MICROSOFT ADVERTISING INSIGHTS

Health insurance enrollment review 2021

1 Individual Marketplace vs. Medicare

2 Query path summary

3 Search trends, competitive insights and key events

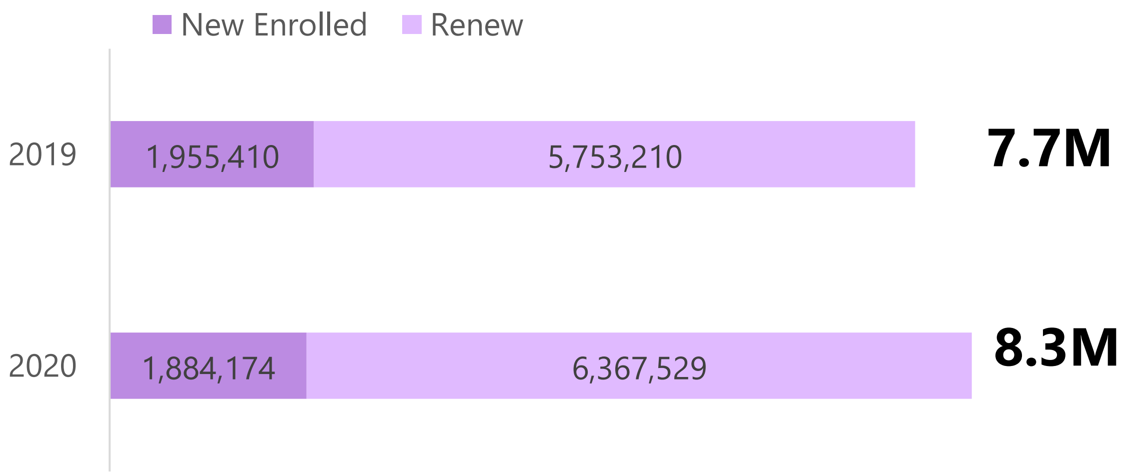
Microsoft Advertising. Intelligent connections.

Microsoft

Despite low numbers during Open Enrollment Period (OEP), Special Enrollment Period (SEP) is a good opportunity to enroll new members

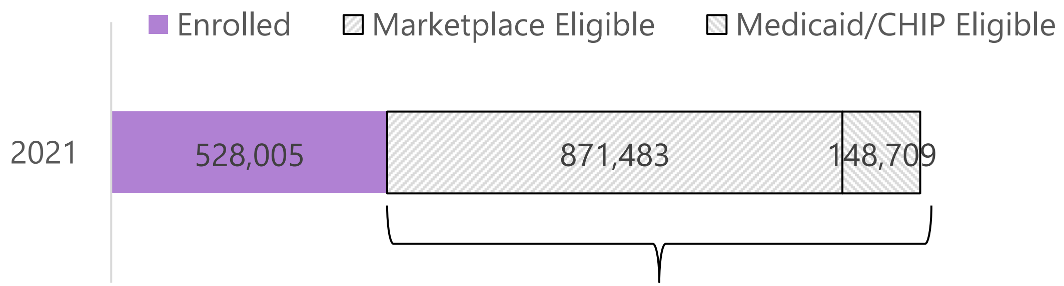
OEP (Nov 1 – Dec 15)

Overall enrollment increased, but with fewer new enrollees



SEP (ongoing; Feb 15 - Aug 15, 2021)

Enrollment 2-3x higher than last year and expected to increase



An additional **1 million consumers** requested an application and are expected to enroll.

Source: CMS weekly snapshot of Healthcare.gov (36 states)
New Jersey & Pennsylvania transitioned to State-based Exchanges this year and are excluded from last year's enrollment numbers.

Search reflects increased opportunities in the Individual marketplace and marketers will need to change their strategy to reach this new audience

+19% Searches

+28% Clicks

Individual Marketplace Queries
Feb 15 – Mar 31
2020 vs. 2021

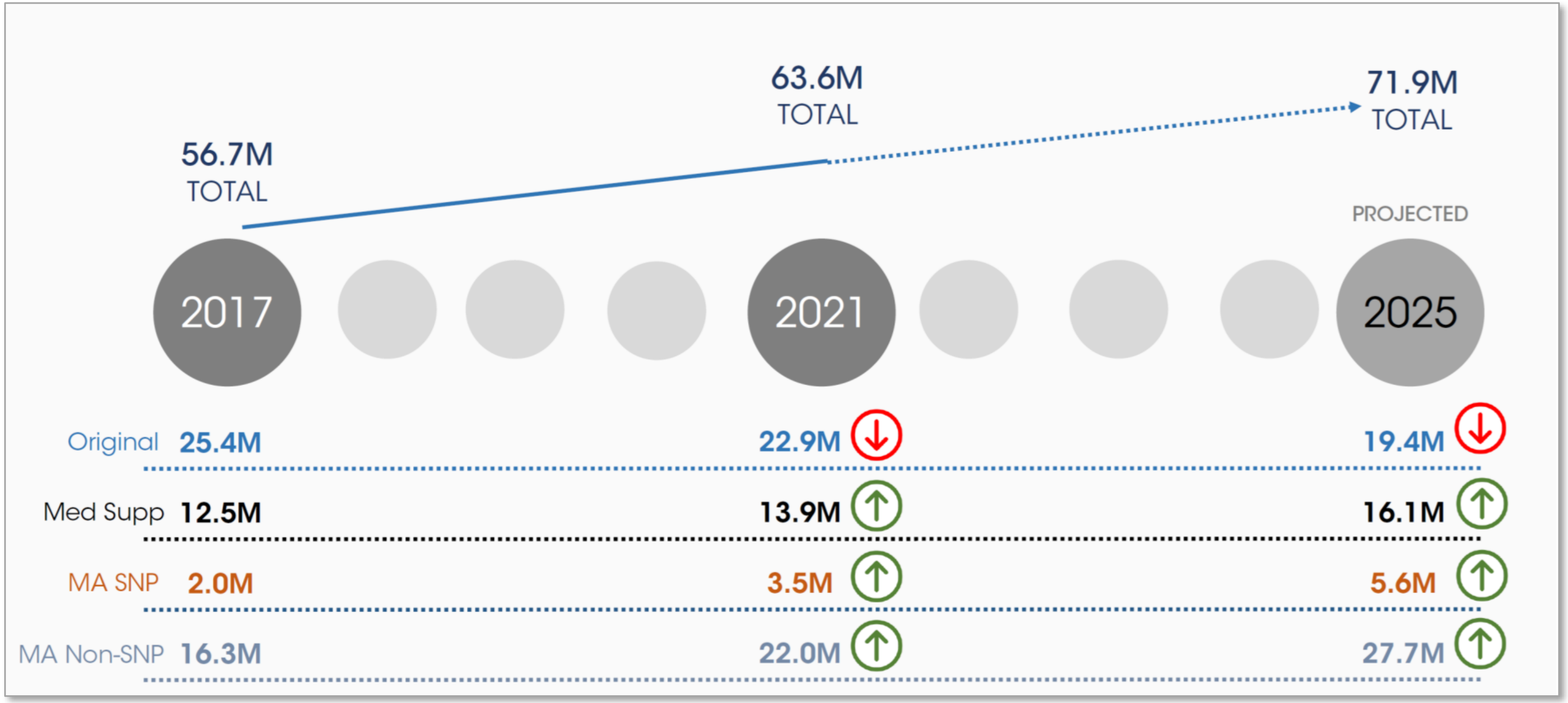
A more diverse set of American consumers are enrolling in health insurance coverage through the SEP

	2021	2020	2019
Black	17%	11%	11%
Low Income	41%	38%	33%

MicrosoftAdvertising.com/MarketingwithPurpose

Source: All data between February 15 and March 31.

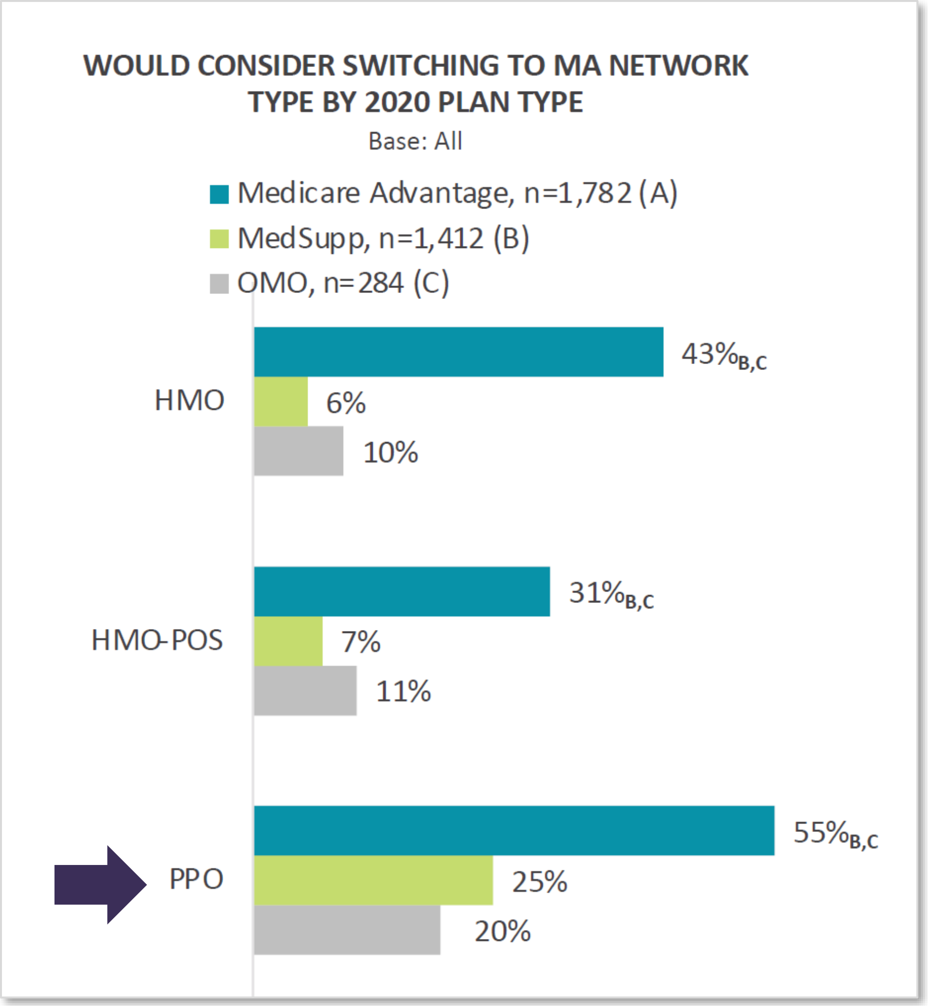
Medicare Advantage is projected to dominate the market by 2025

