

COVID-19 DIGITAL LISTENING for the

MEDICARE INDUSTRY

Direct-from-Beneficiary Insights and Competitor Trends

4.08 – 4.15 BRIEFING



MARKETBRIDGE



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April 08 – 15

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1 Providers are suffering from lack of cash flow, fearing for their future.

WHAT IS HAPPENING

- Providers are struggling to keep the lights on, as patient volume (and therefore revenues) at medical practices have dropped off dramatically since the beginning of the public health crisis.
- Among Accountable Care Organizations (ACOs), more than half are considering leaving the program “due to concerns about having to repay losses stemming from the COVID-19 outbreak.”
- Although CMS has stepped in to assure ACOs data from Jan. 1 – June 30 will not be used in calculating quality reports or value-based purchased programs, provider groups are calling for CMS to waive results for the entirety of 2020.

WHAT ARE THE DETAILS



- Independent medical practices have seen an average 60% drop in patient volume and 55% decrease in revenue since the beginning of the crisis. Patients are forgoing preventive as well as acute medical care out of fear of exposure to COVID-19.
 - Even though CMS agreed last month to pay for virtual visits at the same rate as in-person visits during the coronavirus emergency, providers are still struggling.
- 48% of practices have been forced to temporarily furlough staff.



- 77% of ACOs say they are very worried about the impact COVID-19 will have on their 2020 performance.
- Therefore, 56% of ACOs are considering leaving the program, stemming from concerns about repaying losses as a result of the crisis.
- As of January 2020, there are 558 ACOs that serve more than 12.3M people in Medicare.

WHY THIS IS IMPORTANT

A significant percentage of providers are downsizing due to financial issues during the COVID crisis.

IMPLICATION

The nation may be facing a provider access crisis when consumers who have been holding back on regular health care return to needing care – only to find a shortage of providers to serve them. Such shortages could lead to declines in the quality of care, and/or the health of consumers who go without.

2 Although CMS is removing barriers to telehealth, few seniors are using it.

WHAT IS HAPPENING

- To help more seniors get the care they need without risking their health, CMS has lifted many restrictions on who can receive telehealth and what types of services can be rendered during COVID-19.
- Doctors can now care for patients via phone, radio or online communication, which is particularly important for those in rural areas.
- MA organizations that “submit diagnoses for risk adjusted payment are [now] able to submit diagnoses” stemming from telehealth visits.
- However, a recent Kaiser Family Foundation poll found while most seniors have access to a device with internet access, only a small percentage have used it to talk to health care providers.

WHAT ARE THE DETAILS

- Using video to talk with a provider via a smart phone, tablet or computer:
 - 12% of those between 30-49 years old
 - 11% of those between ages 50-64, and 65+
- Using video to talk to family or friends via a smart phone, tablet or computer:
 - 71% of those between 30-49 years old
 - 57% of those between ages 50-64,
 - 38% of those 65+

WHY THIS IS IMPORTANT

Seniors may not be using telehealth due to a lack of understanding the best use cases versus a lack of technology know-how.

IMPLICATION

Educating seniors by sharing specific use cases and/or testimonials of when to use telehealth services may be the catalyst seniors who already use video technology, need to drive adoption.

3 Seniors living in social isolation due to COVID-19 are feeling lonely and anxious.

WHAT IS HAPPENING

- Seniors are experiencing feelings of loneliness, social isolation and anxiety, as many are under shelter-in-place guidelines.
- Especially for typically active seniors living in retirement communities, many feel their lives have been upended, as communities have taken aggressive steps to protect residents from COVID-19.
- Cigna is taking action to support social connections for its MA members who may be feeling lonely, aiming to reduce its impact on health and wellness during this crisis.
- Cigna reps will call members to discuss general well-being and later, the same Cigna representative will follow up with the member “to help cultivate meaningful connections.”

WHAT ARE THE DETAILS

Senior Conversations

“ ”

- “I miss the community gatherings where I would go to meet and mingle with people in my relatively new town...I miss the gatherings that were the main social life in this little town.”
 - “Miss socializing with friends. We talk one on one but never do group things now.”
 - “Mostly I miss face to face visits with friends, which would last hours. Phone calls are good for maybe 20 minutes...Been watching too much stuff on the TV.”
 - “I miss meeting with my church family, both at church services and in our life group.”
-
- Proactively reaching out to members to monitor their general health as well as daily needs like food, housing and transportation.
 - The program will initially reach 24K members, “with plans for rapid expansion.”



WHY THIS IS IMPORTANT

The health of seniors, isolated from friends and family, is at risk given the toll poor mental health typically has on their physical health.

