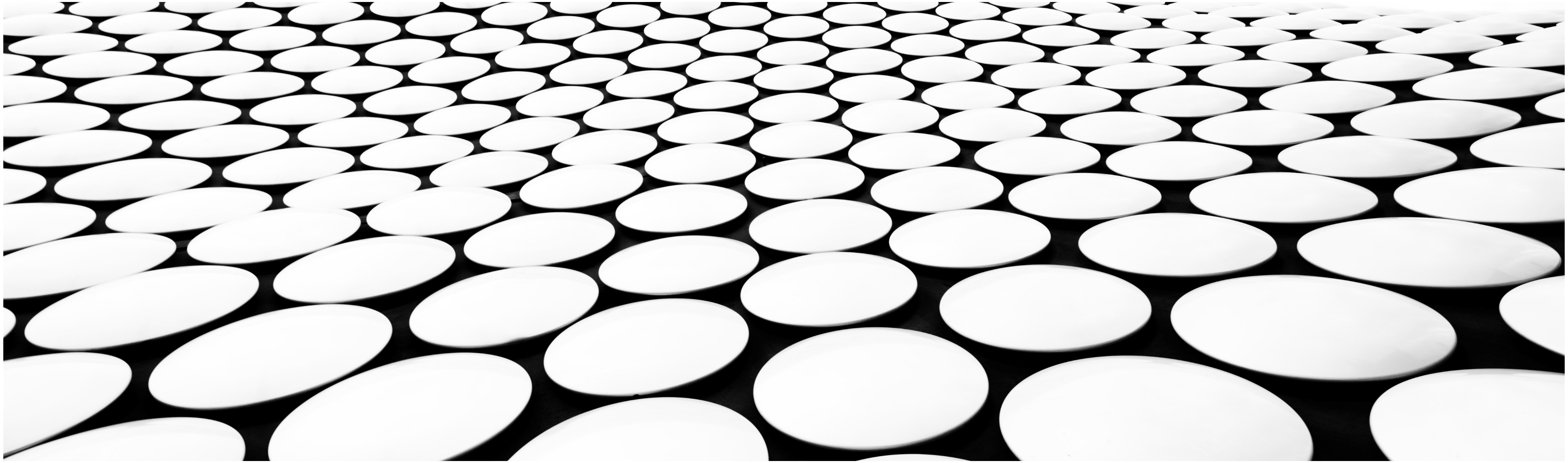
PANDEMIC IS NEARING AN END. NOW WHAT?

DWANE MCFERRIN, SVP SENIOR MARKET SALES



HOUSE-KEEPING

- To receive Credit, Make sure you have COMPLETELY filled out the sign in sheet
- Just go ahead and shut off your phone or set it to stun now out of courtesy to everyone who's here today.
- Breaks will be 10 minutes long. Please be back in your seat ready to start at the 10 minutes mark.

- Let's get started!

EFFECTS ON MEDICARE SALES OF PANDEMIC

- Brokerage business down roughly 30%
- Call Center business was up significantly
  - Impact on some carriers growing from 25% of book to 40% of book by call centers
- Consumer self-enrollment up sharply as agents adopted technology 2-3 fold
- Telemedicine became popular for meeting with providers


MEDICARE COVERAGE HELPLINE
The plan also includes:
Dental
Vision
Hearing
And Prescription
CALL THE
MEDICARE COVERAGE HELPLINE
Monday - Friday 8am to 8pm ET
1-800-404-9700
TTY: 711
Call To Speak To A Licensed Insurance Agent

CALL CENTERS THRIVED IN 2021 – WAS IT PROFITABLE?