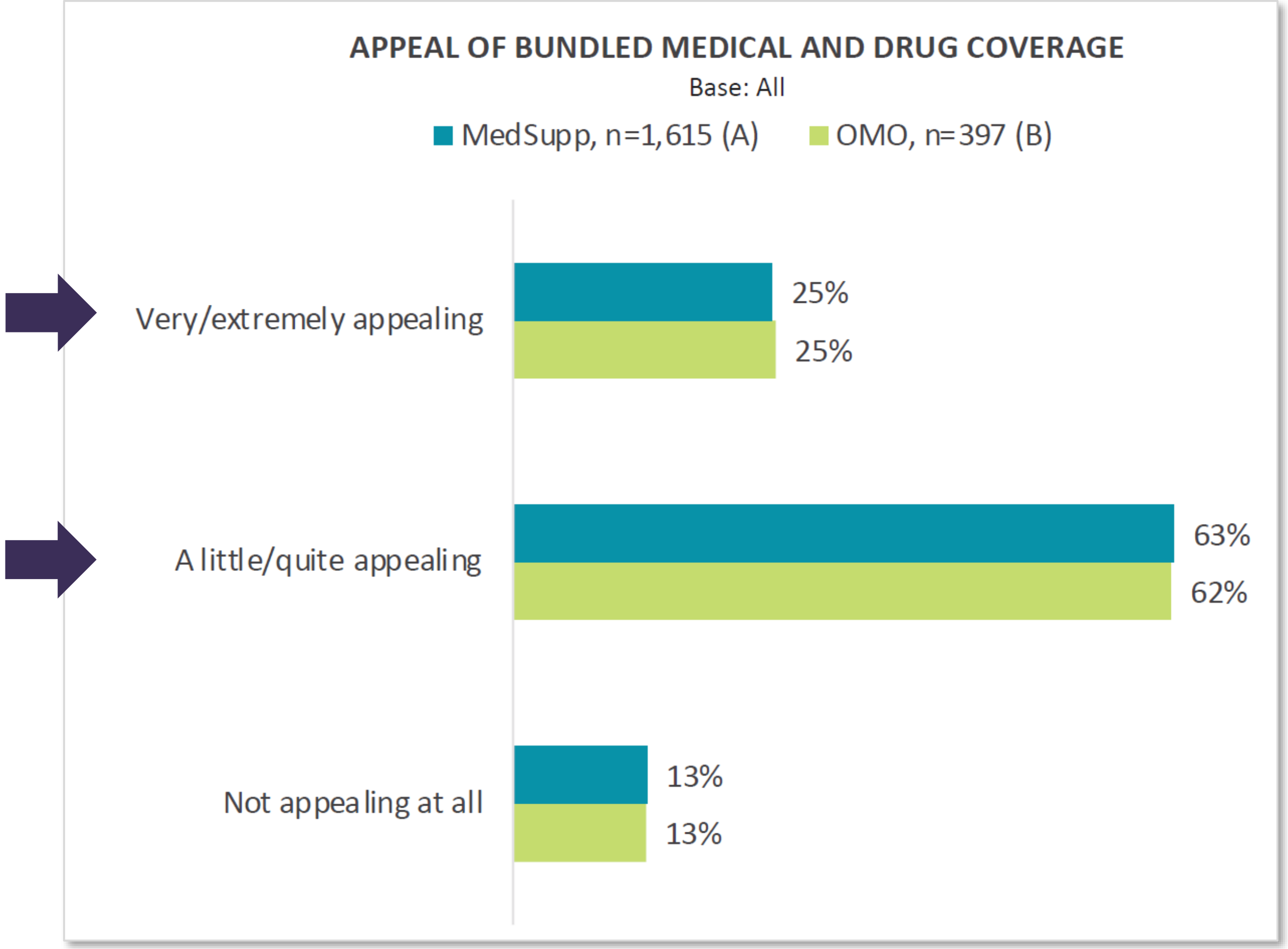


Source: Carrot Health via CMS and NAIC

Delayed switchers in 2022 are likely once healthcare is more stable

Medicare Advantage plans have opportunity to capture Traditional Medicare and Medicare Supplemental members through marketing on low premiums, plan networks, supplemental benefits and plan simplicity





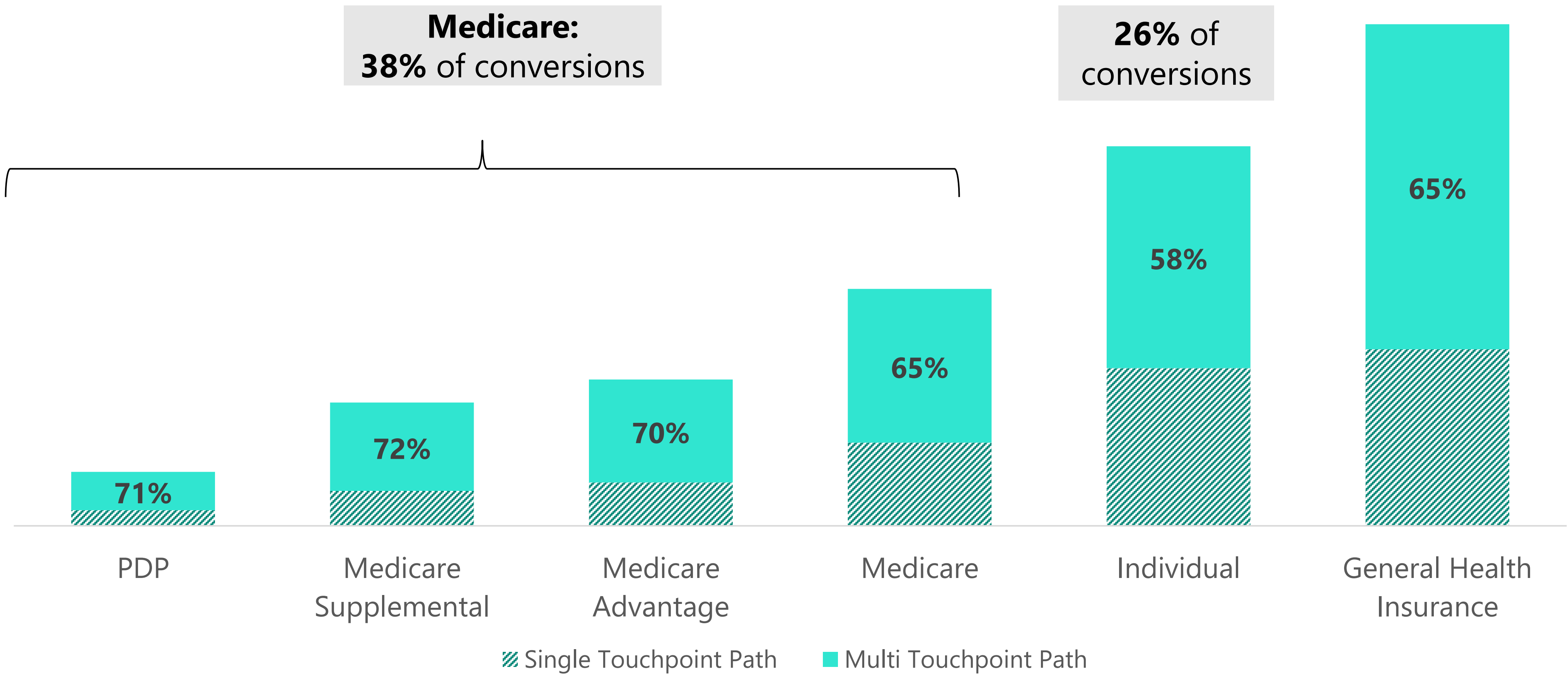
Source: Deft Research: 2021 Medicare Shopping and Switching Study – Survey Results

