanding their expected costs in a standardized format.

The new Medicare Plan Finder tool's results page does not display the same measure of total beneficiary cost—medical cost plus pharmacy cost plus member premium—that the legacy tool provided. Rather, the new tool displays the sum of estimated pharmacy costs and member premium in the main search results page. There is an additional yearly cost estimate under the "plan details" page, which does not appear to reflect beneficiary-specific drug costs.

POTENTIAL IMPACT

Cost Estimate

Without a comprehensive estimate of costs provided for each plan in the tool's results, beneficiaries may be confused about which plans provide the most favorable coverage at the best price given their specific needs and circumstances. Some beneficiaries could focus only on member premium and drug costs, selecting plans with relatively lean coverage of their most utilized medical services and drugs. Others could focus on plans with the richest benefits and formulary coverage, without properly factoring in their monthly member premiums.

In either scenario, beneficiaries may be dissatisfied upon realizing the impact of their selections in 2020, leading to a greater number of complaints filed with CMS. This can negatively impact a plan's star rating and reduce the revenue an MAO receives.

Benefit Design Strategies

Sophisticated MAOs looking to optimize their plan designs using Medicare Plan Finder results may need to adjust their strategies to account for these changes. MAOs that used their positioning on the legacy Medicare Plan Finder to inform their 2020 benefit designs may find their intended strategies are no longer valid.

Change: Part D Details

FIGURE 2:   PART D DETAILS – LEGACY VS. NEW

	LEGACY VERSION	NEW VERSION
Annual drug costs	Separate retail and mail cost estimates	• One cost estimate • User indicates retail, mail, or both prior to results page
Formulary coverage	Specific indicators for: 1. All drugs on formulary 2. Drug restrictions 3. Medication Therapy Management program	• Indicators not shown on main page • Must click through to "plan details" page for indicators and further information
Preferred network	Preferred network indicator for selected pharmacies shown on initial results page	• Indicator moved to "plan details" page (not visible on initial results page) • Requires drugs to be entered

POTENTIAL IMPACT

Past Prescriptions

The reorganized Medicare Plan Finder interface may make it simpler for enrollees to compare plans, but it could also affect how enrollees understand their Part D coverage options. The tool now pre-populates with the prior year's drug utilization for beneficiaries who log in with their Medicare Beneficiary Identifier (MBI) number, which may help beneficiaries who would otherwise have difficulty recalling the drugs they take. Beneficiaries who do not log in to take advantage of this functionality will need to manually reenter their prescriptions each time they use the tool.

Formulary Coverage

The indicator showing whether the beneficiary's drugs are on the plan's formulary is now only displayed when the user navigates to the "plan details" page. This may increase the likelihood of enrolling in a plan that does not cover all of the drugs the beneficiary takes, and could lead to MAOs receiving exception requests from enrollees looking to fill existing prescriptions from the prior year. When these exceptions are not granted, enrollees may forgo their drugs entirely. This may potentially lead to worse health outcomes for the enrollee and greater medical costs for the MAO. Confusion around the plan's formulary coverage could also lead to a reduction in customer satisfaction with the plan and an increase in complaints, again negatively impacting star ratings and plan revenue.

Preferred Network Indicator

The preferred network indicator is now shown only on the detailed "plan details" page, and the beneficiary must enter at least one drug for the indicator to appear. This may make it challenging for beneficiaries to understand the preferred status of their pharmacies of choice, and could lead to inadvertent prescription fills at standard network pharmacies. Some enrollees may be confused and dissatisfied when charged with standard network copays rather than the lower preferred network copays.

This potential shift in utilization from preferred networks to pharmacies with standard contracting could also reduce direct and indirect remuneration (DIR) earned by MAOs, relative to DIR assumed in the plan's bid and endanger the MAO's relationship with preferred pharmacies receiving lower volume than anticipated.

Conclusion

In short, these changes to the Medicare Plan Finder tool could significantly impact Medicare beneficiary enrollment decisions going forward, and recent changes to the tool may not leave enough time for brokers and agents to be fully informed of the new functionality by October 15. MAOs should keep these changes and their potential impacts in mind as they plan for the upcoming Annual Enrollment Period and the 2020 plan year.

Medicare Plan Finder is available at https://www.medicare.gov/plan-compare.

CAVEATS, LIMITATIONS, AND QUALIFICATIONS

This report is intended to provide considerations for MAOs related to Medicare Plan Finder for Medicare Advantage and Medicare Part D plans for plan year 2020. This information may not be appropriate, and should not be used, for other purposes. We do not intend this information to benefit, and assume no duty or liability to, any third party that receives this work product. Any third-party recipient of this report who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its specific needs. Any releases of this report to a third party should be in its entirety.

In preparing our analysis, we relied upon public information from CMS and others. We are not attorneys and do not intend to provide any legal advice or expertise related to the topics discussed here. The opinions included here are ours alone and not necessarily those of Milliman.

We recognize that the new Medicare Plan Finder has undergone very recent changes and could be subject to further changes as it is implemented for the 2020 plan year Annual Enrollment Period. This paper reflects the changes to the tool as of the date of publication.

We are actuaries for Milliman, members of the American Academy of Actuaries, and meet the qualification standards of the Academy to render the actuarial opinion contained herein. To the best of our knowledge and belief, this information is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

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