



Humana.

Medicare Advantage

November 12, 2020

Mike Hoak

AVP of Public Policy

Government Affairs

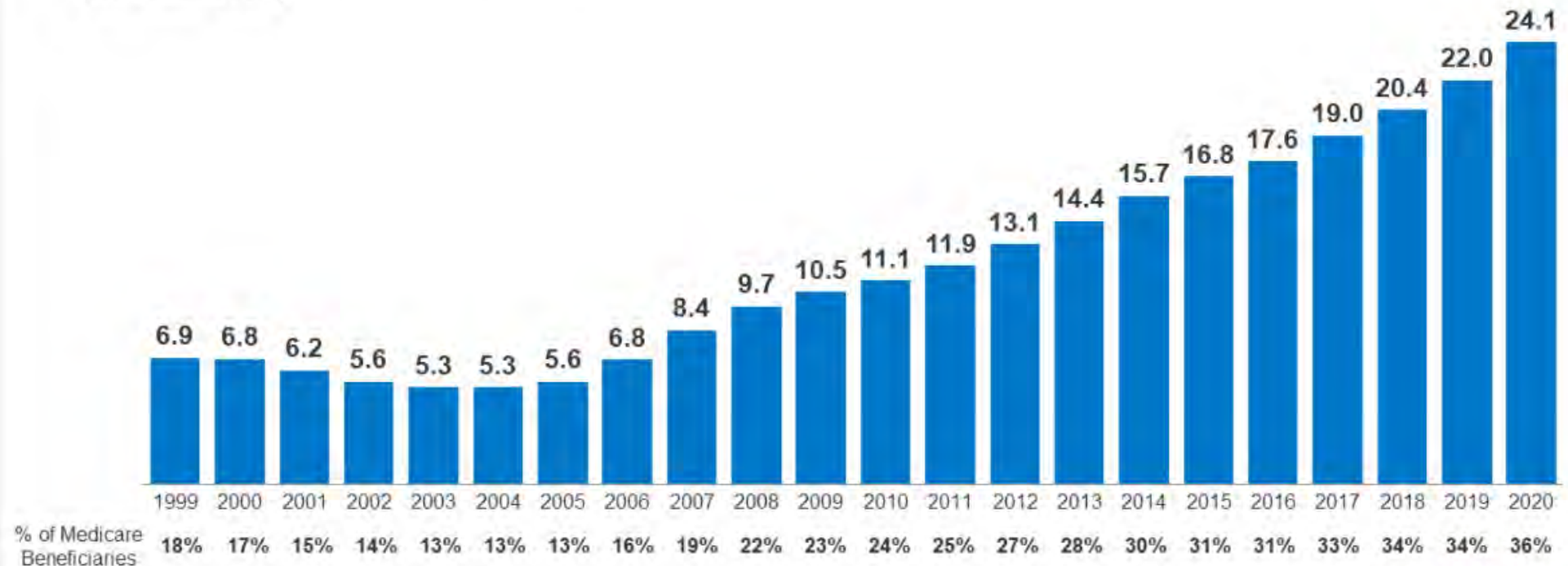


Current Landscape

Enrollment in Medicare Advantage Has Doubled Over the Last Decade

Figure 1

Total Medicare Advantage Enrollment, 1999-2020 (in millions)