Query path summary

Microsoft

QUERY PATH

Summary of paths by plan type conversion

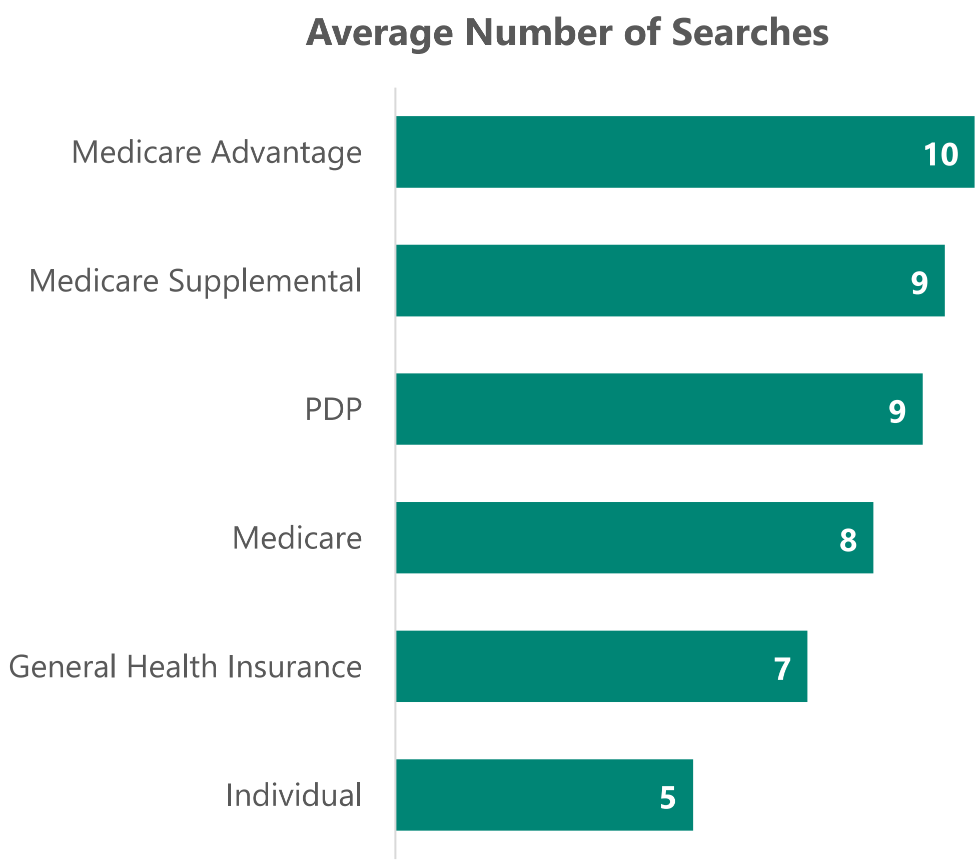


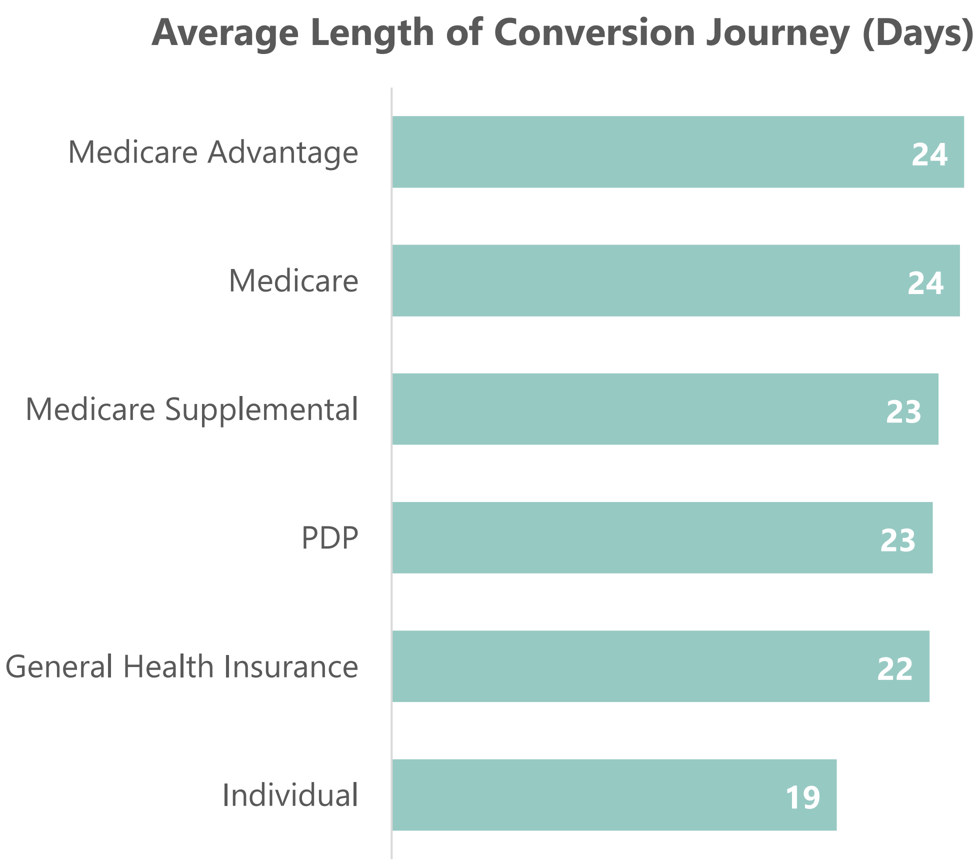
Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point

Microsoft

Multi-Touchpoint journeys were lengthy

Specifically, Medicare journey lengths reflected the complex marketplace with expansive plan options



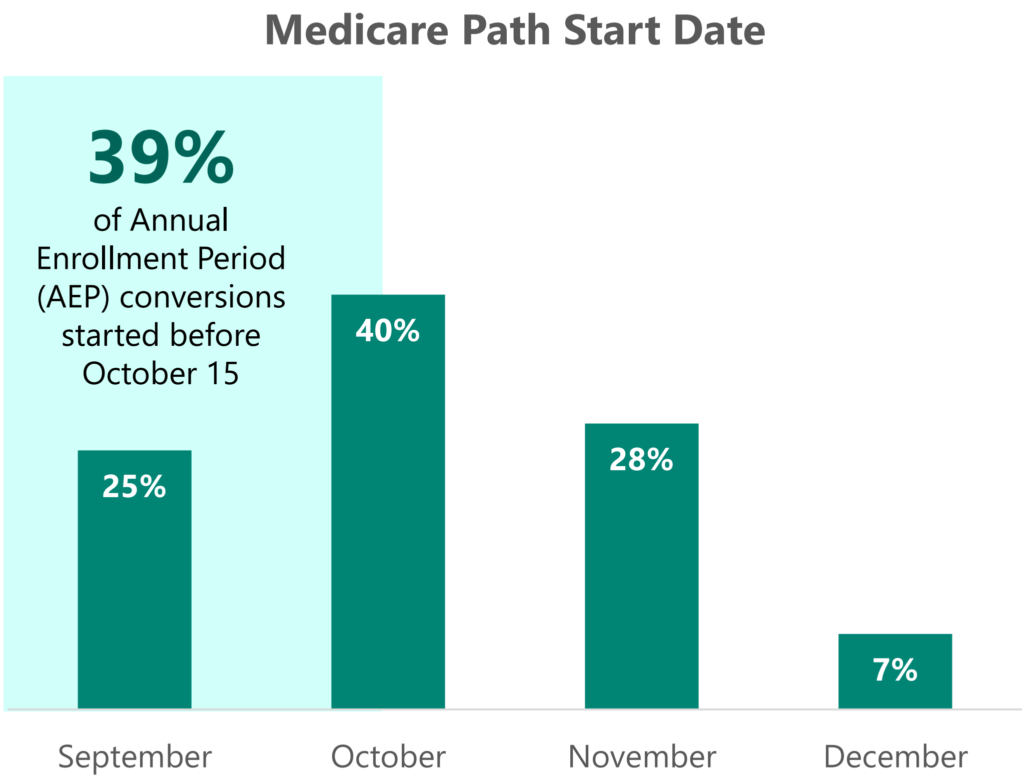


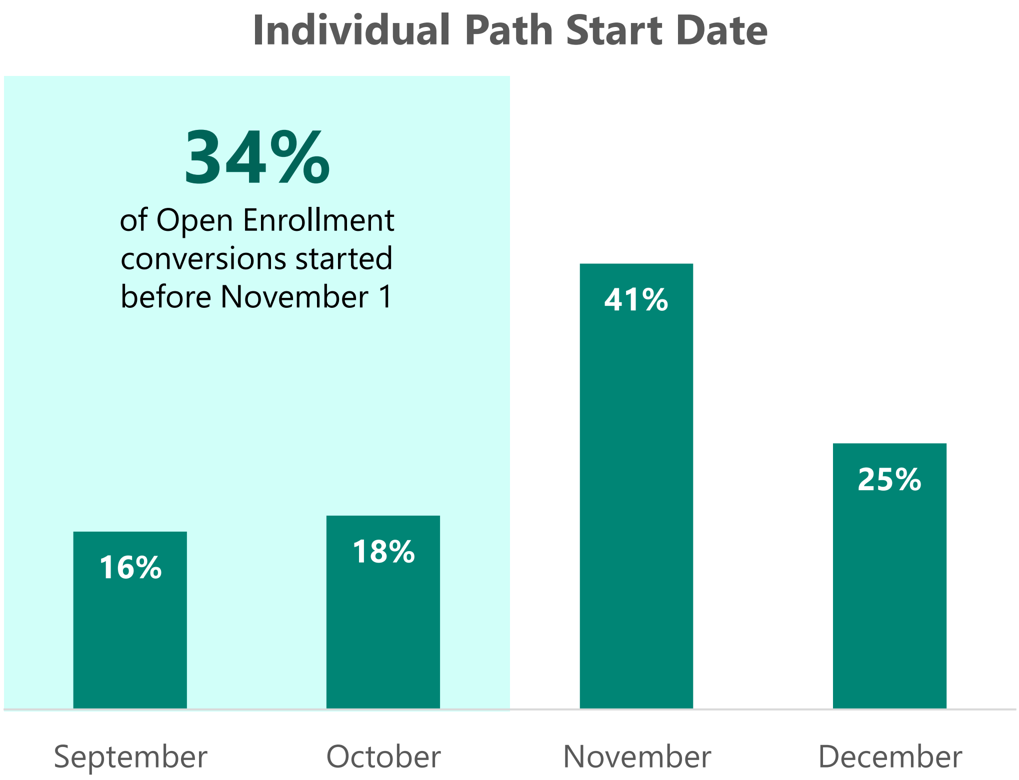
Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point

