

MEDICARE PART D

Compliance News

Internet Marketing May Decrease Costs and Increase Compliance

Part D sponsors continuously face challenges to reduce costs and step up compliance when marketing their plans to beneficiaries. In addition to suggesting plans give more attention to agent/broker activities, some experts claim that increased usage of the Internet will soon become one of the most effective marketing tools.

Based on a survey of more than 350 plans conducted by Connecture, Inc., 47% of organizations said the most challenging aspect of offering Part D and Medicare Advantage products is staying in compliance, and 50% identified acquiring new members as the most costly process. Joe Agazzi, vice president of managed care solution provider MedicareCRM, suggested that plans look into tying their sales technology into their compliance process. This will ensure that the plan is tracking agent credentials, beneficiary consent levels and outreach activity. Plans really need a "single source of truth" to track and trend compliance information, he said.

The survey also revealed that historically internal (call centers) and external (agents and brokers) sales channels have been the most dominant, David Sockel, senior vice president at Connecture, told listeners during an April 7 webinar on effective marketing. However, respondents indicated that these channels will "decrease dramatically over time," he asserted, with direct health plan sites or proprietary websites growing by over 50%. This shift shows that plans are taking more control in their marketing, Sockel contended.

During an April 26 AIS-sponsored webinar, John Gorman, founder and CEO of Gorman Health Group, LLC, told listeners that baby boomers aging into Medicare in 2011 are "a very different generation than [MA] is used to serving." They are more "managed-care friendly" and more "wired," using the Internet three times more than do the World War II generation, he explained.

"As the senior population becomes more sophisticated, we also have to become more sophisticated in developing a user-friendly interface for that population," said Agazzi. He also pointed to the baby boomers as the next trend plans should be ready to capitalize on.

Agazzi referenced a survey conducted by Forrester Research of 38,000 adults as to how they use media on a weekly basis. The findings were "striking," he said. The results showed that seniors (65+) watched 14 hours of television per week, listened to six hours of radio per week and accessed the Internet for 12 hours per week. It is "very telling" that these individuals are on the Internet and using it for personal purposes plus work-related usage, Agazzi asserted.

Boomers Buy Online

In another survey of 14,000 individuals and how they used the Internet over a one-month period, 49% of baby boomers access the Internet for research of product purchases, and 43% used it to actually purchase products.

Based on these results, the goal for plans, said Agazzi, is to tie in sales activities to the Internet. "This will improve conversion rates and ensure that we are capturing our compliance information required by CMS," he explained.

Donna Burtanger, senior director of Medicare for Silverlink Communication, tells *PDN* that the Internet also helps lower acquisition costs. "Communication is expensive," she contends, and plans need to drive customers to "more of a self-service model, such as online enrollment" and e-mail. Relying on the Internet instead of agents and brokers will cut down on costs such as sales commissions, she adds.

It is imperative that plans have strong processes for capturing marketing leads generated by the Internet and other media marketing, said Sockel. After generating Internet inquiries from potential enrollees, it is important to provide information targeted to the specific audience, he explained.

With complex products such as Part D and MA plans, Sockel advises three practices:

- ◆ *Educate seniors on the plan choices* available, giving them the ability to search by their geography.
- ◆ *Allow them to compare and download* the different benefit information that is available for the different plans, with takeaways they can look at afterwards in print screen or PDF format.
- ◆ *Provide potential Part D enrollees* with the ability

to look up their prescription drugs by name or condition, match drugs to the plan options and compare their out-of-pocket costs based on those coverage options.

Socket also claimed there is the potential for an “explosion in retail stores.” Agazzi agrees, adding that it’s a channel that gives “direct access to beneficiaries,” he said, and possibly aids in membership retention. He references Highmark Inc., which announced April 7 that it would be opening four additional retail health stores in Pennsylvania this year. Highmark claimed to

have 20,000 individuals access their retail locations last year, said Agazzi.

The survey did not ask about social media (i.e., Twitter, Facebook, etc.), but Socket predicted it would be a “growing area for marketing channels in the future.” In fact, HHS recently issued draft guidance on the use of social media for marketing, he said.

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