

COVID-19 DIGITAL LISTENING for the

# MEDICARE INDUSTRY

*Direct-from-Beneficiary Insights and Competitor Trends*

4.22 – 4.28 BRIEFING



MARKETBRIDGE

# Table of Contents

## Weekly Updates for Medicare and Medicaid

---

### Top Trends

Within the Medicare and Medicaid industry, an overview of the top trends from the period

03

### Payer Trends

In-depth exploration of the trends and implications among payers within the Medicare and Medicaid industry

04

### Provider Trends

In-depth exploration of the trends and implications among health payers within the Medicare and Medicaid industry

07

### Beneficiary Trends

In-depth exploration of the trends and implications among beneficiaries within the Medicare and Medicaid industry

08

### Agent Trends

In-depth exploration of the trends and conversations among agents within the Medicare and Medicaid industry

09

### Industry News Updates

Overview of the most recent industry and regulation happenings within the Medicare and Medicaid industry

10

# Top Trends in Medicare During Coronavirus

April 22 – 28

1

PAYER

**New pilot program makes SNAP recipients eligible for grocery delivery.**

[Page 4](#)

2

PAYER

**In response to COVID-19, CMS is relaxing rules to allow payers to change MA plan benefits.**

[Page 5](#)

3

PAYER

**BCBS of Minnesota lays out its short- and long-term strategy to tackle COVID.**

[Page 6](#)

4

PROVIDER

**Providers' suffering likely to continue as support programs are scaled back.**

[Page 7](#)

5

BENEFICIARY

**Seniors discuss impact COVID has on taking Social Security payments sooner rather than later.**

[Page 8](#)

6

AGENT

**Rumors circulate of payers issuing advanced payments to agents.**

[Page 9](#)

# 1 New pilot program makes SNAP recipients eligible for grocery delivery.

## WHAT IS HAPPENING

- SNAP, Supplemental Nutrition Assistance Program, is the largest federal nutrition assistance program.
- Prior to the COVID-19 outbreak, SNAP benefits could only be used in-store, but as more high-risk beneficiaries began avoiding trips the grocery store, the [US Department of Agriculture made some changes](#).
- [SNAP beneficiaries in 16 states will now be able to order their groceries online](#) and have them delivered their doorstep.
- This change is especially important for SNAP recipients living in food deserts or who must use public transportation to get to grocery stores, as those trips may endanger their health.

## WHAT ARE THE DETAILS



- [The program is available in](#) Kentucky, Missouri, Texas, New York, Arizona, California, Florida, Idaho, North Carolina, DC, Alabama, Iowa, Nebraska, Oregon, Washington and West Virginia.
- Currently Amazon, Walmart, ShopRite and local grocery chains participate in program, with more store options to be available in May.

## WHY THIS IS IMPORTANT

This population typically has an overlap with high-risk comorbidities, increasing the chances of contracting COVID-19.

## IMPLICATION

The government is removing barriers to healthy food for at-risk populations to slow or avoid the spread of the virus.

## 2 In response to COVID-19, CMS is relaxing rules to allow payers to change MA plan benefits.

### WHAT IS HAPPENING

- Recognizing Medicare plans have the opportunity to positively impact members during COVID-19, CMS announced it will allow plans to provide mid-year benefit enhancements, “when...provided in connection with the COVID-19 outbreak, [and] are beneficial to enrollees and are provided uniformly to all similarly situated enrollees.”
- Home care providers (including non-medical) are poised to benefit from these relaxed rules as “plans are well-positioned to double down on in-home touchpoints with members.”
- Anthem, Humana and Cigna offer home care-related supplemental benefits in MA plans.

### WHAT ARE THE DETAILS

- 4% of 2020 MA enrollees have plans which cover in-home support.
- However, many more beneficiaries are signed up for plans that cover secondary services:
  - 34% are in plans with transportation benefits
  - 39% are in plans with meal benefits
  - 77% are in plans with telehealth benefits
- There is no end date for CMS’ mid-year benefit flexibility.

### WHY THIS IS IMPORTANT

COVID-19 is pushing more payers towards home-focused supplemental benefits.