Microsoft

Those who converted during Enrollment months began their journey early

Action Item: Ensure early coverage to engage early shoppers



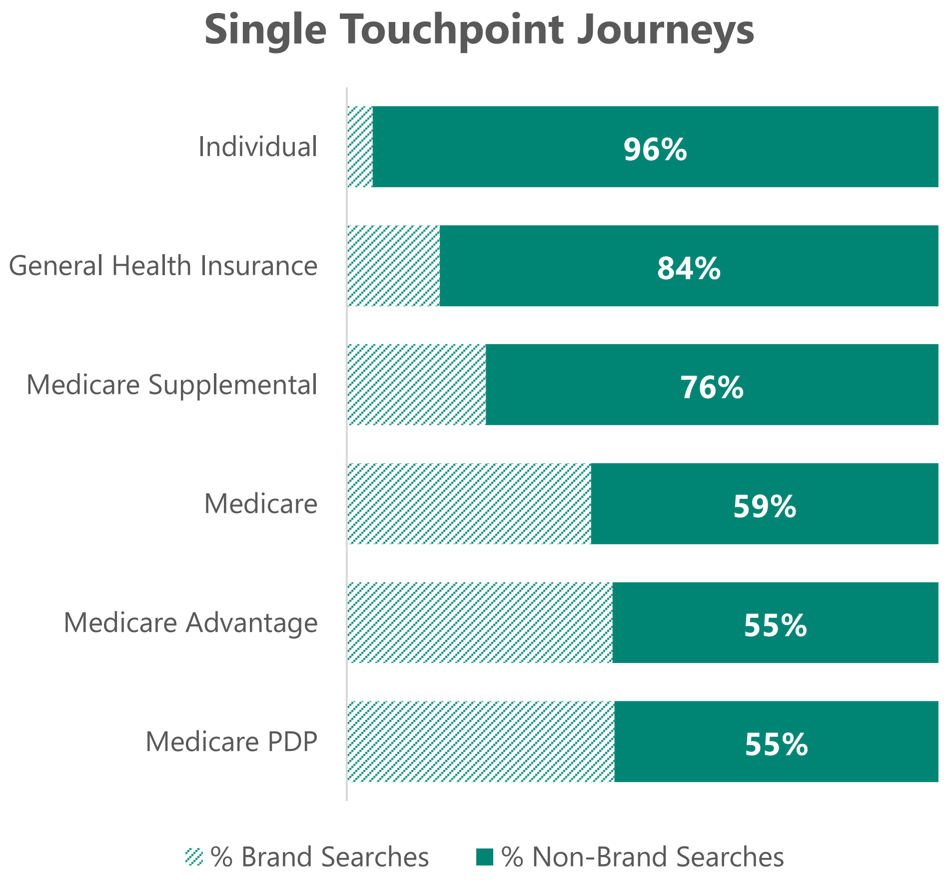


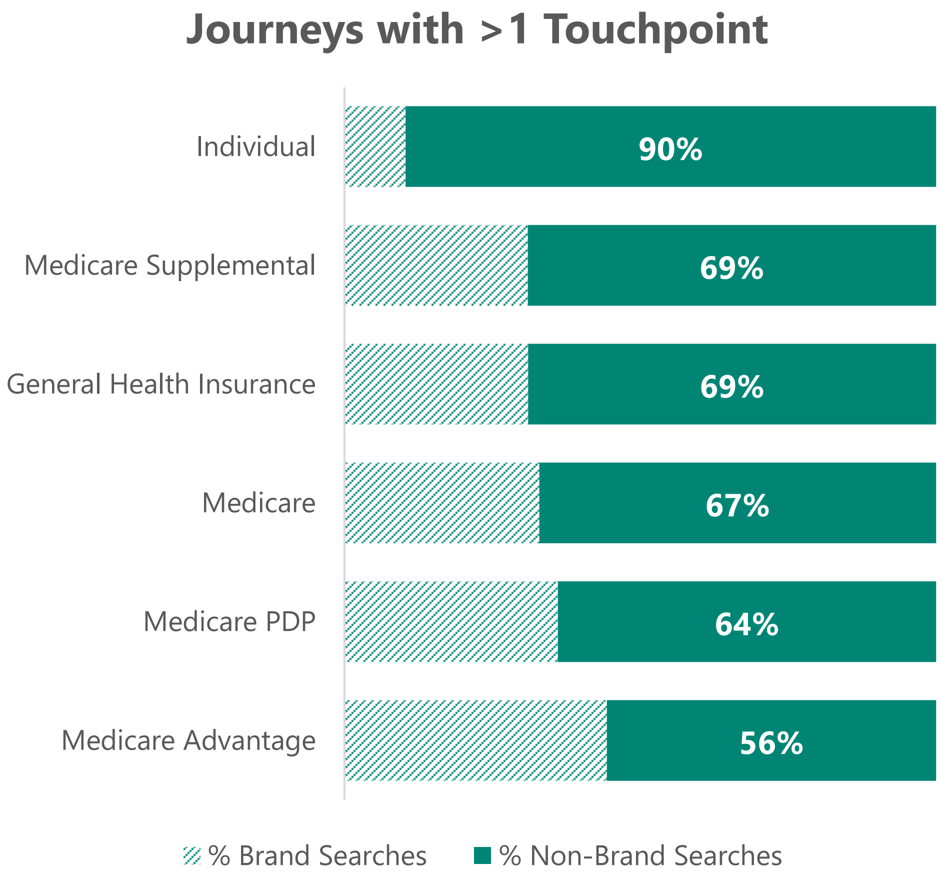
Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point

Microsoft

QUERY PATH

Non-brand continues to be an important part of the research journey



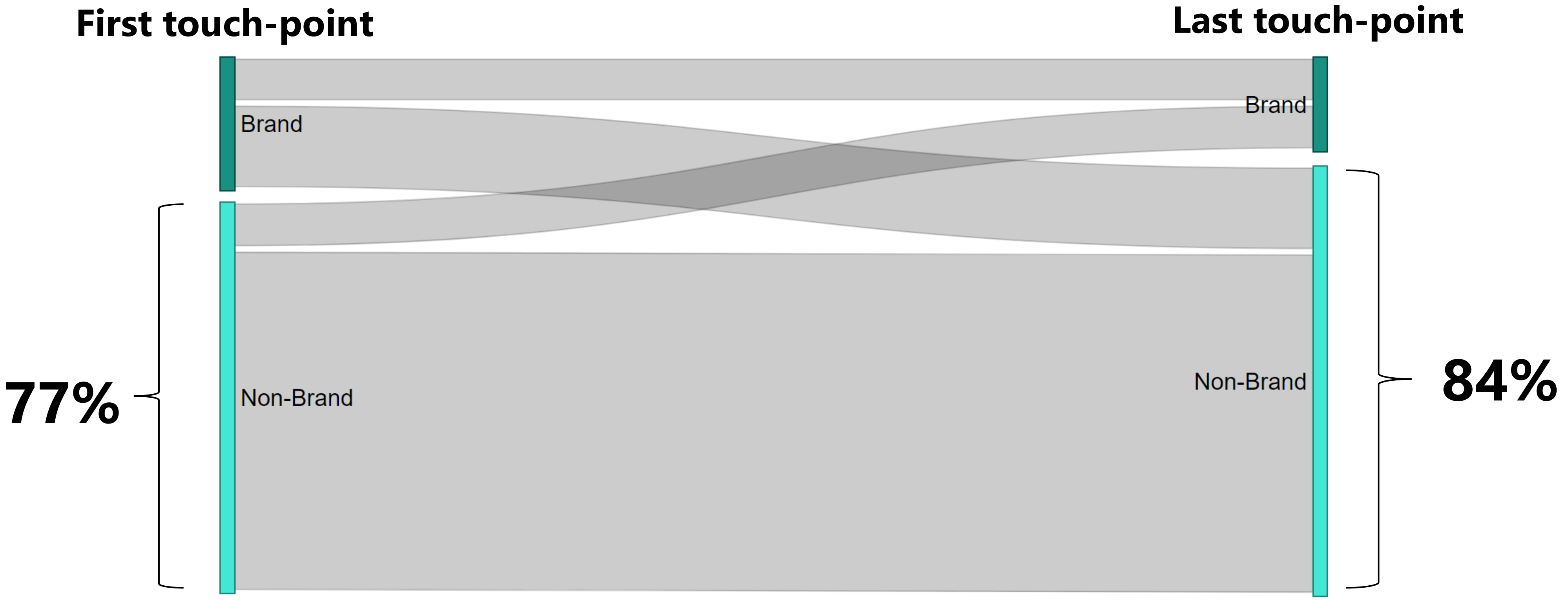


Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point

Microsoft

Individual: Non-brand played a significant role in the start and end of user conversion journeys

Action Item: Ensure adequate Non-Brand coverage throughout user's journey

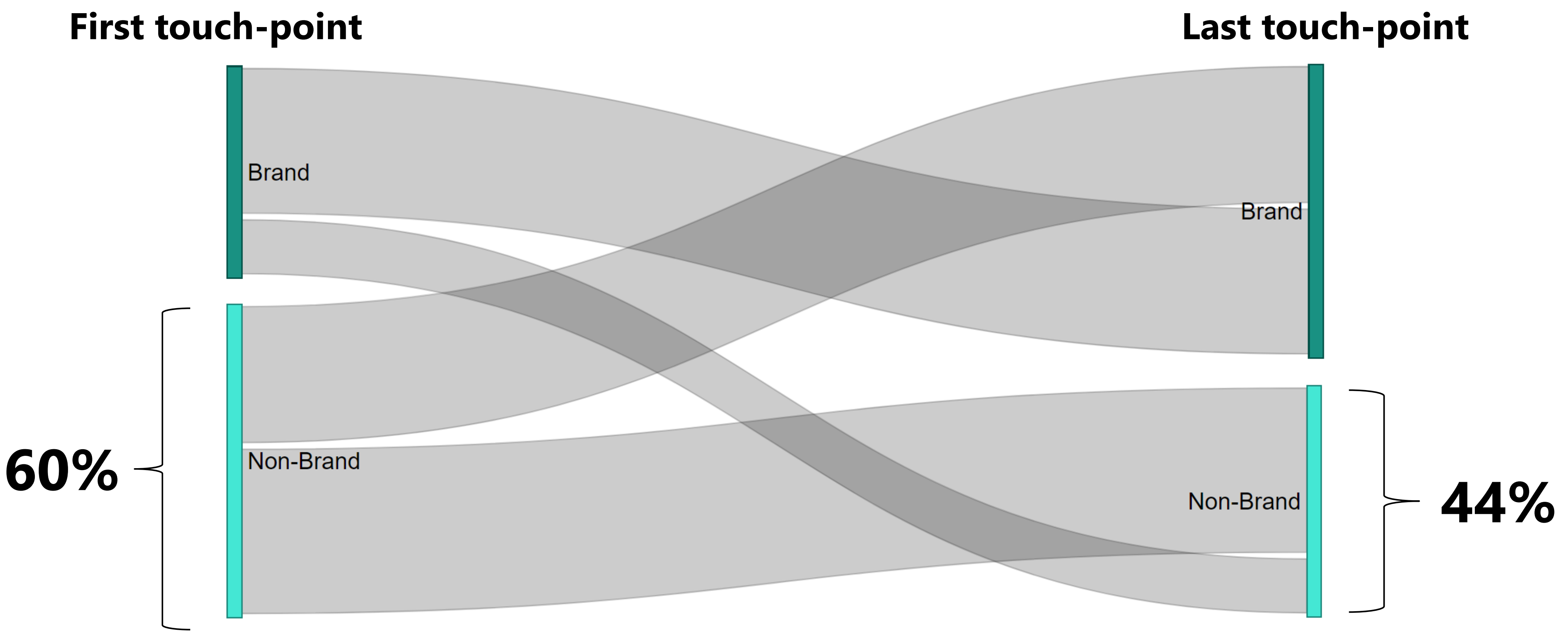


Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point
Single Touchpoint Journeys Excluded.
Exact Breakdown is 8% Brand to Brand, 16% Brand to Non-Brand, 8% Non-Brand to Brand, 69% Non-Brand to Non-Brand