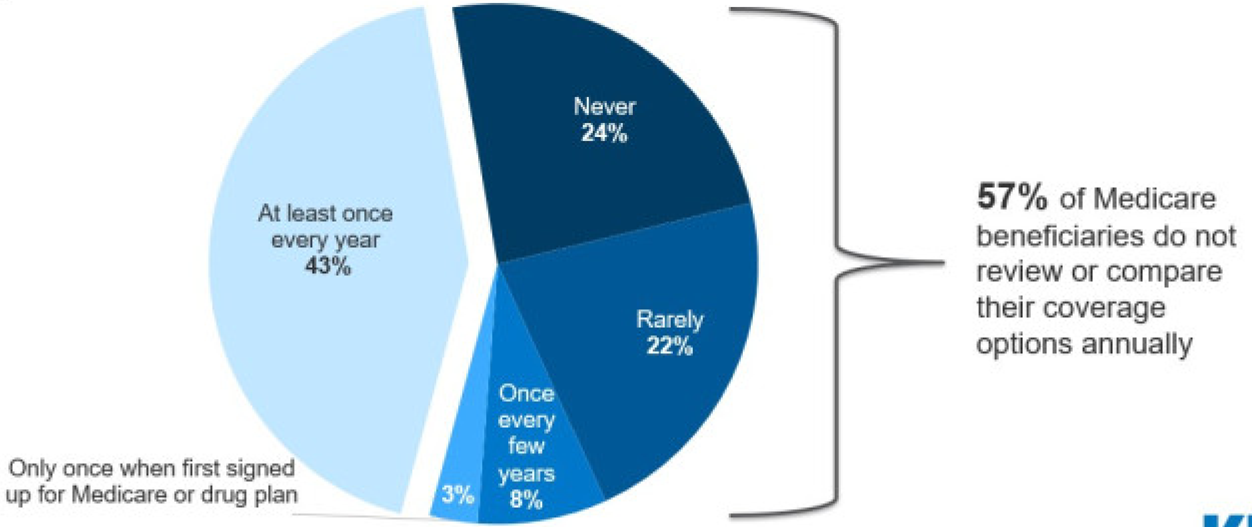
- Muddy Waters report on eHealth exposed inherent weakness of TV ads
  - High Rapid Disenrollment Rate
  - Low Retention
- Large carriers reporting AEP sales were strong for call centers but retention hovering around 70%
- Expect to see changes in co-op marketing to encourage broker-sold business this AEP
  - Medicare workshops rebounding!
  - Consumers willing to shop online

THE VALUE OF A LICENSED INSURANCE AGENT

Figure 1

More Than Half of Medicare Beneficiaries Report They Do Not Review or Compare their Coverage Options Annually

How often do you review or compare your Medicare coverage options? Would that be at least once every year, once every few years, rarely, or never?



NOTE: Excludes Medicare beneficiaries living in long-term care facilities and those who just signed up for Medicare.
SOURCE: KFF analysis of CMS Medicare Current Beneficiary Survey, 2018 Survey File.

KFF
HENRY J KAISER FAMILY FOUNDATION

CHANGES IN CMS FILINGS FOR 2022

MCMGs – Medicare Communications and Marketing Guidelines

- All of the policy of the MCMG has been put into the regulations
- The MCMGs will no longer be referenced or updated
- Please refer to the regulations at 42 CFR Part 422 Subpart V

HPMS – NEW MULTI-PLAN FILING PROCESS

- Effective 5/28/2021 CMS introduced a new multi-plan submission process in HPMS
- This is the only process to submit multi-plan marketing material filings for approval (includes scripts)
- There will no longer be a Lead Plan Sponsor (LPS)
- New terminology – CMS now refers to 3rd party filers (e.g., FMOs) as “Consultants”
- The “Consultant” will act as a Lead Plan Sponsor

