

## WHITE PAPER

# Growth Through Innovation: Sustainable Medicare Advantage Strategies



The competition for Medicare Advantage (MA) lives has reached a critical juncture. Approximately 26 million Medicare beneficiaries enrolled in an MA plan in 2021. On average, they have access to 39 MA plans for 2022 – the largest number of options available to each beneficiary in more than a decade.<sup>1</sup>

This massive number of MA plans available for individual enrollment in 2022 is nearly double the number in 2015. On top of that, twenty new firms have entered the market for the first time as the number of age-ins has skyrocketed.<sup>2</sup> Yet the number of beneficiaries who switch from their initial plan choice is at an all-time low.<sup>3</sup>

All this means fiercer competition as payers jockey for members, a larger market share, and a bigger piece of the MA pie. It is just as critical for payers to retain members as it is to win the age-in population and to entice members away from competitors with exciting new options. It is more evident today that successful growth strategies depend upon how well payers' plan options accommodate consumer demands.

Reports show that innovative product design is the best path to secure long-term sustainable MA growth.<sup>4</sup> This whitepaper focuses on the inherent challenges, opportunities, and innovative solutions for achieving member growth and retention objectives.

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1 Freed M, Damico A, Neuman T. KFF. Medicare Advantage 2022 Spotlight: First Look. Nov. 2, 2021. <https://www.kff.org/medicare/issue-brief/medicare-advantage-2022-spotlight-first-look/>

2 Dippel G. Deft Research. Executive Research Brief: Deft's 2021 Age-In Study Executive Research Brief #2 of 2: Boomer Reset.

3 Dippel G. Deft Research. Executive Research Brief: 2022 Medicare Shopping and Switching Study.

4 Ibid.

## Competitive Landscape

The competitive landscape for Medicare Advantage (MA) is well known. It drives advances in provider contracting and risk-sharing, clinical quality, and plan administration. However, one area that has lagged in significant innovation is product design. That must change if payers hope to attract MA members in an increasingly crowded product market in which plan design reigns supreme.<sup>5</sup>

The nature of the MA system presents some sizeable pain points and hurdles to innovation, though. Payers must contend with annual product innovation cycles based around the Annual Enrollment Period and the preceding bid process. This mandated filing process constrains payers with administrative burdens and related costs. In addition, payers face potential inaccuracies and concomitant penalties associated with product creation and management.

The combination of long product cycles and high marginal costs typical of new product creation causes further barriers to product innovation. Yet all these barriers can be overcome with an intelligent new approach.

### COMPETE TO WIN

To gain an advantage in this highly competitive space, payers must create market-driven plan benefit packages with supplemental benefits that provide the services and programs members want.

Payers currently differentiate MA products by adding attractive supplemental benefits to win the favor of Medicare beneficiaries. Many payers also chase \$0 premiums and copays and other distinguishing coverage concepts through demonstration projects.

Yet few are attempting to grow the number and variability of their products to meet rising consumer demands. That is due in part to the administrative burdens and compliance risks associated with developing more products. However, there are ways to minimize burden and risk while creating more diverse, market-driven product offerings.

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<sup>5</sup> Dippel G. Deft Research. Executive Research Brief: 2022 Medicare Shopping and Switching Study.

### CURRENT MEDICARE PROCESS PAIN POINTS

Creating new products – or merely updating them – is traditionally a time- and resource-intensive process. There are the antiquated government BPT and PBP tools, multiple internal iterations and approvals for plan design (network, pharmacy, underwriting / actuarial, core admin system), submission to CMS, and finally approval. Only after which does the work of creating the member communications begin.

Despite such considerable challenges, opportunities for improvement exist throughout the process: better design and cost evaluation for the internal plan development process, faster iteration around a source of truth, and the ability to tweak PBPs to reflect considerations such as for D-SNPs.

### **PAIN POINT #1: Creating the Bid**

Creating the bid itself requires a clear, modern, and accessible enterprise source of truth that not only meets the requirements of the PBP/PBT tools but also enables communication and integration across the organization. That seldom occurs when payers try to capture essential, organization-specific details using manually created side documents (often spreadsheets or Word documents) that change rapidly during the development process and are difficult to maintain manually.

### **PAIN POINT #2: Iterating the Bid**

Payers also need more effective ways to iterate the bid with CMS and understand the full impact of changes across the enterprise, including ways to communicate the changes and the actions necessary to ensure sustainable growth.



### **PAIN POINT #3: Creating Member Documents**

Once a bid is approved, payers need fast, efficient methods to create an enormous number of compliant and accurate member documents within the tight CMS time window. The documents generated must be error-free to avoid CMS penalties and to meet translation, filing, and distribution deadlines. Through digital process improvements, payers can realize lower product development costs and have more time to encourage market-driven innovation.

## **Take the Pain Out of Your Pain Points**

### **GROW YOUR MA MEMBERSHIP THROUGH DIVERSE PRODUCT OFFERINGS WITH TOOLS AND PROCESSES THAT DRIVE FASTER, MORE EFFICIENT INNOVATION.**

Payers can meet consumer demands for innovative MA products with a Medicare-ready solution that:

- Organizes and streamlines complex MA data in one central location
- Adds efficiencies and automation to simplify processes
- Gives you side-by-side plan comparisons against other payers

#### **+ THE BENEFIT:**



You get more time to ensure your benefit plan packages and supplemental offerings exceed those of your competitors. More time to flex your innovative muscles.

### **HIGHROADS MEDICARE ADVANTAGE SOLUTION MERGES EFFICIENCIES WITH BUILT-IN CMS COMPLIANCE VALIDATIONS**

- Create market-driven products
- Ease bid submission
- Ensure compliant documents
- Leverage API-forward technology to integrate with CMS modernization efforts

#### **+ THE GOAL:**



Ultimately, HighRoads supports the creation of time – time to market test, time to review rigorously, and time to tackle beneficiaries' needs.

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#### **OUR SOLUTION:**

Our solution, P2A MA Accelerator, centralizes the enterprise source of truth for all product and plan data and transforms the bid submission process with efficiency, automation, and compliance. This allows payers to submit their PBP files closer to the submission deadline, opening the door for differentiating innovation that meets the market's unique needs and leads to explosive growth.

#### **KEY CAPABILITIES:**

- Replicates CMS' PBP software requirements and logic – assuring you quickly achieve more accurate and compliant submissions
- Is an advanced benefit data model that supports the production of high-complexity Medicare benefits (Value-Based Insurance Design, inpatient admissions, EGWP, etc.) – removing barriers to innovation
- Incorporates document templates – giving users control of appearance and logic; quick turnaround on document changes in bulk; and compliance and accuracy
- Is configured to reduce implementation effort and cost by 75-90%

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## **Win the MA Market with Product Innovation**

Product innovation drives sustainable MA member and revenue growth. Designing new products faster, more efficiently, and at a dramatically lower cost lets you differentiate to meet consumer demands and win new business in the MA market. HighRoads is here to liberate your innovation, helping you grow market share and revenue as fast as you conceive new product ideas.

Visit [www.highroads.com](http://www.highroads.com) to learn more.