QUERY PATH

Medicare: Although most searches started with Non-brand, most searches ended with Brand

Action Item: Ensure adequate Non-Brand coverage to capture upper funnel users

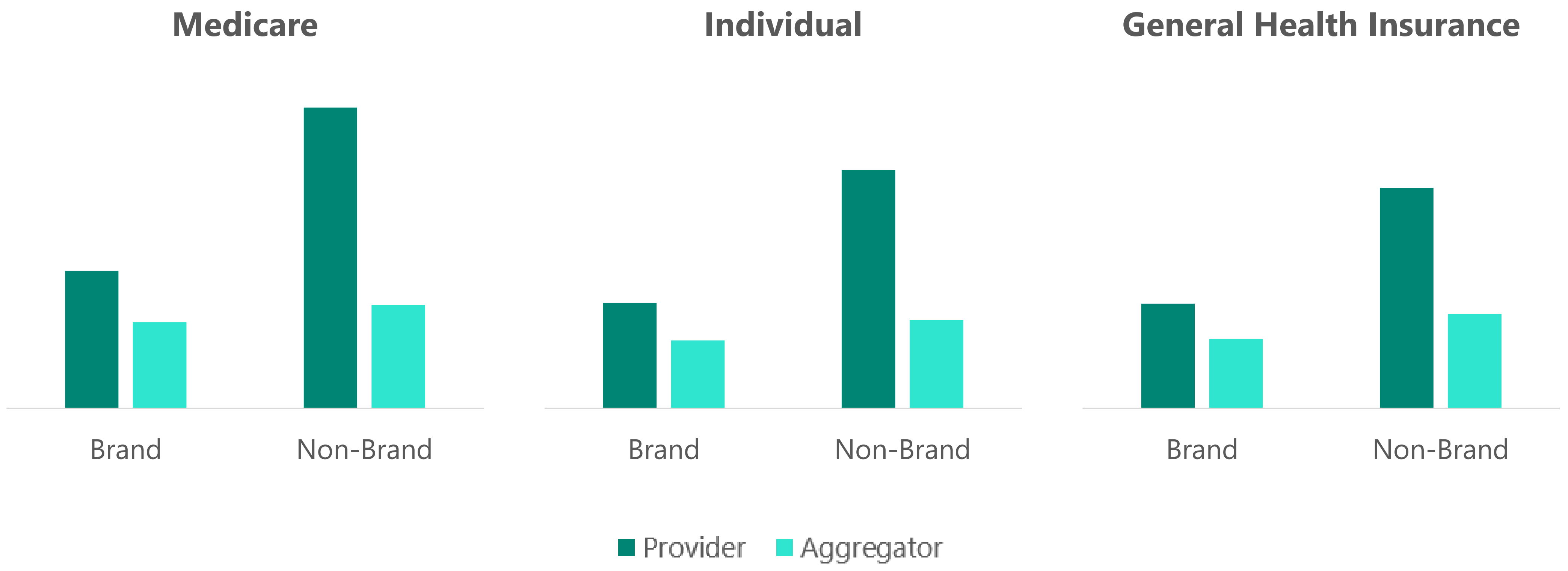


Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point
Single Touchpoint Journeys Excluded.
Exact Breakdown is 29% Brand to Brand, 11% Brand to Non-Brand, 27% Non-Brand to Brand, 33% Non-Brand to Non-Brand

Microsoft

Aggregators experienced a lower CPC across all categories

Non-Brand CPCs for Medicare were 3x higher for Providers



Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point

Users converting on Medicare queries cross-shopped across plan types

Medicare Advantage converters are doing the most cross-plan research

**Action Item: Ensure educational content on landing pages will help users navigate different options

Path contained

Converting phrase	Medicare (Generic)	Medicare Advantage	Medicare Supplemental	Medicare PDP
Medicare (Generic)		29%	26%	39%
Medicare Advantage	31%		20%	23%
Medicare Supplemental	26%	2%		33%
Medicare PDP	10%	5%	8%	

Source: Microsoft Internal Data: Query Pathing Data, September-December 2020, Conversion End Point
Single Touchpoint Journeys Excluded.

Planning for the next Enrollment Period

Individual: Engage users using a year-round strategy considering SEP extension until August

Medicare: Expect improved senior tech literacy to impact decision process

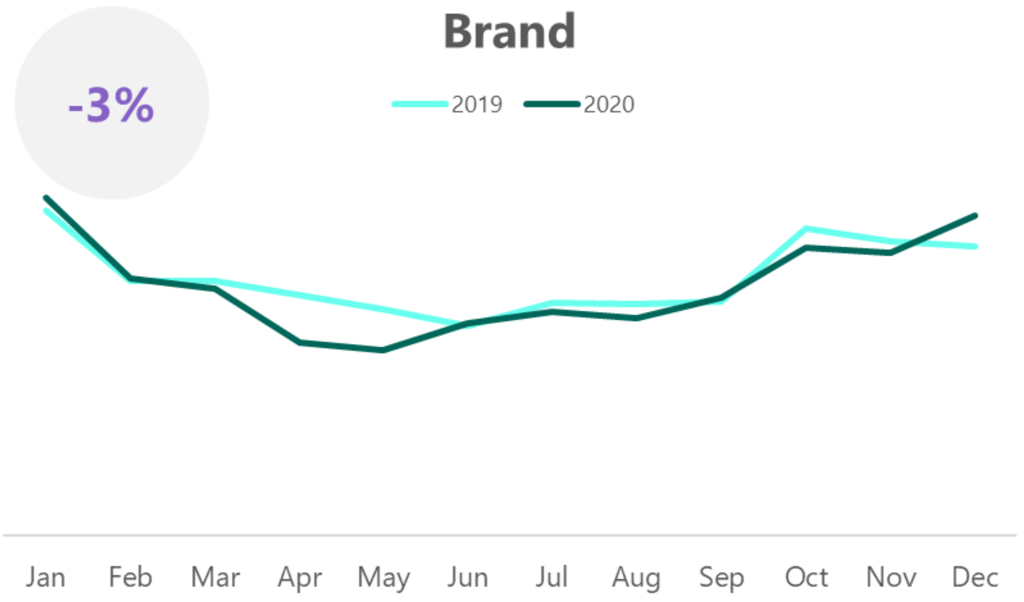
Medicare: Potential delayed-onset switching post-Covid

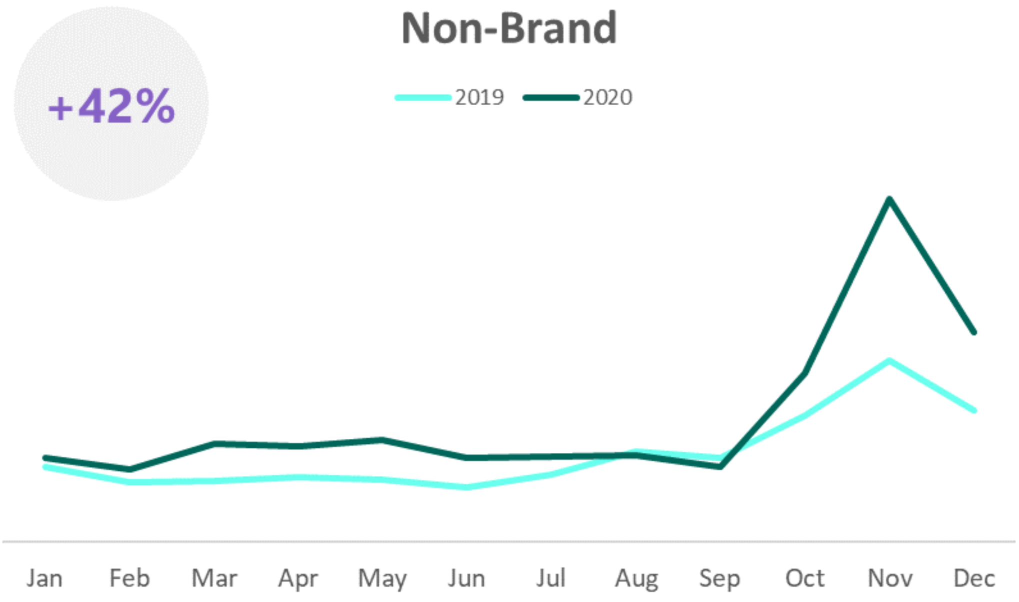
Medicare: Consumers will need continued guidance and education on plan features like premiums, networks and benefits

Microsoft

Health Insurance searches grew 17% in 2020

Growth was driven largely by Non-Brand searches during the AEP season





AEP Changes

Volume: -0.2%
Coverage: -0.4%
Density: -0.1%

*Competition during AEP, as measured by ad-density, was **down** for both Brand and Non-Brand searches.*

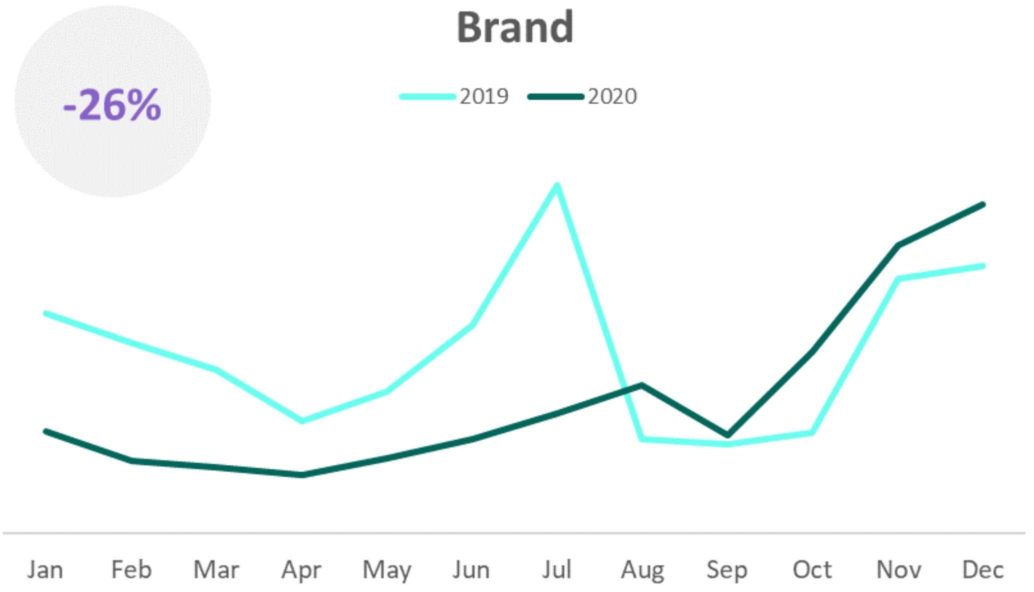
AEP Changes

Volume: +64.9%
Coverage: +0.1%
Density: -24.6%

Source: Bing & Yahoo O&O searches excluding Dental & Vision.
Coverage defined as percent of search results pages with bids. Density defined as average impressions per search results page.