NEW OPPORTUNITIES THIS AEP

Walmart

You're invited!
Medicare Workshops Near Me

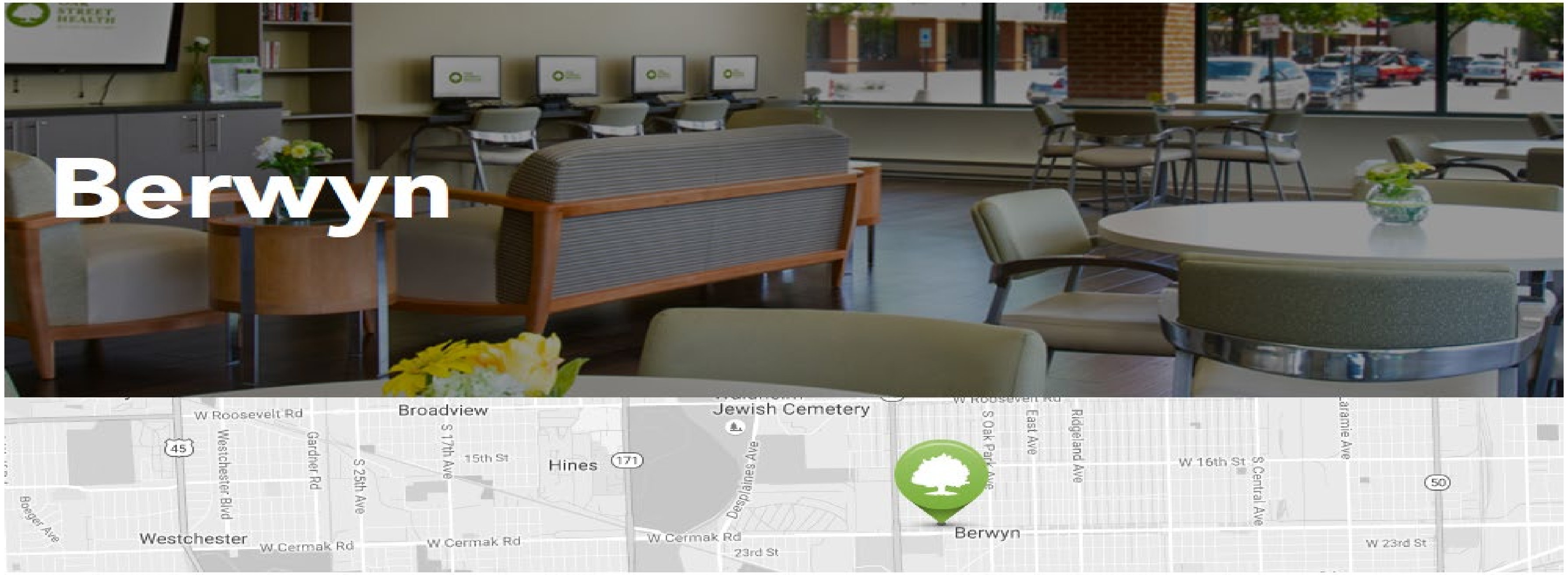
Oak Street Health

ArchWell
HEALTH

NEW MODELS OF HEALTHCARE

Iora Health

NEW MODELS OF HEALTHCARE
OAK STREET HEALTH



Information

7000 W Cermak Rd, Berwyn, IL 60402

708-484-8090

Monday through Friday, 8:00am to 5:00pm

Services

AEP ROLLOUT MEETINGS

Carrier	Dates	Event Name	In Person/Virtual
ANTHEM	Jun 16	National Partner Forum	Virtual
Humana	Jul 13-14	MarketPoint Partner Summit	Virtual
WellCare	Jul 20-22	MAPD Rollout Meeting	In Person
AETNA	Jul 20-23	Medicare NDP Summit	Virtual
UHC	Jul 27-29	AEP Rollout Meetings	In Person
CIGNA	Aug 3-5	Distribution Summit	In Person

AEP ROLLOUT MEETINGS - WEBINARS

Today < > **July 2021** Agenda Day Agenda Week Month

M	T	W	T	F
28	29	30 **10a** MID: Client-Facing Technology	1	2
5	6	7	8	9
12	13	14	15 **10a** Humana Medicare Advantage First Look for 2022	16
19	20	21 **10a** Aetna Medicare Advantage First Look for 2022	22	23 **10a** WellCare Medicare Advantage First Look for 2022
26	27	28	29	30 **10a** UnitedHealthcare Medicare Advantage First Look for 2022
2	3	4	5	6 **10a** Cigna Medicare Advantage First Look for 2022

2022 CERTIFICATION DATES

- AHIP – June 21st
- UHC – June 28th
- Aetna – June 29th
- Humana – June 29th
- Anthem – June 30th
- NAHU – July 1st
- Wellcare – July 7th

SPECIAL ELECTION PERIODS

- FEMA declared disasters
- Civil Unrest
- Fuel Shortages

MAJOR CHANGES SHAPING HEALTHCARE

American Rescue Plan

Individual Coverage HRA

Observation Status Relief?

2019 | 2020 | 2021

Pandemic and Bipartisan Focus on High Cost of Drugs

Insulin Senior Savings Program

Telemedicine

WHAT IS ICHRA?

