



CHARTIS

The Evolving Medicare Advantage Landscape

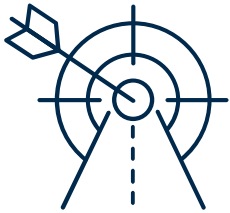
Healthcare's most popular growth market is experiencing considerable changes.

JUNE 2023

Capitol Hill briefing on behalf of



The market for Medicare Advantage is in a period of rapid and accelerating change.



Medicare Advantage drives innovation for the healthcare industry's advancement toward value-based care



The market is large and growing

Medicare Advantage's influence on the growing senior population continues to advance. The program's popularity has reached new heights and continues to do so while Original Medicare enrollment contracts.



Growth performance differs

Despite the broad program growth, success is accumulating within select few health plans. There is diverging performance within the Medicare Advantage market which creates a more fragile competitive landscape.



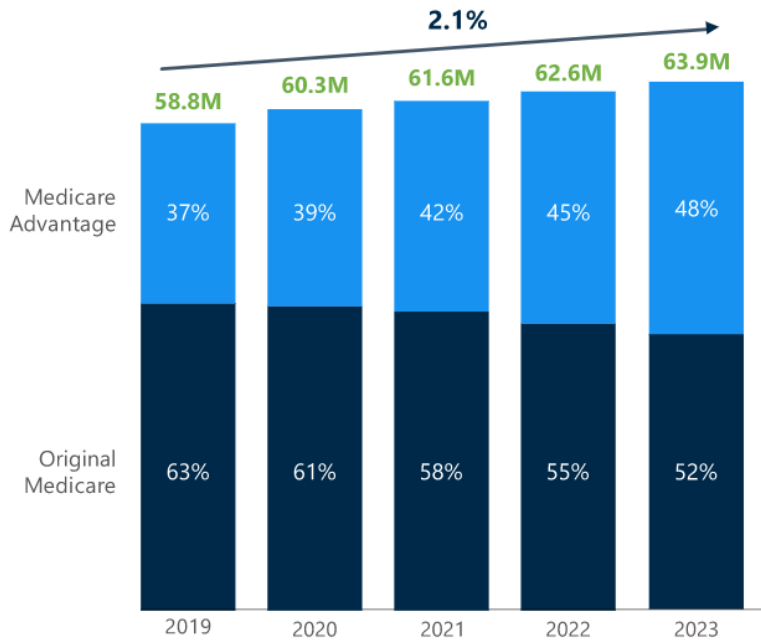
Consumers are benefiting

Plan choices for consumers have never been greater, reaching an all-time high. At the same time, high quality achievement is nearly ubiquitous.

A growing senior segment is increasingly choosing Medicare Advantage for their coverage needs at an accelerating pace.

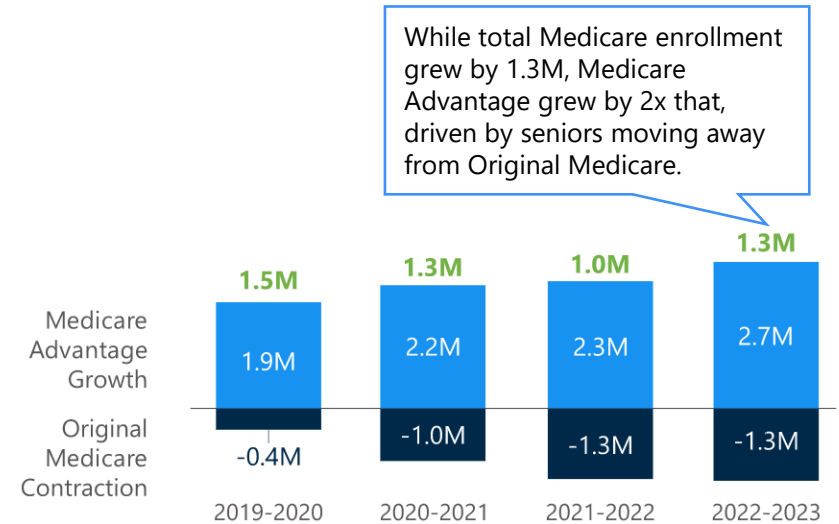
Medicare Advantage now represents nearly half of all seniors, up from 37% in 2019 and 48% after AEP this past fall.

Medicare Advantage Growth and Penetration Changes by Year



The increased prevalence of Medicare Advantage is driven by both increased adoption by age-ins as well as an opt-out from Original Medicare.