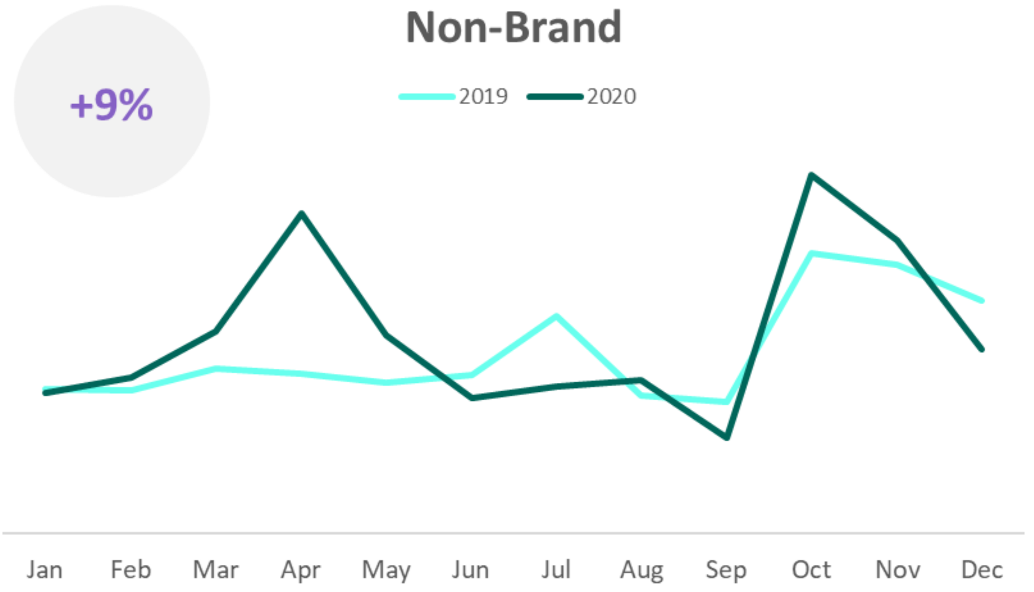
Syndicated volume remains steady in 2020 with more growth during AEP

Advertisers are becoming more competitive through this channel



AEP Changes

Volume: +28%
Coverage: -0.4%
Density: +10.3%



AEP Changes

Volume: +6.7%
Coverage: 0%
Density: +11.8%

Source: Bing & Yahoo Syndicated searches excluding Dental & Vision.

Medicare AEP 2021

Search Trends, Competitive Insights & Key Events

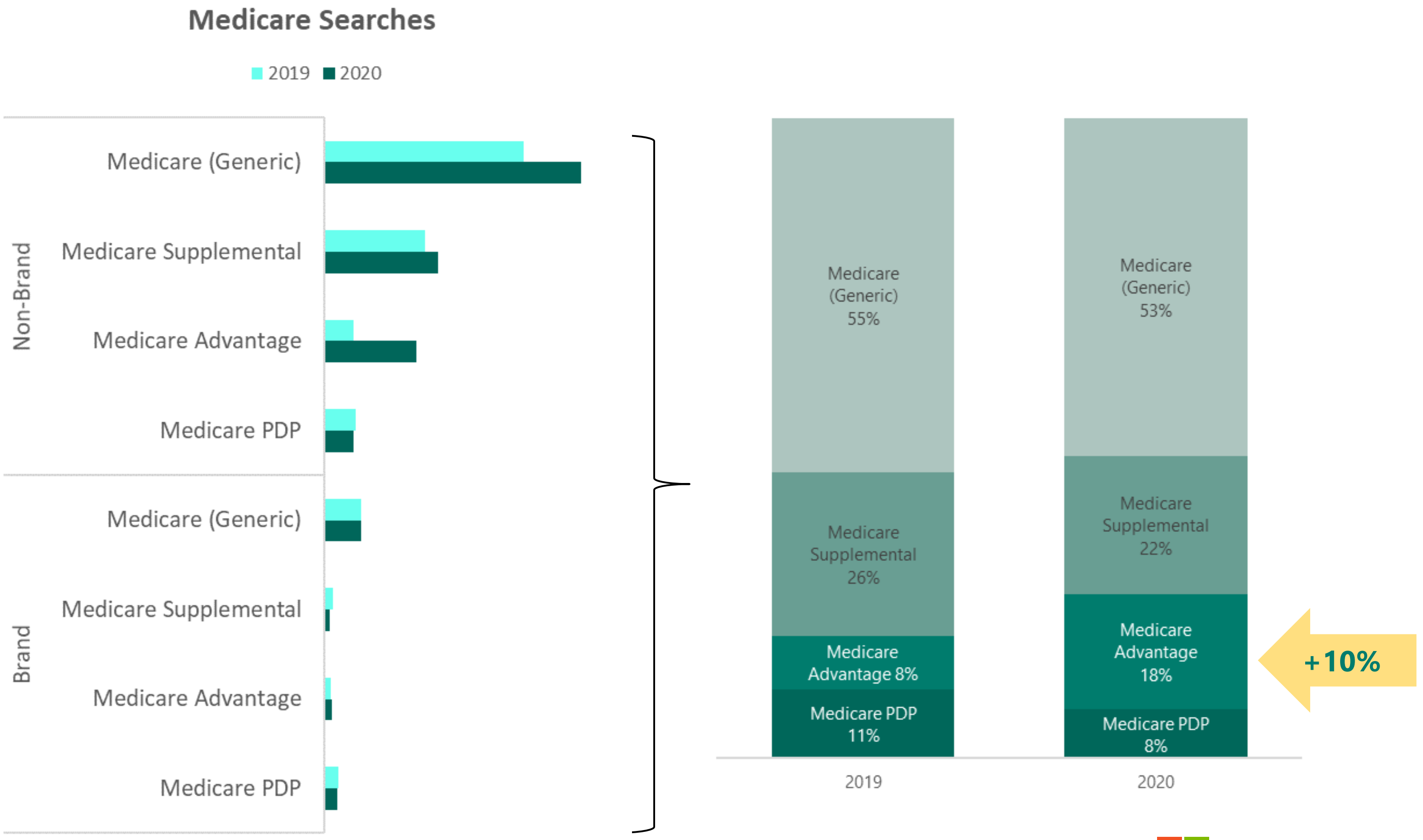
Footnotes

Microsoft

Medicare: In 2020, Non-brand and Medicare Advantage searches increased in market share

Non-brand made up…
85% of searches in 2019
89% of searches in 2020

+4%

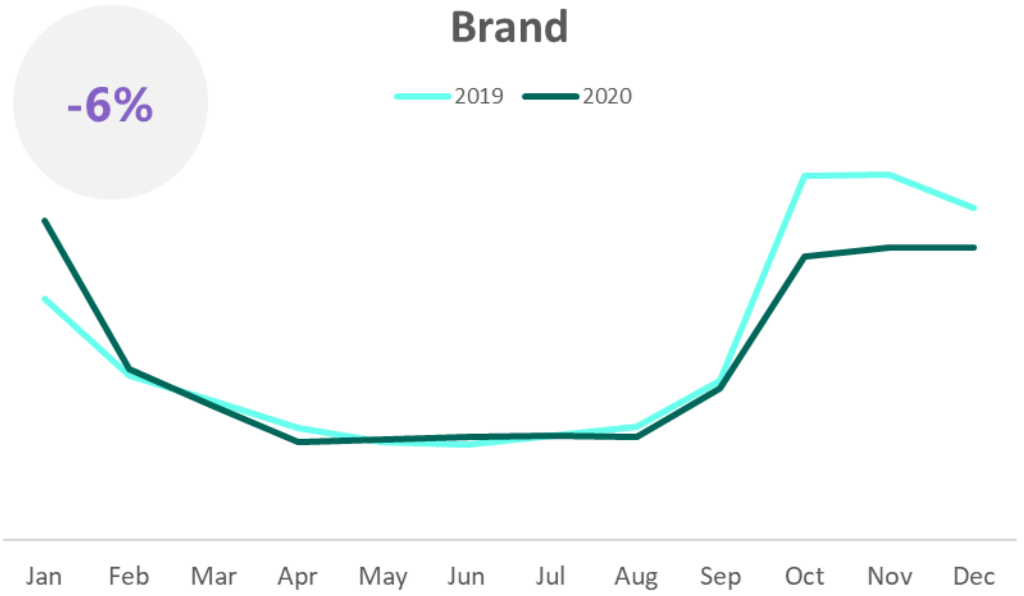


Source: Bing & Yahoo O&O searches excluding Dental & Vision. Medicare encompasses Traditional Medicare, MedAdvantage, MedSupp and PDP plans.