- Individual Coverage HRA as an alternative to traditional group health plan coverage and allows employers to reimburse employees tax-free for their individual insurance
- Includes Medicare Part B and D premiums
- Available to employers of all sizes
- Four steps:
  - *Company chooses the allowance*
  - *Employees buy health care*
  - *Employees submit proof of incurred expenses*
  - *Company approves and pays the reimbursement*
- Under no circumstances may an employer offer an employee a choice between GHP and an ICHRA

ICHRA AND MEDICARE

- Under the ICHRA final regulations, Medicare is considered qualifying individual medical coverage and reimbursement of Medicare or Medicare supplemental premiums does not violate Medicare Secondary Payer (MSP) rules.
- Employers subject to the MSP rules who offer an ICHRA to a class of employees must:
  - Allow all employees in the class to enroll in either individual health or Medicare.
  - Not limit ICHRA reimbursements to only medical expenses not covered by Medicare.

SO WHAT?

- You will hear of agents selling ACA products in employer settings
  - Most likely under 50 employees
- You will hear of agents enrolling Medicare-eligibles through an employer
- An ICHRA Third Party Administrator is likely needed
- The individual market is growing

INSULIN SENIOR SAVINGS PROGRAM

- Insulin copays capped at $35 during Deductible, Initial Coverage, Cover Gap and Catastrophic phases (participating plans)
- Nearly all major insulin brands are $35 if on formulary for the participating plan
- Many 2021 Part D and MAPD plans are not participating

2021 PARTICIPATING PLANS

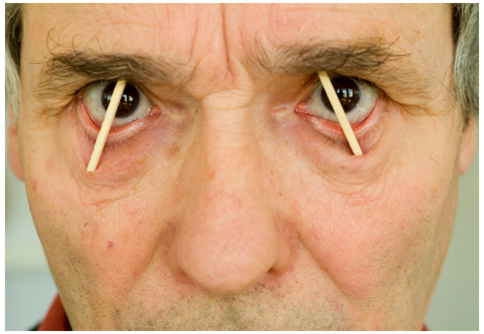
Carrier	Part D	MAPD
Humana	Humana Premier Rx	2,183
Cigna	Secure-Extra Rx Express Scripts Medicare Choice Express Scripts Medicare Saver	None
UHC	AARP MedicareRx Preferred	4,648

2021 PARTICIPATING PLANS

Carrier	Part D	MAPD
Aetna	None	12 (Florida)
Wellcare	Wellness Rx Wellcare Value Script Wellcare Medicare Rx Value Plus	212
MOO	MOO Rx Premier	N/A

PRESCRIPTION DRUG PRICES

- Democrats' signature drug pricing bill, H.R. 3, will be included in an infrastructure bill expected to be voted on this summer.
  - That bill ties what the U.S. pays to the prices paid in other countries
  - Massive fines for drug makers that refuse to lower their prices.
- PhRMA is endorsing ending "product hopping," a tactic drug makers use where they introduce a new patented version of a drug to prevent it from going generic.



SO WHAT?

- Expect to see many more plans in 2022 participating
- Democrat efforts to reduce Rx costs following bipartisan efforts in 2020
  - Prescription Drug Price Relief Act of 2021*
  - The Affordable and Safe Prescription Drug Importation Act
  - The Medicare Drug Price Negotiation Act of 2021

* In 2019, Americans spent $1,128 per person on prescription drugs while Canadians spent $879 and people in the U.K. spent $526.

WHAT IS THE AMERICAN RESCUE PLAN?

- Recently passed legislation on $1.9 trillion impacting COVID and other Biden-Harris administration priorities
- Many people who enroll in health coverage through HealthCare.gov will qualify to save money on their premiums.
  - Four out of five enrollees (up from 69% pre-ARP) will be able to find a plan for $10 or less per month after tax credits, and over 50% (up from 14% pre-ARP) will be able to find a Silver plan for $10 or less per month.

IMPACT ON UNDER 65 MARKET

- About 14.9 million Americans lack health insurance will be able to save on premiums
  - 3.6 million uninsured people are estimated to be newly eligible for health care coverage savings.
  - 1.8 million uninsured people are estimated to be eligible for zero-dollar benchmark Marketplace coverage.
  - An additional 9.5 million uninsured people with incomes between 150% and 400% of the FPL are estimated to potentially qualify for additional financial support

SO WHAT?

