Microsoft Advertising Insights

Health Insurance and the end of the 2020 enrollment period

Medicare and Affordable Care Act (Individual)
Current enrollment season

**Medicare annual enrollment period**
Annual election period (AEP)

**Upcoming periods (Jan 1 – Mar 31)**
- General enrollment period (Part A & B)
- Open enrollment period (Medicare Advantage)

**Health Insurance marketplace**
Affordable Care Act (ACA) open enrollment

For states that operate their own health insurance exchanges, most enrollment periods extend into January

Special Enrollment Periods (SEP) continues for those that lost employer coverage

- **Enrollment opens**: Oct 15
- **Deadline**: Dec 7
- **Coverage begins**: Jan 1, 2021
Medicare AEP

Medicare Advantage and Part D
Medicare key changes

1. Premiums for Medicare Part A & B increase. Premiums for Medicare Advantage (MA) are historically low.

2. Medicare Advantage market continues to grow, with plans expanding their geographical footprint and 14 new firms entering the market

3. Greater expansion of Medicare Advantage benefit offerings with telehealth expansion at the core of the change

4. Rapid growth of Special Needs Plans (SNPs) highlights the advantages of MA plans for high-need and vulnerable populations

5. Some Medicare Advantage and Part D plans have Insulin Price Caps, making the plans more attractive for many
“medicare” keyword searches are up 59% year over year (YoY) since October, driven by non-brand searches

Source: Bing & Yahoo O&O searches for broad match to “Medicare”
Medicare Advantage plan options continue to grow

The number of total Medicare Advantage plans available increased 13% for 2021 offerings
SNP options (not shown) increased by 10% to 975 plans

The average Medicare Advantage plans available to beneficiaries increased 18% for 2021 offerings

Source: Kaiser Family Foundation
New firms continue to enter the MA market while poor performing ones exit

14 new entrants make up 6% of growth in the number of MA plans & 10% of growth for MA SNP plans

ApexHealth & Clarion had no enrollees in 2020
Other firms had low enrollment
Major Medicare Advantage firms expanded their geographical footprint for 2021

Number of counties where firms are offering MA plans

The top two competitors still dominate the market: Humana’s plans are available in 84% of counties & UnitedHealthcare’s are available in 66%
MA plans expand benefit offerings with a heavy emphasis on telehealth

2020
MA Plans offering benefits

2021
MA Plans offering benefits

2021 benefit expansions
(Telehealth not included)

- Meal benefit: +9%
- Hearing aids: +5%
- Eye: +4%
- Dental: +4%
- Transportation: +3%
- Fitness: +3%
- In-Home: +2%

Source: Kaiser Family Foundation
Prescription Drug plan (Part D) options continue to grow after the removal of regulatory restrictions in 2017

The number of stand-alone Part D plans available in 2021 is up 5% from 2020 and 37% from 2017

The average Part D plans available to beneficiaries increased from 52 to 57 for 2021 offerings

80% of enrollees are projected to be in PDPs from UnitedHealth, Centene, Humana or CVS Health.

Source: Kaiser Family Foundation. Projections are based on September 2020 enrollment files.
Low cost remains a key plan feature for 2021 beneficiaries

Affordable premiums are a bigger consideration for Medicare Supplement (Medigap) plan enrollees: 33% of Medicare Supplement vs. 25% of Medicare Advantage enrollees said affordable premiums were a top consideration.
ACA marketplace open enrollment period (OEP)
 ACA key changes

1. Premiums decreased on average

2. For the third year in a row, more insurers enter the ACA marketplaces, creating more competition and more options for consumers

3. This year’s open enrollment is a critical test of how ACA works to maintain coverage during record job-loss. Millions of uninsured Americans could be eligible for Medicaid or subsidized marketplace coverage.

4. Marketing funds and outreach for ACA have been cut by 90% this year

5. Two states (NJ and PA) switched from HealthCare.gov to state-run marketplaces


7. Washington state implements a quasi-public option called Cascade Care
When factoring in state changes, enrollment is up compared to previous years, with a skew towards renewing enrollees.

**Cumulative enrollment**

(date discrepancy due to weekly data format)

<table>
<thead>
<tr>
<th>Date</th>
<th>New</th>
<th>Renew</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through Nov 21, 2020</td>
<td>521,272</td>
<td>1,859,255</td>
<td><strong>2.37M</strong></td>
</tr>
<tr>
<td>Through Nov 23, 2019</td>
<td>621,709</td>
<td>1,751,248</td>
<td><strong>2.38M</strong></td>
</tr>
</tbody>
</table>

New Jersey and Pennsylvania transitioned to state-based exchanges for 2021 and are excluded from this year’s enrollment numbers. They made up 7% of enrollees last year.