Microsoft

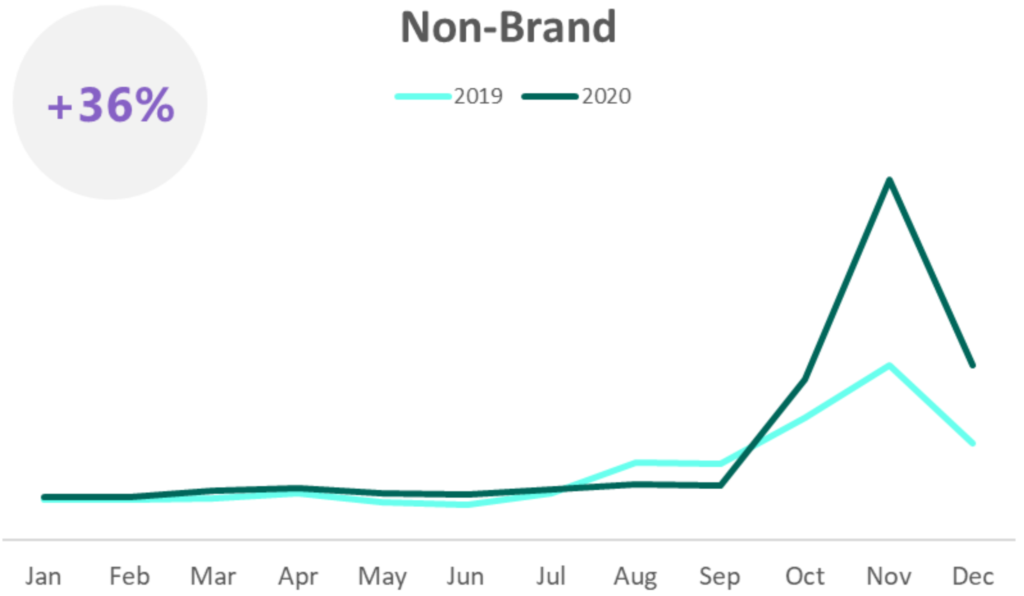
Medicare searches grew 30% in 2020 despite a drop in brand searches

Non-Brand searches peaked in Nov. but cannot be attributed directly to the Election



AEP Changes

Volume: -18.3%
Coverage: -0.3%
Density: +7.2%



AEP Changes

Volume: +76.6%
Coverage: -0.3%
Density: -30.6%

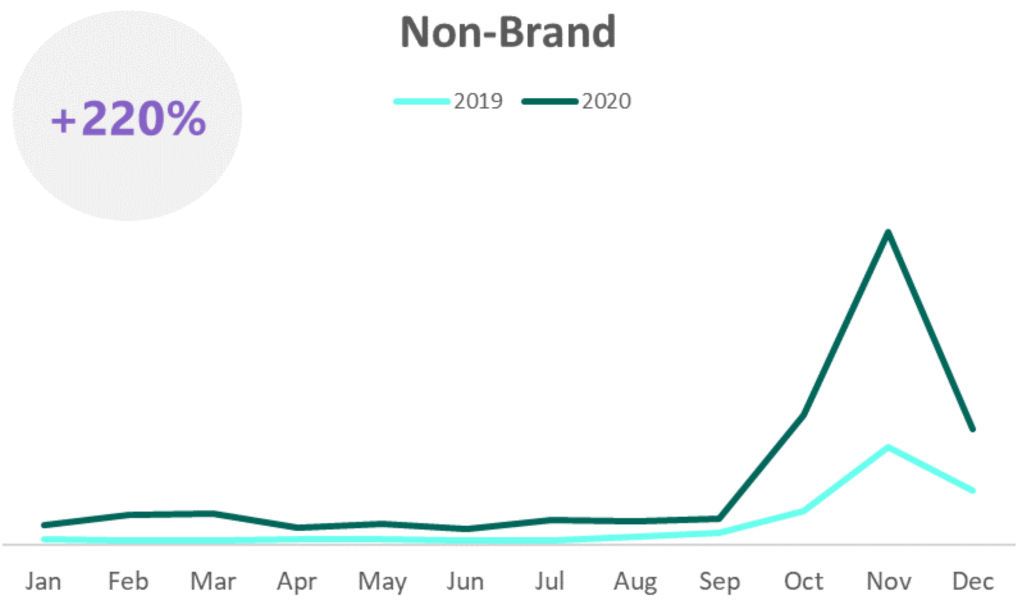
*Competition during AEP, as measured by ad-density, was **up for Brand** and **down for Non-brand** searches.*

Source: Bing & Yahoo O&O searches excluding Dental & Vision. Medicare encompasses Traditional Medicare, MedAdvantage, MedSupp and PDP plans.
Coverage defined as percent of search results pages with bids. Density defined as average impressions per search results page.

Microsoft

Within Medicare, Advantage searches grew the most and saw growth across brand and non-brand

This growth aligns with expectations from plan expansions



AEP Changes

Volume: +3.9% ↑
Coverage: +0.5% ↑
Density: +9.8% ↑

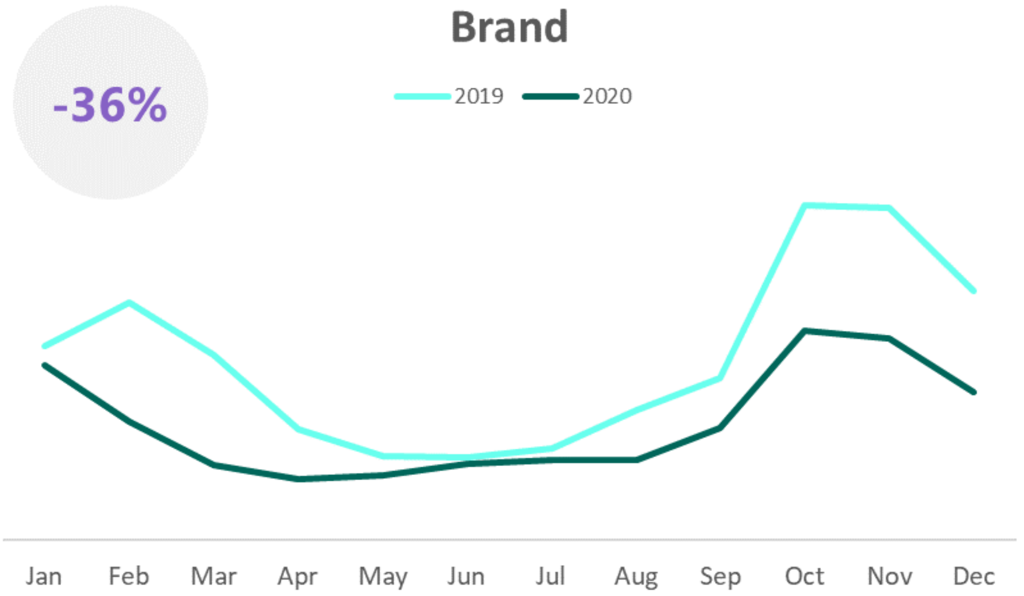
*Competition during AEP, as measured by ad-density, was **up for Brand** and **down for Non-Brand** searches.*

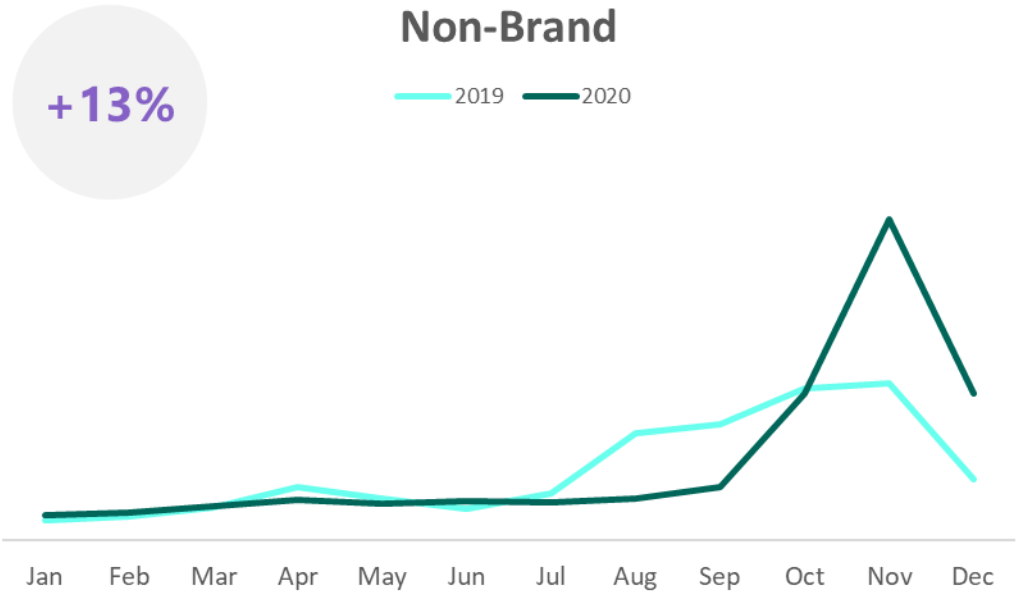
AEP Changes

Volume: +200.8% ↑
Coverage: -0.2% ↓
Density: -17.1% ↓

Source: Bing & Yahoo O&O searches excluding Dental & Vision.
Coverage defined as percent of search results pages with bids. Density defined as average impressions per search results page.

Conversely, Medicare Supplemental searches grew at a slower rate with many insurers continuing to focus on Medicare Advantage plans





AEP Changes

Volume: -39.1%
Coverage: +9.1%
Density: +11.5%

*Competition during AEP, as measured by ad-density, was **up for Brand** and **down for Non-Brand** searches.*

AEP Changes

Volume: +65.9%
Coverage: -2.4%
Density: -43.6%

Source: Bing & Yahoo O&O searches excluding Dental & Vision.
Coverage defined as percent of search results pages with bids. Density defined as average impressions per search results page.

Microsoft

MEDICARE: MED ADVANTAGE NON-BRAND GROWTH

Medicare Advantage Non-brand query volume grew across most categories, with minimal net new queries

2020 Medicare Advantage Non-Brand Query Volume by Category

	Generic	Compare	Question	Geo	Intent
% of Queries	87%	12%	0.6%	0.2%	0.2%
Query Examples	*"medicare advantage plan"* *"medicare advantage program"* *"medicare part c"*	*"best medicare advantage plan"* *"compare medicare advantage plan"* *"top medicare advantage plan"*	*"medicare part coverage"* *"medicare part c definition"* *"does medicare part c cover"*	*"medicare advantage plan state"* *"medicare advantage plan florida"* *"medicare advantage plan texas"*	*"find medicare advantage plan"* *"medicare advantage open enrollment"* *"medicare advantage open enrollment period"*

Increased search volume for 'Generic' and 'Compare' queries drove growth for Medicare Advantage Non-brand growth overall.

Volume Change from 2019

Source: Bing & Yahoo O&O searches excluding Dental & Vision.

Factors driving Non-brand Med Advantage Growth

+ 220%

Medicare Advantage Non-brand searches in 2020

Population ages and Med Advantage plans are attractive:

As the population ages, more Medicare-eligible members enter the market each year. The expansion of benefit offerings (such as telehealth) and low premiums makes these plans attractive to seniors.

More Med Advantage option requires more research:

With new competitors entering the market and old competitors expanding every year, seniors continue to have more options to research year over year. Seniors in 2021 had 18% more plans available to them on average.