- Some agents will gravitate back to the ACA market
- Call centers are likely to add ACA to their portfolio
- The opportunities in the individual and Medicare market are growing

OBSERVATION STATUS

- Bipartisan Bill H.R. 3650
- Relief for those not hitting two midnight rule on Skilled Nursing/Rehabilitation
- Operation Shout!

MEDICARE OF TELEHEALTH – PRE 2020

- **Very limited coverage**, especially prior to 2019: **Medicare Parts A and B**
- Patient had to be:
    - In an approved rural and/or low population area (Section 1834m)
    - In an approved healthcare provider's office to receive virtual care
    - Medicare healthcare provider had to be licensed in the patient's geographic state
- Only live, interactive video evaluations allowed

POST COVID-19 CRISIS AND MEDICARE TELEHEALTH

- Millions of patients utilized telehealth during this crisis, most for the first time
- As importantly less than 20% of healthcare providers had ever used virtual care prior to COVID-19 but were forced to during this crisis
- The vast majority of these providers enjoyed their telehealth experience and plan to utilize it in their practices moving forward

POST COVID-19 CRISIS AND MEDICARE TELEHEALTH

- **Conclusions**
  - The COVID-19 crisis has permanently changed the perception and practice of telehealth for both the US in general and Medicare specifically
  - Moving forward telehealth will play an increasingly important role for all aspects of Medicare care delivery, including Part B, Medicare supplement/Medigap, and Part C (MA)
  - Medicare telehealth fits perfectly into the many developing Virtual Primary Care products that are entering the market during and after the COVID-19 crisis
  - Emergence of wearables will likely lead to increased usage of telemedicine

SO WHAT DOES IT ALL MEAN?

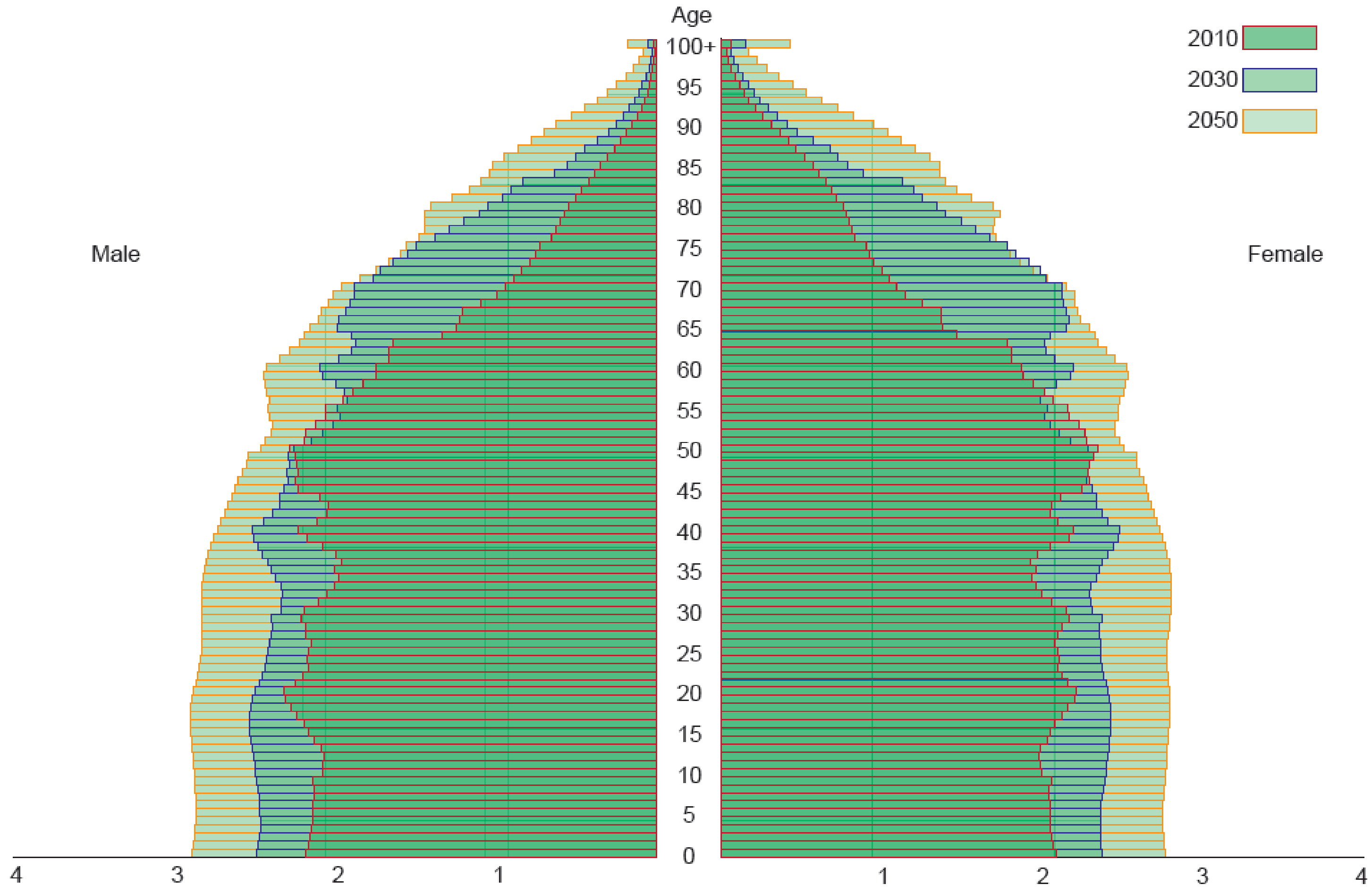
- Medicare marketing opportunities continue to increase!
- New competition is a challenge but has flaws
- Consumer behavior has changed in how they shop and seek healthcare
- Individual ACA market is growing due to ICHRA and America Rescue Plan
- Legislation is likely to impact prescription drug costs
- Expect to see more plans participate in the Insulin Senior Savings Program
- Regulation is likely to continue telehealth and provide Observation Status relief
- Adapting to change is key for you to compete