Annual Enrollment Growth Differences Between Medicare Programs

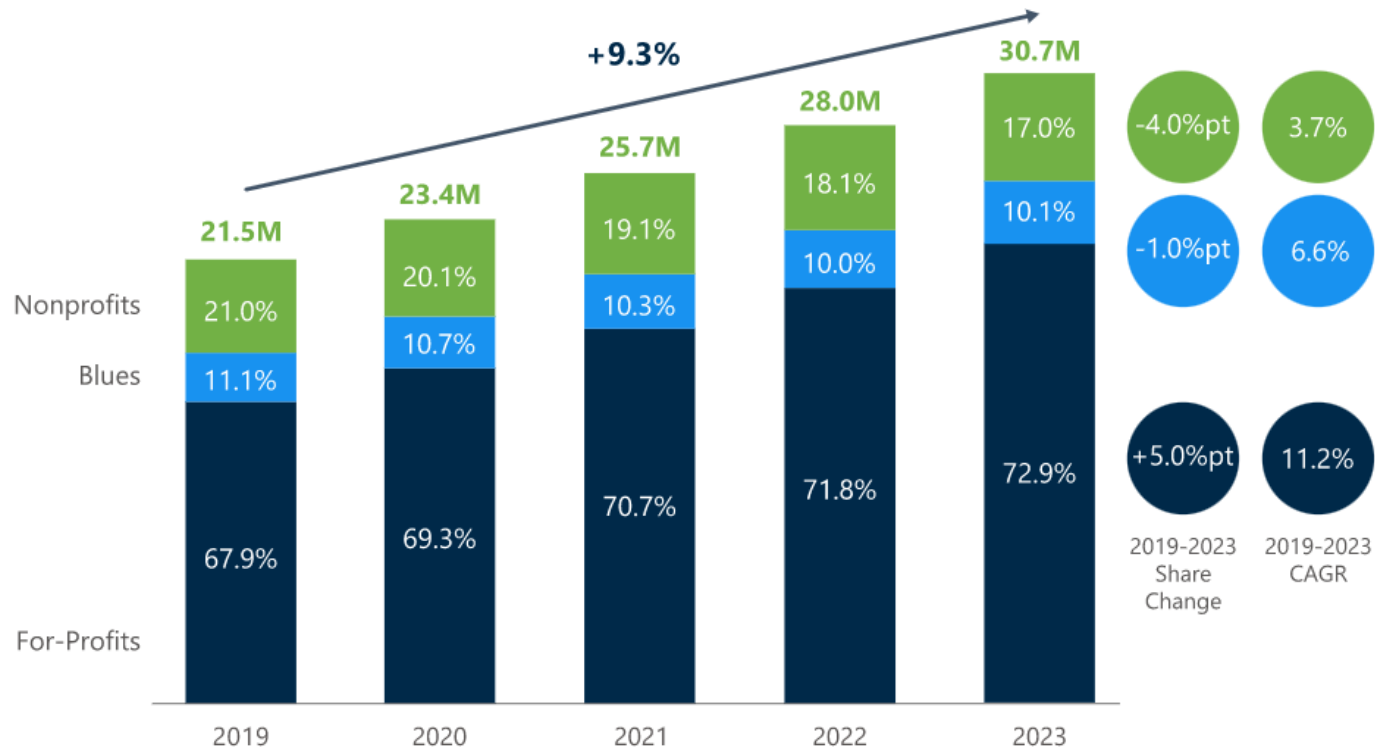


Note: Enrollment as of report publishing date, March 23, 2023; Original Medicare is also referred to as FFS or Fee-For-Service Medicare

Growth is good (and expected). However, this prosperity has not been shared equally among health plans nationally.

For-profit plan share has grown +5%pts since 2019 at the expense of non-profit and Blues plans, though all three cohorts have experienced positive enrollment growth during this period.