IMPLICATION

Payers like Cigna are going the extra mile to help mitigate feelings of loneliness and anxiety among seniors to ensure the health and wellbeing of their members.

4 UHC plans to recognize pharmacists as providers to help Medicaid members.

WHAT IS HAPPENING

- UnitedHealth is planning on paying some Ohio community pharmacists to spend time with its Medicaid members “in an effort to better manage chronic conditions such as diabetes, high blood pressure and other problems.”
- UHC sees this as a way to keep this vulnerable population from needing to go to the hospital, allowing providers to be more productive and reducing medical expenses in the long run.

WHAT ARE THE DETAILS



- UHC is focused on pharmacists for two reasons:
 - Ohio enacted a law which allows insurers to pay pharmacists as medical providers
 - UHC believes its members will be more likely to “engage with their overall health if they can sit down with somebody they know, somebody who knows their medications and their medical background”
- UHC will first pilot the program in two pharmacies in underserved neighborhoods in Ohio but plans to eventually expand the payment program across the state.



- The American Pharmacists Association (APhA) applauded the program because it should relieve “strain on the state’s health care delivery system” and help expand access to care.

WHY THIS IS IMPORTANT

UHC is laying the groundwork for reinventing the consumer care model during this crisis.

IMPLICATION

Working to keep consumers healthy by serving higher-risk members of the community is a way to keep hospital beds freed up for critical patients during a time when hospitals are stressed. UHC is one payer looking to lead the way.

5 Aetna is advising agents to reach out to seniors to offer support.

WHAT IS HAPPENING

- Aetna released tactics for agents to help seniors get through COVID-19, especially as many are sheltering-in-place.
- Agents have the opportunity to reassure their clients and ensure they are aware of the resources Aetna has made available to them.

WHAT ARE THE DETAILS

- Agents should:
 - **Encourage use of fitness benefits** via SilverSneakers' Facebook page, which is offering virtual programs to members.
 - **Discuss telehealth options** considering Aetna is offering zero co-pays for telemedicine visits with network providers for Medicare members, for any reason, COVID-19 or otherwise.
 - **Lean on support programs** like Aetna's Resources for Living (RFL), to help "seniors and their families receive in-the-moment phone support...[to] help them cope with impacts of COVID-19, including sharing information on dealing with the crisis, mitigating increased mental health risks and providing community resource referrals."



WHY THIS IS IMPORTANT

Agents are a key channel carriers can be utilizing to reach and communicate with members during this crisis.

IMPLICATION

Carriers that enable agents to reach out to members may facilitate an efficient win-win consumer/agent experience: Agents get to perform the personal level of service they like to do, while members feel well cared for with a 1:1 outreach from an agent.

Industry News Related to Coronavirus

As of April 15, 2020

HHS CONFIRMS GRANTS WILL BE DISTRIBUTED TO HOSPITALS BASED ON HISTORICAL MEDICARE BILLINGS, NOT COVID-19 NEEDS

- Hospitals are up in arms after learning HHS will give the first emergency grants to hospitals and doctors based on their historical share of revenue from Medicare – not according to Coronavirus burdens.
- HHS' method of distributing payments could unintentionally direct payment away from hospitals which do a large amount of MA business, as the method is basing the payments on traditional "fee for service" Medicare revenue.
- In Florida, more than 40% of Medicare beneficiaries are in MA plans and is slated to receive about \$132K per COVID case from the grants. On the other hand, 17% of Medicare beneficiaries in Montana have MA plans, so it will receive more than \$300K per COVID case.

MEDICARE BENEFICIARIES WITHOUT SUPPLEMENTAL COVERAGE AT RISK FOR HIGH OUT-OF-POCKET COSTS

- Those without supplemental coverage are still responsible for certain out-of-pocket costs like deductibles during COVID-19, even as the government and many Medicare plans have committed to waiving cost-sharing for treatment.
- Nearly 6M Medicare beneficiaries do not have any supplemental coverage; of those, almost 40% have incomes less than \$20K/year, almost 30% are in fair or poor health and 15% are age 85 or older.

COVID-19 ADDS ADDITIONAL STRESS TO HOME HEALTH INDUSTRY, WHICH WAS ALREADY FACING LABOR SHORTAGES

- Although private homes are becoming the "go-to refuges" for medical and personal care, many family members are unable to provide the level of care needed for the patient, leading to a surge in need for home health workers.
- While some home health clients are canceling one or more visits due to fear of aids spreading the virus, many providers are "scrambling to find workers," due to the shortage of workers.

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