US POPULATION PROJECTIONS

Figure 6. Age and Sex Structure of the Population for the United States: 2010, 2030, and 2050

2008 National Projections

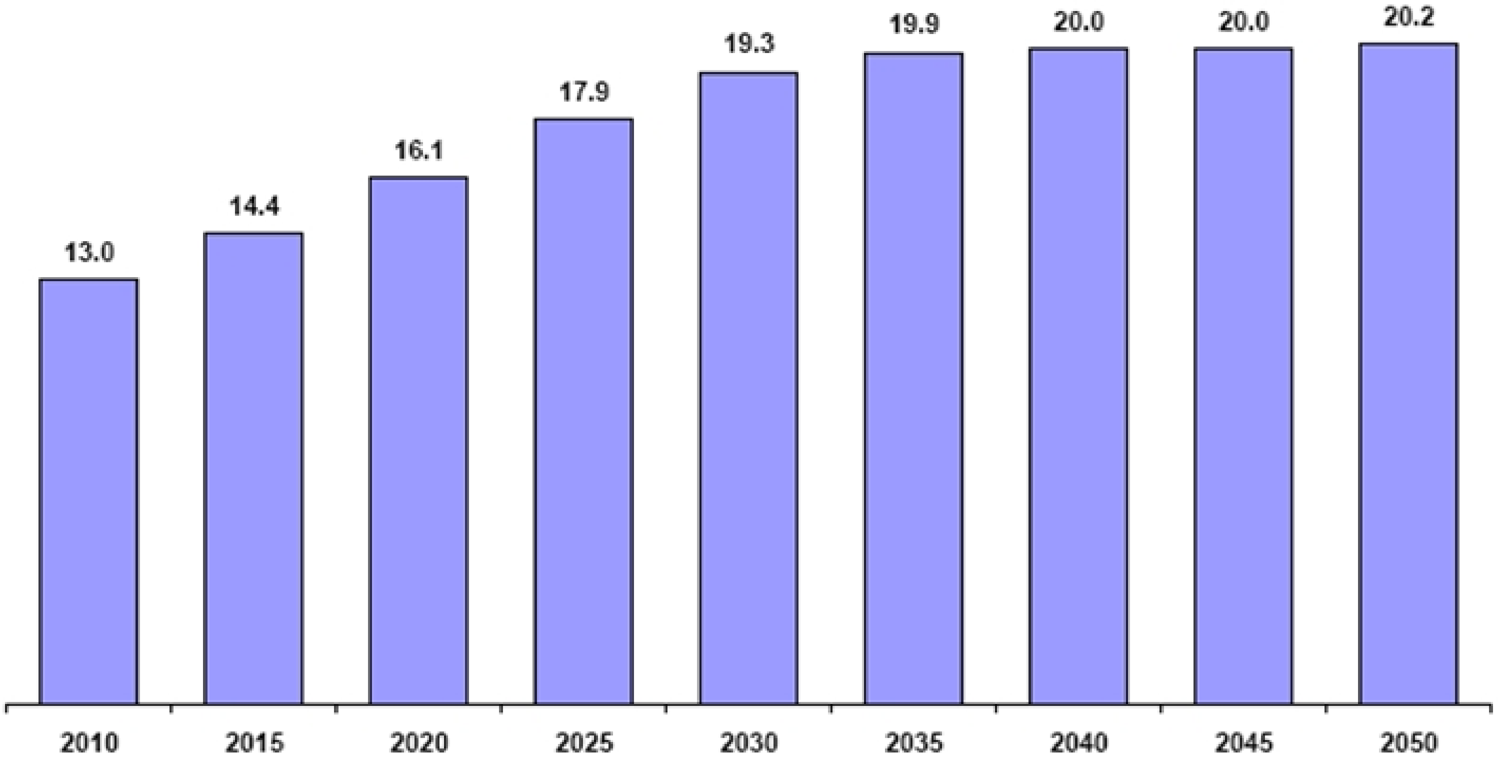
(In millions)