Share of enrollment by plan cohort by year

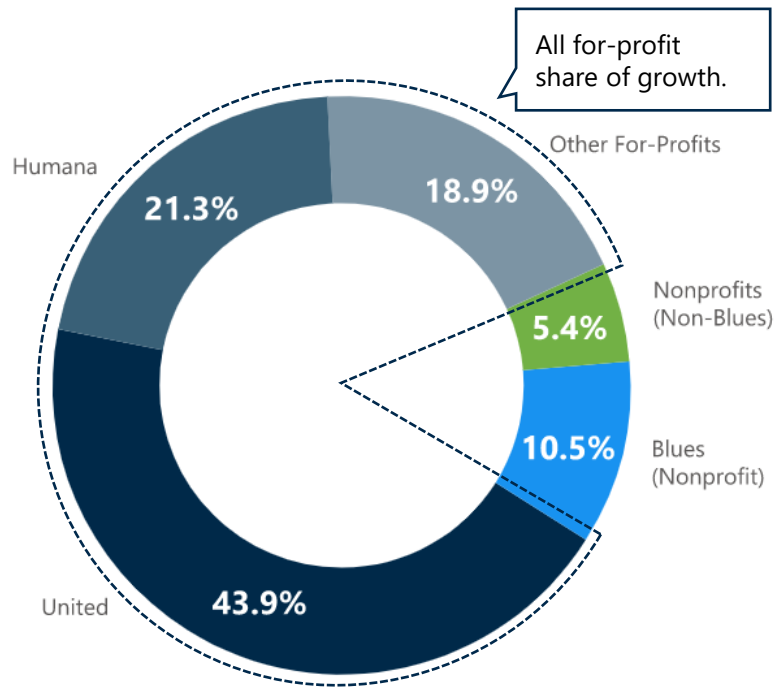


Note: Blues shown are non-profit BCBSA member plans, which excludes Elevance (Anthem) plans and does not account for their recently announced acquisition of BCBSLA; CAGR = Compounded Annual Growth Rate

This dynamic is driven by disproportionate enrollment achievement of market growth.

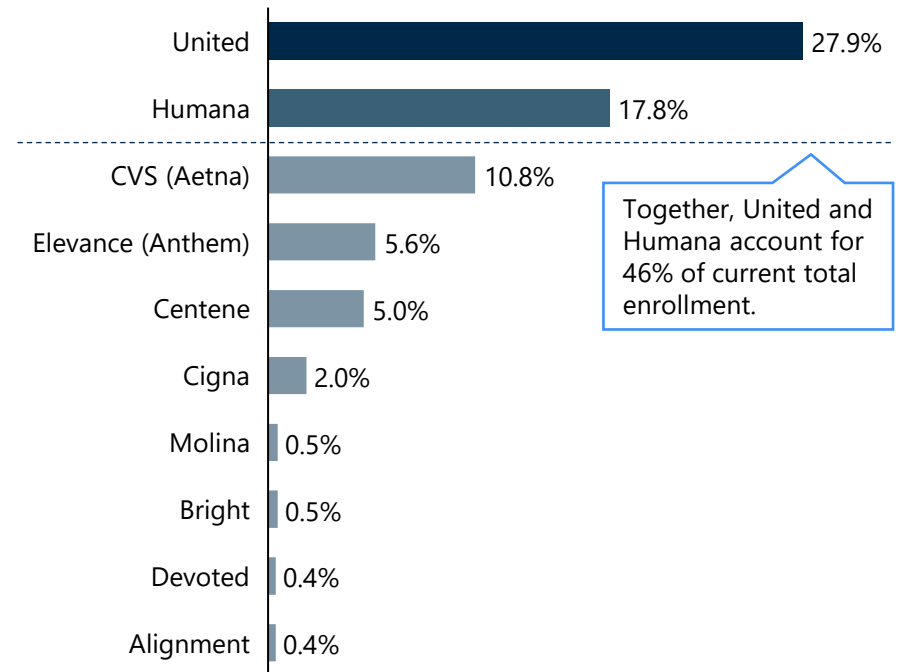
85% of all new enrollment went into a for-profit plan and 65% went to just two of those plans.

Distribution of 2023 Enrollment Growth by Plan Cohort (N=2.7M)



Even among for-profit plans there exists a significant divide between plans in terms of market share.