### IMPLICATION

Payers should take this opportunity to re-evaluate and innovate current home-care benefits offered to members, especially given the anticipated long-lasting socioeconomic impact of COVID-19.

# 3 BCBS of Minnesota lays out its short- and long-term strategy to tackle COVID.

## WHAT IS HAPPENING

- BCBS of Minnesota is realizing the “unintended positive consequences” of COVID-19.
- The insurer has identified priorities bucketed into three phases – today, tomorrow and the day after tomorrow.

## WHAT ARE THE DETAILS



### Today:

- Minimize the spread of COVID-19
- Cover members' costs for COVID-19 testing and treatment
- Remove bureaucracy between payers and providers
- Revamp prior authorization processes
- Eliminate barriers to telehealth
- Coordinate care for chronically ill members
- Keep social determinants of health top of mind

### Tomorrow:

- Help providers get payments that would come later in the year
- Prepare for new surges of COVID-19
- Create more at-home care opportunities for members with chronic diseases
- Ensure when elective procedures open, patients can see their providers quickly
- Reliable immunity testing for caregivers

### The day after tomorrow:

- Consider what new expectations members will have
- Build public and private partnerships to expand coverage universally
- Transition to relations that hold payers and providers accountable
- Reinvent care delivery model to focus on population health
- Recognize new models may be in the home, community and cloud
- Recognize healthcare companies need to be social companies, too

## WHY THIS IS IMPORTANT

Insurers will need to act with agility to revolutionize care models affected by the pandemic.

## IMPLICATION

BCBS is using the pandemic as an opportunity to focus on reinventing the care model for certain populations, including care that takes place in the home, community and cloud.

## 4 Providers' suffering likely to continue as support programs are scaled back.

### WHAT IS HAPPENING

- Nearly half of providers are now using telemedicine to treat patients due to COVID-19, up from 18% in 2018.
- However, physicians report issues getting paid for telehealth visits, during a time when many are already suffering due to declines in revenues ranging from 30% to 50% reductions in revenue and cash.
- Furthermore, CMS announced it will immediately cease its "Advance Payment Program to Medicare Part B supplies such as doctors, non-physician practitioners and durable medical equipment suppliers" in light of the recent CARES Act which dolled out \$100 billion to providers.

### WHAT ARE THE DETAILS

- Providers are frustrated the rates for telehealth visits are far less than in-person visits:
  - For a recent 40-minute phone appointment, a provider from Alabama said he received \$12 from Medicare, the rate for a 10-minute office visit – "the telehealth reimbursement is tragic"
- A small number of Teladoc physicians reported payment issues due to Teladoc's "growing pains of quickly hiring" doctors to accommodate the COVID-19 surge in user demand
- Providers and industry experts call the move from CMS to suspend the Advance Payment Program "short-sighted" because financially stable providers today (in areas with low rates of COVID) may need advanced payments in the weeks to come as more hotspots pop up:
  - Predicted hotspots include Alabama, Georgia and Florida due to a large volume of Medicare residents with one or more COVID-19 high-risk diseases, as well as rural areas

### WHY THIS IS IMPORTANT

Providers are adapting to changing consumer behaviors and regulations but are suffering due to declines in revenue which could impact patient care.

### IMPLICATION

The mechanisms for paying providers will need to be re-examined by both carriers and CMS in order to ensure provider stability during these unstable marketplace conditions.

## 5 Seniors discuss impact COVID has on taking Social Security payments sooner rather than later.

### WHAT IS HAPPENING

- Seniors are reconsidering their retirement plans, including when to begin taking Social Security payments, with the onset of COVID-19.
- The virus is causing seniors to rethink possible “changes in expected longevity,” swaying some to consider filing for SS benefits sooner rather than later.