Source: U.S. Census Bureau, 2008.

US POPULATION PROJECTIONS

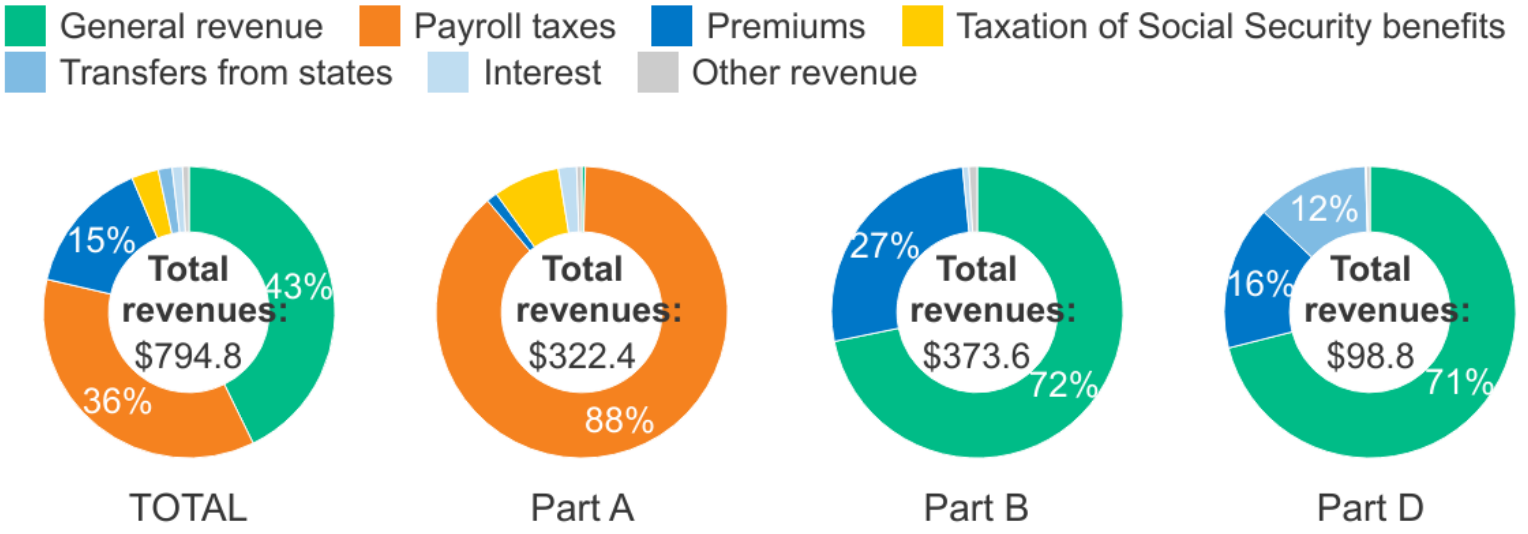
Projected Percent of the U.S. Population Aged 65 and Older: 2010 to 2050