2023 For-Profit Market Share Distribution



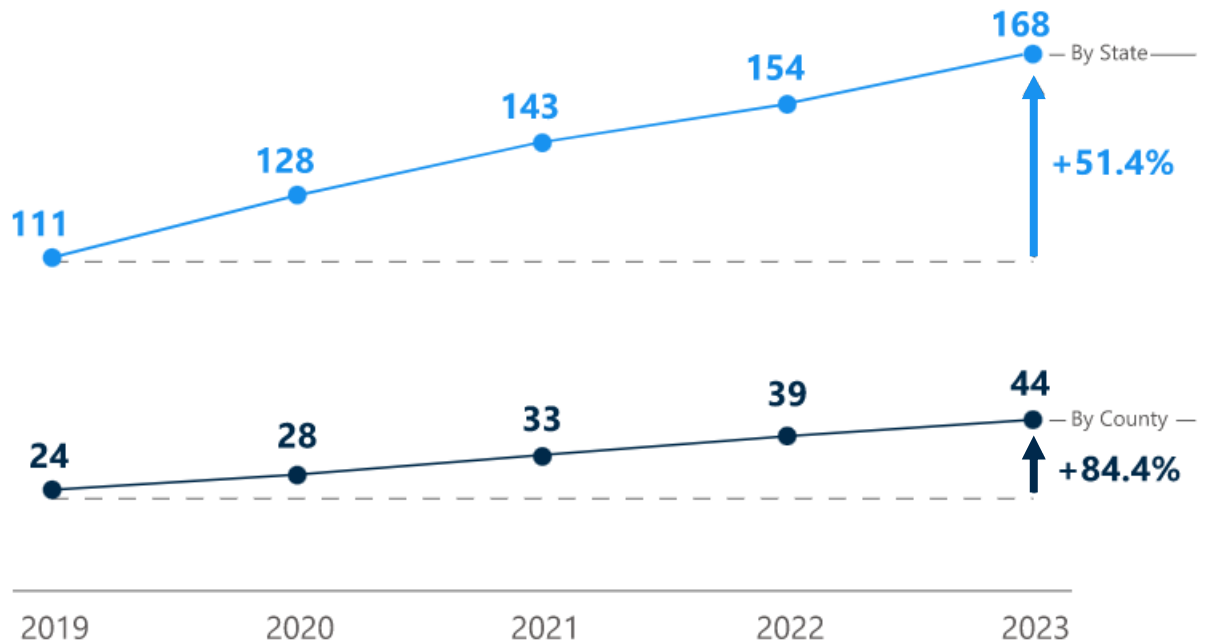
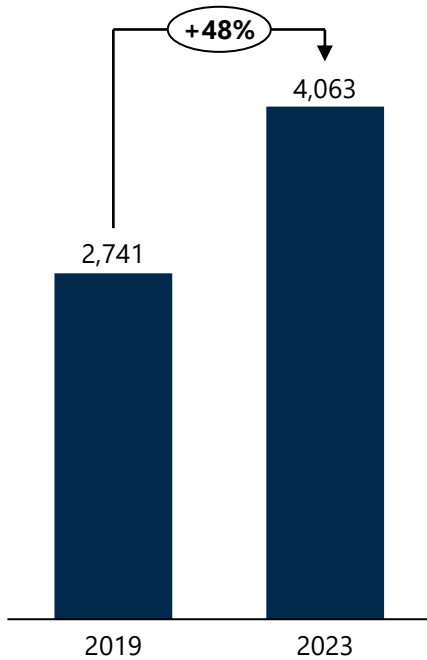
Despite this concentration, consumer choice of plan options continues to grow.

There are 48% more plan options in the nationally this year as compared to 2019.

For individual consumers, that translates to considerably more choice in home markets than in years past. Today, the average senior can choose from 44 plan options in their home county as compared to 24 in 2019, up 84%.

