

2018 HEALTHCARE OUTLOOK

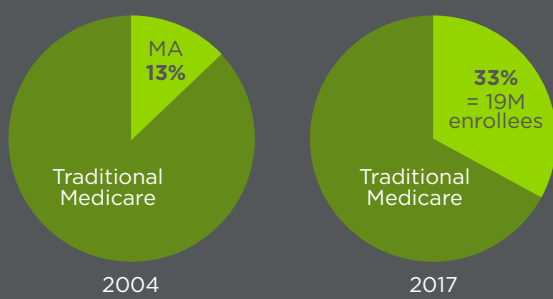
TREND #2: MEDICARE ADVANTAGE'S RISING STAR



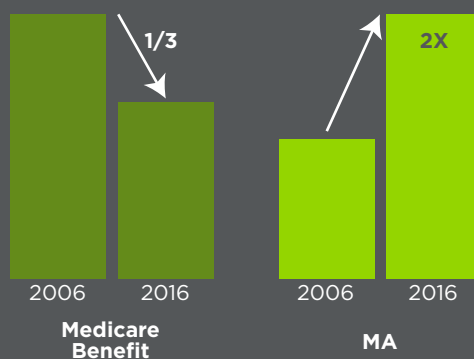
Ongoing ACA insurance exchange uncertainty has payers saturating an already crowded Medicare Advantage (MA) market. A new Navigant analysis shows how MA star ratings improvements can grow plan enrollment and revenue.

MA plans are appealing to aging baby boomers, providers, and payers, and they're growing in popularity.

MA ENROLLEES¹



INPATIENT SPENDING²



WITH THE NATION'S LARGEST COMMERCIAL PAYERS AGGRESSIVELY EXPANDING MA OFFERINGS³ AND CHALLENGING PLAN GROWTH...



INCREASING MA STAR RATINGS IS KEY TO ATTRACTING NEW ENROLLEES,⁴ DRIVING REVENUE.

Navigant MA Star Ratings Analysis*

*From publicly available data on 500 MA contracts, 2012-2016

Improvements



1-star rating improvement could increase annual plan enrollment **8%-12%**



Improving from a 3-star to 4-star rating could increase plan revenue **13%-17%**

WHAT PAYERS NEED TO DO



Increase collaboration with providers



MA plan attractiveness often connected to providers that **INVEST RESOURCES TO CLOSE CARE GAPS**



Plans should seek provider arrangements to **SHARE QUALITY AND EFFICIENCY IMPROVEMENTS** that enhance plan satisfaction, financial benefits

1. Medicare Advantage 2017 Spotlight: Enrollment Market Update; Kaiser Family Foundation; 6/6/17. www.kff.org/medicare/issue-brief/medicare-advantage-2017-spotlight-enrollment-market-update/
 2. The Facts on Medicare Spending and Financing; Kaiser Family Foundation; 7/18/17. www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/
 3. Anthem To Buy Medicare Advantage Plan In Lucrative Florida Market; Forbes; 9/20/17. www.forbes.com/sites/brucejapsen/2017/09/20/anthem-to-buy-medicare-advantage-plan-in-lucrative-florida
 4. CMS releases star ratings for Medicare Advantage and drug plans, Kaiser earns top marks; Healthcare Finance; 10/11/17. www.healthcarefinancenews.com/news/cms-releases-star-ratings-medicare-advantage-and-drug-plans-kaiser-earns-top-marks