Covid-19 forced seniors to be more digitally savvy:

With the Medicare-eligible population at high risk during the pandemic, socially distanced seniors spent more time embracing technology to manage their health. Without the ability to seek in-person Agency help when registering for Medicare plans, seniors had more incentive to research plans independently.

More Medicare-eligible users on Microsoft Network:

When comparing Medicare-eligible users on Bing in the peak of AEP (November) across 2018-2020, there was an increase from 18M to 20M to 21M users across the 3 years.

Source: Kaiser Family Foundation, AARP, ComScore

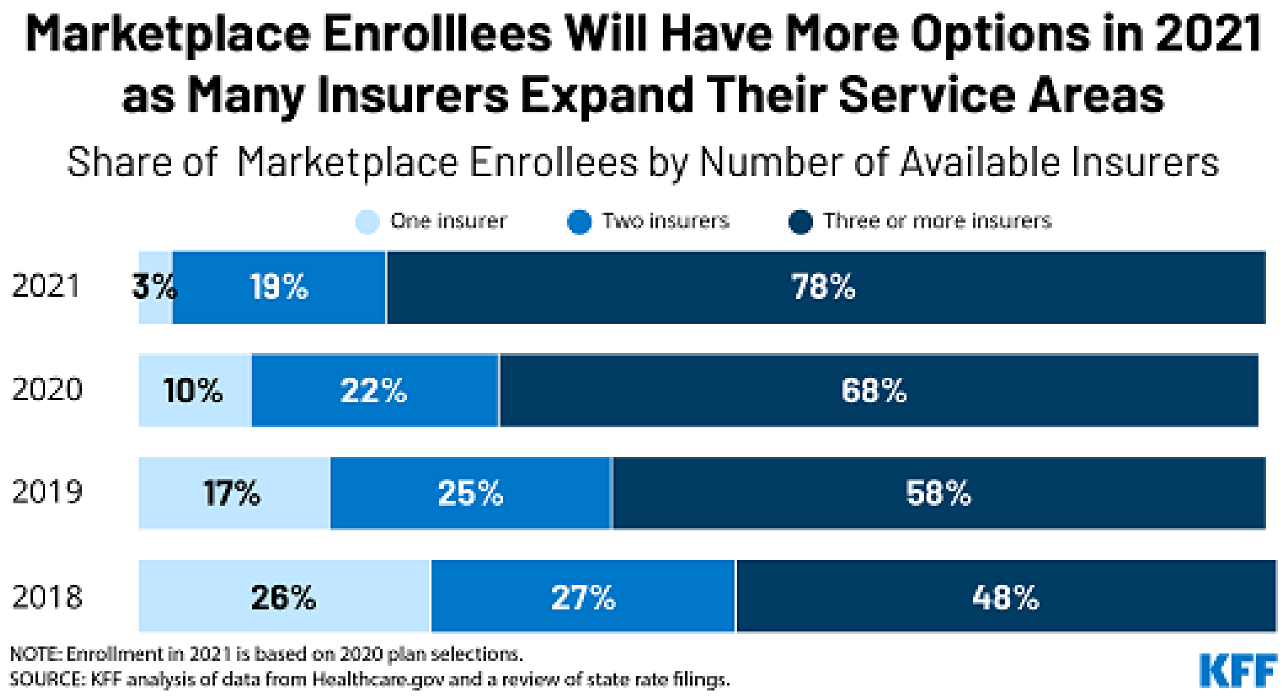
Individual

Search Trends, Competitive Insights & Key Events

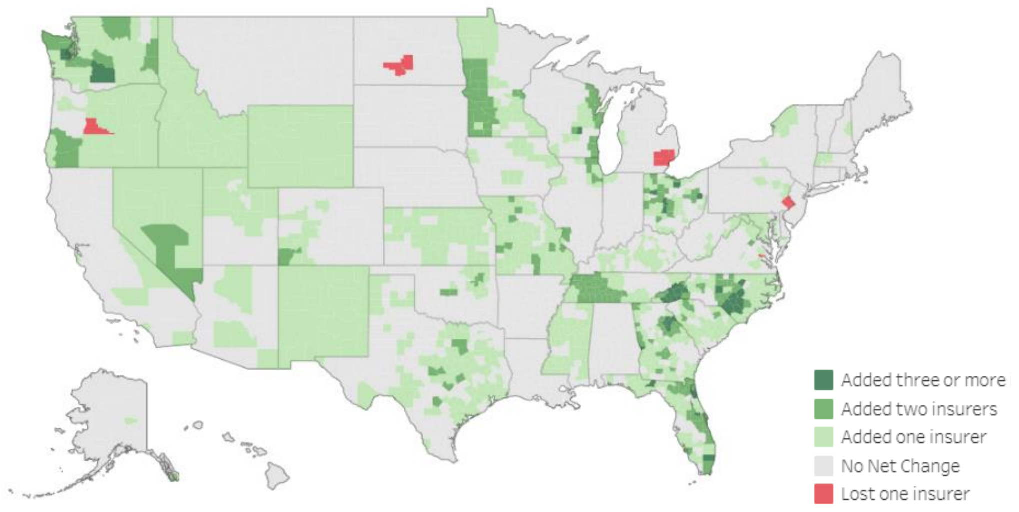
Footnotes

Microsoft

ACA Marketplace options continue to grow



Plan option additions/loses by county:
Few counties see decreased options.

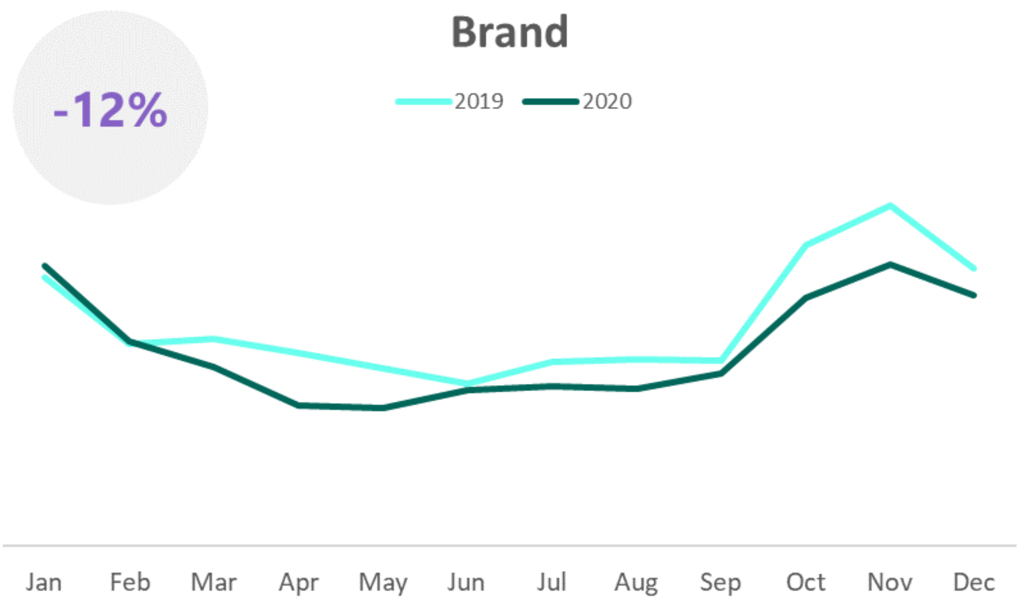


SOURCE: KFF analysis of data from Healthcare.gov and a review of state rate filings.

Source: Kaiser Family Foundation

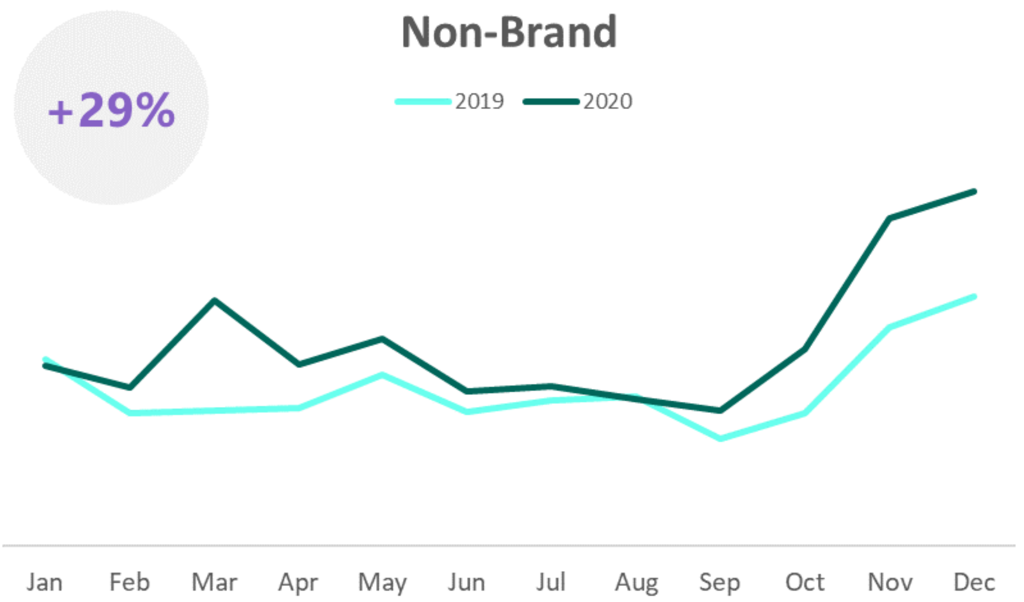
Searches for Individual plans grew 26% in 2020

Momentum from Covid-19 SEP continued through Open Enrollment



AEP Changes

Volume: -15.2%
Coverage: +0.2%
Density: +6.3%



AEP Changes

Volume: +46.3%
Coverage: +0.6%
Density: -7.8%

*Competition during AEP, as measured by ad-density, was **up for Brand** and **down for Non-Brand** searches.*

Source: Bing & Yahoo O&O searches excluding Dental & Vision. SEP stands for Special Enrollment Periods.
Coverage defined as percent of search results pages with bids. Density defined as average impressions per search results page.

Microsoft

Takeaways

1. Key drivers of search growth in 2020 and specifically AEP were Non-brand and Medicare Advantage searches.

2. Covid-19 had an impact on the Individual Market and stronger Medicare Advantage offerings.

3. Aggregators remain a strong force during AEP, although Insurers are maintaining dominance.

4. The continued Covid-19 pandemic and the current Medicare OEP season highlight opportunities to keep members engaged.

Microsoft