Total Plan Options by Year

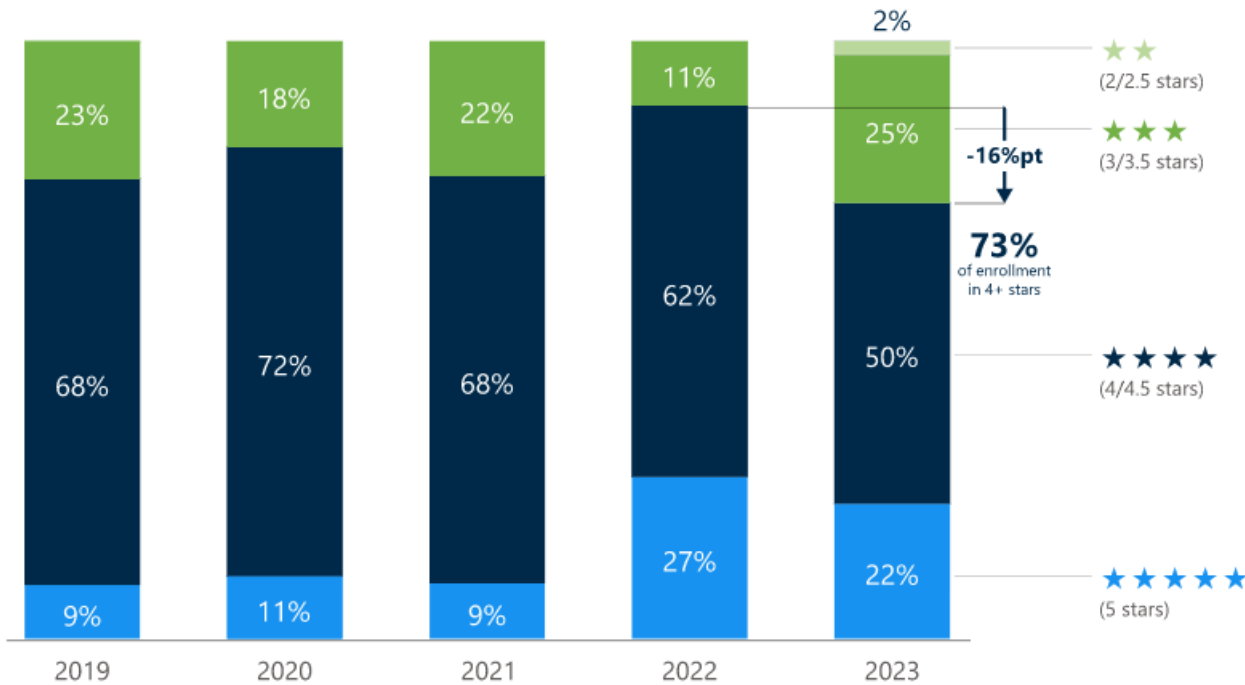
Plan Options by Year for Average Person in a State and County (Population Weighted)



Three-quarters of plan enrollment is in 4+ star rated plans consistently; this year we saw considerable growth of 5 star enrollment.

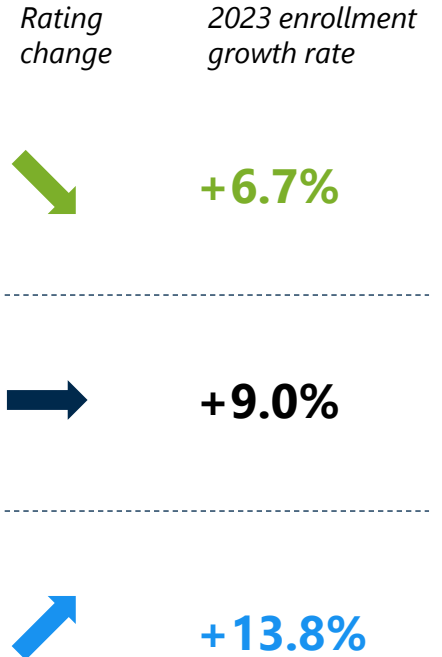
73% of enrollment is in plans with 4+ Stars and 22%, consistent with prior years. However, this year 22% are in plans with 5 stars, nearly 2x the historic rate.

Enrollment Distribution by Contract Star Rating by Year



Plans that improve quality scores are rewarded with higher growth.

Enrollment Change by Quality Change



Looking forward, we believe there are three truths for the Medicare Advantage market.

01

The senior population will continue to swell, and the Medicare Advantage enrollment growth rate will outpace it as the product's popularity among beneficiaries continues.

02

Competition among health plans in this market will continue to narrow and become scarcer as enrollment concentrates within select few plans.

03

Businesses built specifically to support Medicare Advantage populations will continue to proliferate, inclusive of insurers, care delivery providers, service providers, and technology solutions.

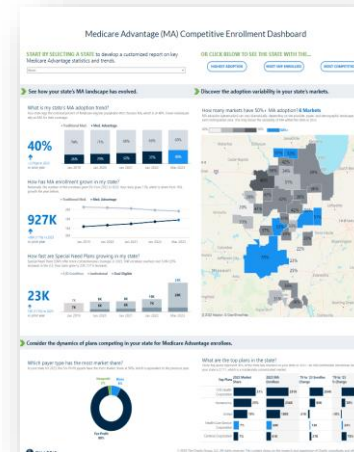
Learn more about changes occurring in the Medicare Advantage market and how they're playing out across the country.

Read the full report



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Use our local dashboard

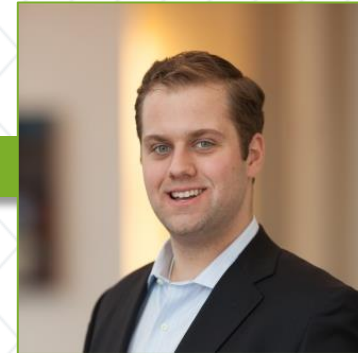


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