Source: Population Division, U.S. Census Bureau
Released: August 14, 2008

Figure 1

Medicare Revenues Come From Different Sources, Primarily General Revenues, Payroll Taxes, and Premiums Paid by Beneficiaries



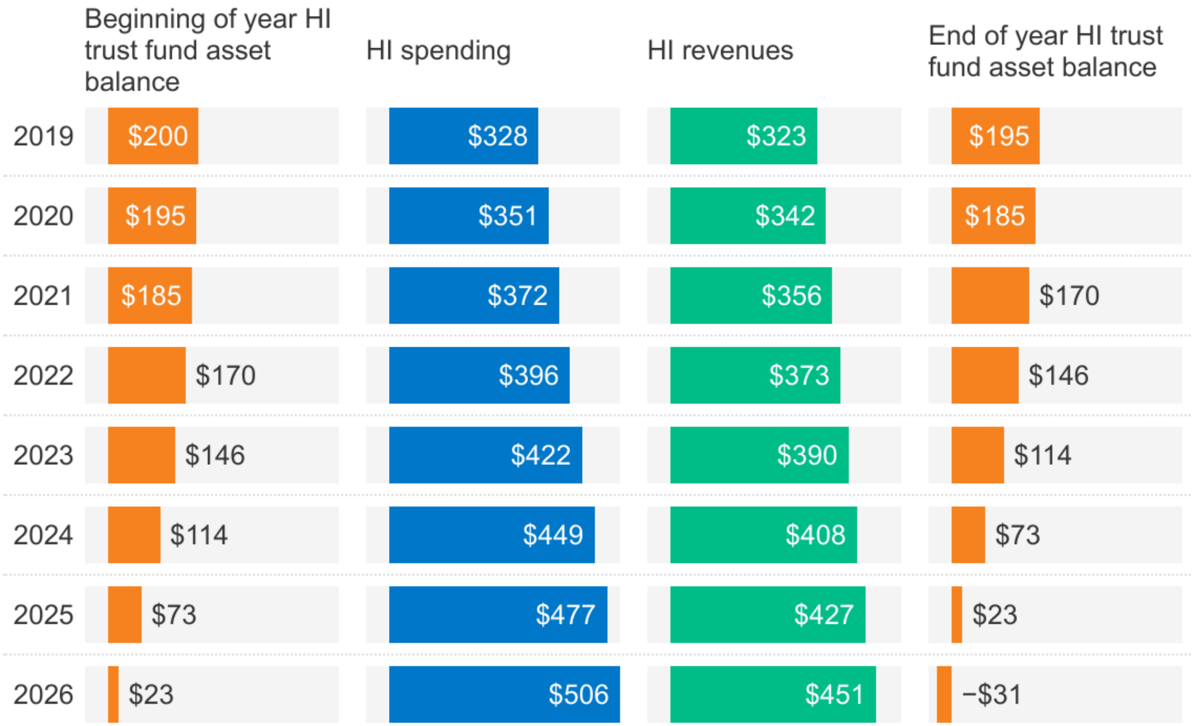
NOTE: Data are for calendar year 2019.

SOURCE: KFF analysis based on data from the 2020 Annual Report of the Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Trust Funds, April 2020.

KFF

Figure 2

Assets in the Medicare Hospital Insurance Trust Fund are Gradually Being Depleted



NOTE: HI is Hospital Insurance. Amounts in billions.
SOURCE: KFF analysis of data from the 2020 Annual Report of the Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Trust Funds, April 2020.

KFF

MEDICARE TRUST FUND HISTORY – PROJECTIONS OF DEPLETION

Insolvency Projected

- 1996 (5 years)
- 1997 (4 years)
- 2021 (5 years)

Insolvency Unlikely

- 2000 (25 years)
- 2001 (28 years)
- 2002 (28 years)
- 2003 (23 years)
- 2010 (19 years)
- 2014 (16 years)
- 2015 (15 years)

Source: Kaiser Family Foundation and CBO Trust Fund Projections for 2021

DISTRIBUTION CHANGES

MEDICARE DISTRIBUTIONS ARE CHANGING

- Venture Capitalists purchasing smaller FMO's
- Large and Small call centers entered the market
- E-app and Consumer-facing enrollment usage is growing significantly
- Amazon getting into the Pharmacy business?
- Drones ??? Seriously ???

THE END!