### WHAT ARE THE DETAILS

Senior Conversations:

“ ”

- “So any ideas on a good course of action going forward from here [take SS or wait] with this new Corona-virus in the mix, and possible effects of taking it now vs waiting?”
- “I vote to take it now. Although SS is actuarially neutral, **in these uncertain times one cannot be too presumptuous.** "A bird in the hand," so to speak. There were many folks your age who, 2 months ago, were otherwise healthy and now have succumbed to COVID-19.”
- “We too were planning to wait until 70 ( 64 now) but **reading about how SS trust fund is expected to be impacted by the market downturn has me wondering too.** But the Fed printed so much money in response to Covid...won't the gov resuscitate SS as needed as well?”
- “I think the **main reason to question when to file is what impact COVID-19 has had on mortality.** SS is supposed to be actuarially neutral but if mortality has changed, then it no longer is... But if COVID-19 has shifted mortality enough to make it less likely for us to both live to the break-even point, then it may make sense for one of us to file now.”
- “Any well thought out plan for SS filing should certainly take into account the possibility of an unexpected change in expected longevity. The typical example given is something like a cancer diagnosis with poor prognosis, but **folks living in COVID-19 hotspots might also consider themselves to be currently facing a significant change in their mortality risk** over the next 12 months.”
- “...If I were on the fence, whichever way I would lean in normal times, **I would currently lean toward getting the benefits started--while government services are still running reasonably smoothly, rather than waiting until I really needed it and running into glitches.** Of course you could also argue the other way, and say "wait until things are back to normal," but I am skeptical about just how far we will get back, and to what kind of normal.”

### WHY THIS IS IMPORTANT

COVID-19 is causing seniors to rethink their financial futures, anticipating changes in longevity.

### IMPLICATION

Because seniors are more at risk for the virus, some seniors are considering making financial moves that would benefit them in the short-term.

## 6 Rumors circulate of payers issuing advanced payments to agents.

### WHAT IS HAPPENING

- Agents discussed rumors of Humana and/or UnitedHealth advancing renewals given the current COVID-19 situation.
- An email from UnitedHealth to agents confirmed the carrier would advance May and June renewal payments due to a commission system update and to “continue to support” agents during this time.
- Although agents assume the logic is carriers are hoping to provide agents with ways to manage unplanned expenses due to the pandemic, most feel advanced payments would throw a wrench into forecasting revenues.

### WHAT ARE THE DETAILS

Agent Conversations:

“ ”

- “Is Humana advancing Medicare Advantage renewals May thru December?”
  - “I hope not, I got 2 months advance on renewals with UHC, It throughs me off, I don't need advance I need my renewals to stay correct so everything works like a well-oiled machine. I worked hard to build renewals so I don't have to deal with a roller coaster ride on income.”
    - “Same!”
    - “Oh...I hope not. I don't need to think I have more money than I actually do.”
  - “All seriousness aside, my manager said the advances were in case we had unplanned for expenses due to the pandemic. I imagine upper management projects some loss of members due to death and is looking forward to chargebacks - motivating agents to hustle to replace the dear departed.”
- “I received a different notice from UHC that said they were advancing May and June because they are having a system update, and that new business commissions will not be paid until after the update is completed in June.”
- “Ok its mentions both system upgrade but also financial challenges COVID-19 has presented”

### WHY THIS IS IMPORTANT

While agents are looking for support from carriers, advanced payments may not be the answer.

### IMPLICATION

Carriers should have an ongoing dialogue (formal or informal research) with agents to ensure they are taking steps to best serve these vital partners, as well as instill loyalty during these unprecedented times.

# Industry News Related to Coronavirus

April 22 – 28

## **OLDER AMERICANS FOLLOW COVID-19 NEWS MORE CLOSELY THAN YOUNGER ADULTS**

---

- Almost 70% of adults age 65+ said they were following news of the pandemic very closely, compared to 42% of young adults ages 18-24.
- Throughout March, the level of engagement among the two groups has remained fairly consistent, with the youngest adults paying the least attention while the oldest adults are most likely to follow the news.

## **NURSING HOMES PUSH FOR IMMUNITY FROM LAWSUITS DUE TO COVID-19**

---

- So far at least six states have “provided explicit immunity from coronavirus lawsuits for nursing homes, and six more have granted some form of immunity to health care providers, which legal experts say could likely be interpreted to include nursing homes.”
- Recently, the White House Administration eased some nursing home regulations, while simultaneously requiring them to report COVID cases to residents, families and the CDC.

# Your Partner in Market Research

Based on 25+ years of experience, made actionable with industry-specific best practices and benchmarks, we connect always-on strategy with agile execution to future-proof your success.



# 50+

Fortune 1000 clients