Source: CMS weekly snapshot of Healthcare.gov
ACA Marketplace options continue to grow

Marketplace Enrollees Will Have More Options in 2021 as Many Insurers Expand Their Service Areas

Share of Marketplace Enrollees by Number of Available Insurers

<table>
<thead>
<tr>
<th>Year</th>
<th>One insurer</th>
<th>Two insurers</th>
<th>Three or more insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3%</td>
<td>19%</td>
<td>78%</td>
</tr>
<tr>
<td>2020</td>
<td>10%</td>
<td>22%</td>
<td>68%</td>
</tr>
<tr>
<td>2019</td>
<td>17%</td>
<td>25%</td>
<td>58%</td>
</tr>
<tr>
<td>2018</td>
<td>26%</td>
<td>27%</td>
<td>48%</td>
</tr>
</tbody>
</table>

NOTE: Enrollment in 2021 is based on 2020 plan selections.
SOURCE: KFF analysis of data from healthcare.gov and a review of state rate filings.

Plan option additions/loses by county:
A few counties see decreased options

SOURCE: KFF analysis of data from healthcare.gov and a review of state rate filings.
20 states had new entrants offering plan options as the marketplace becomes more competitive for the third year in a row

<table>
<thead>
<tr>
<th>State</th>
<th>Insurers (Parent Companies) Entering Marketplaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>UnitedHealth</td>
</tr>
<tr>
<td>Florida</td>
<td>Aetna, GuideWell</td>
</tr>
<tr>
<td>Iowa</td>
<td>Oscar</td>
</tr>
<tr>
<td>Idaho</td>
<td>Cambia Health Solutions</td>
</tr>
<tr>
<td>Illinois</td>
<td>Bright Health, Mercy Health, SSM Health</td>
</tr>
<tr>
<td>Indiana</td>
<td>Anthem</td>
</tr>
<tr>
<td>Kansas</td>
<td>BCBS of Kansas City</td>
</tr>
<tr>
<td>Maryland</td>
<td>UnitedHealth</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Quartz, PreferredOne</td>
</tr>
<tr>
<td>Missouri</td>
<td>BCBS of Kansas City</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Oscar, UnitedHealth</td>
</tr>
<tr>
<td>New Mexico</td>
<td>Friday Health Plans</td>
</tr>
<tr>
<td>Nevada</td>
<td>Friday Health Plans, SelectHealth</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>CommunityCare, Oscar, UnitedHealth</td>
</tr>
<tr>
<td>Tennessee</td>
<td>UnitedHealth</td>
</tr>
<tr>
<td>Texas</td>
<td>Friday Health Plans, Scott and White</td>
</tr>
<tr>
<td>Virginia</td>
<td>UnitedHealth</td>
</tr>
<tr>
<td>Washington</td>
<td>Community Health Plan of WA, UnitedHealth</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Anthem</td>
</tr>
<tr>
<td>Wyoming</td>
<td>Mountain Health</td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation

Source: KFF analysis of data from Healthcare.gov and a review of state rate filings.
30% of those surveyed stated that COVID-19 made them more likely to reconsider coverage options, with results skewed towards younger enrollees.

Source: eHealth ACA Half-Time Report: Open Enrollment Costs, Trends & Consumer Sentiments, November 2020
Client success story
Unprecedented need for health coverage

When faced with an unprecedented global pandemic, one of the nation’s leading Health Insurance providers shifted their strategy to address the consumer needs of Americans who lost their health insurance coverage. When the first wave of the COVID-19 pandemic forced millions of Americans into unemployment in March through May of 2020, an estimated 5.4 million people lost their employer-sponsored health insurance. In the absence of a comprehensive federal bill to address the high rates of uninsured, 12 states took unprecedented steps to offer coverage by opening a Marketplace Special Enrollment Period (SEP).

Search is most crucial digital marketing channel

With a need to quickly turn on lead generation and customer acquisition campaigns, this provider turned to search advertising as the most efficient approach to returning to the market. Their agency partner, Lever Interactive, implemented a data driven approach to shift investments from more traditional marketing to better performing digital platforms and strategies.

Search delivered healthy results for health insurance provider

With a keen awareness of the time frame, the Microsoft Advertising team was dedicated to implementing strategies during SEP and were described as an “invaluable” partner in the process. Although Covid-19 and SEP presented new challenges for advertisers, Microsoft Advertising, Lever Interactive and the provider were able to adapt and drive success through collaboration. By reactivating campaigns, this client was able to achieve well over 1 million impressions with an impressive 4.2% CTR.

“Search makes up 90% of lead forms and 95% of last touchpoint. It is the most crucial of our digital channels.”

-- Tim Peyton, Senior Media Director at Lever Interactive

The Health Insurance Provider achieved well over 1 million impressions, with a Click Through Rate (CTR) of 4.2%

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