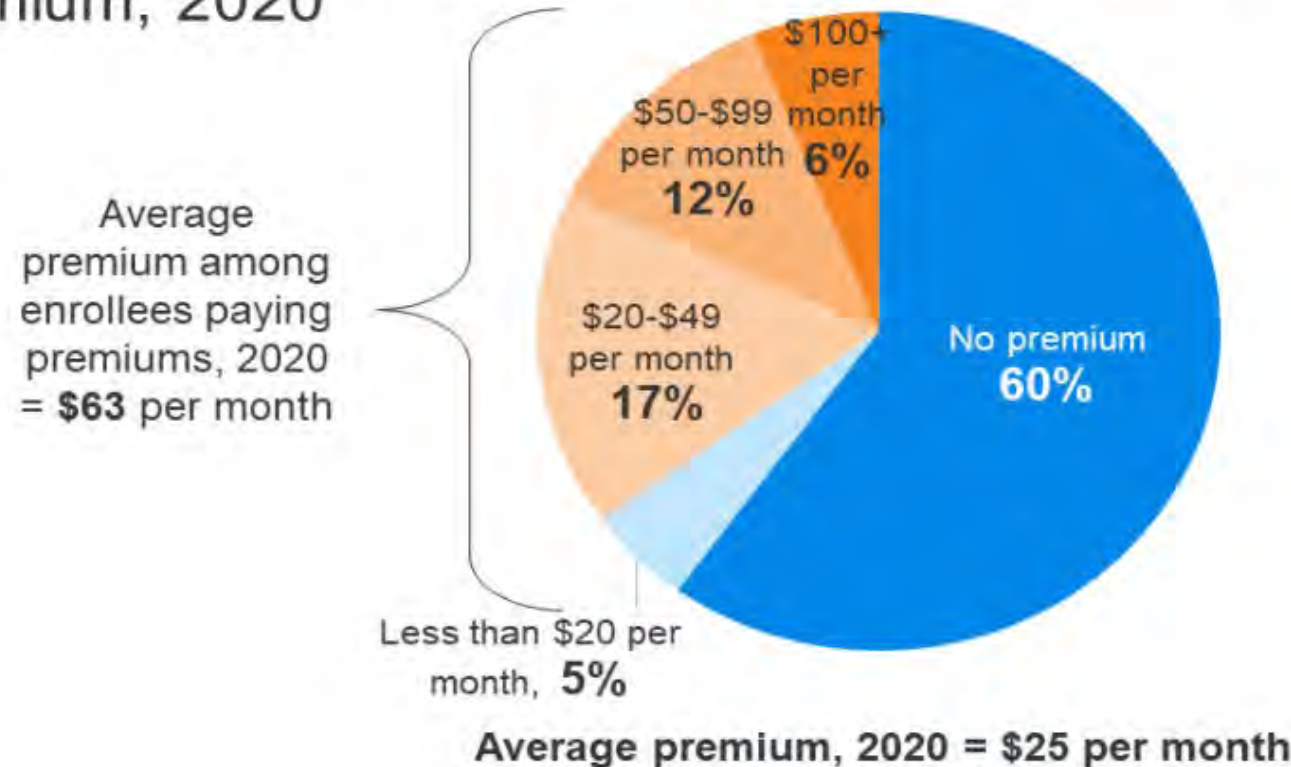
NOTE: Includes cost plans as well as Medicare Advantage plans. About 68 million people are enrolled in Medicare in 2020.

SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2008-2020, and MPR, 1999-2007; enrollment numbers from March of the respective year, with the exception of 2006, which is from April.



Majority of Medicare Advantage Enrollees Have \$0 Premium

Distribution of Medicare Advantage Prescription Drug Plan Enrollees, by Premium, 2020



NOTE: Excludes SNPs, employer-sponsored group plans, demonstrations, HCPPs, PACE plans, and plans for special populations, and Medicare Advantage plans that do not provide prescription drug coverage. Premiums were missing for less than 1% of enrollees.

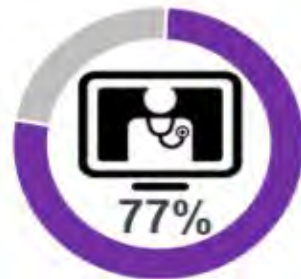
SOURCE: KFF analysis of CMS Medicare Advantage Landscape and Enrollment Files, 2020.

Medicare Advantage Supplemental Benefits Continue to Grow

Share of Medicare Advantage Enrollees in Plans with Extra Benefits by Benefit Type, 2020



Eye exams and glasses



Telehealth



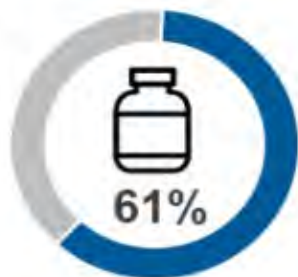
Dental Benefit



Fitness Benefit



Hearing aids



Over the Counter Benefits



Meal Benefit



Transportation



Bathroom Safety



In-Home Support

NOTE: Dental includes plans that only provide preventive benefits, such as cleanings.
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment and Benefit Files, 2020.

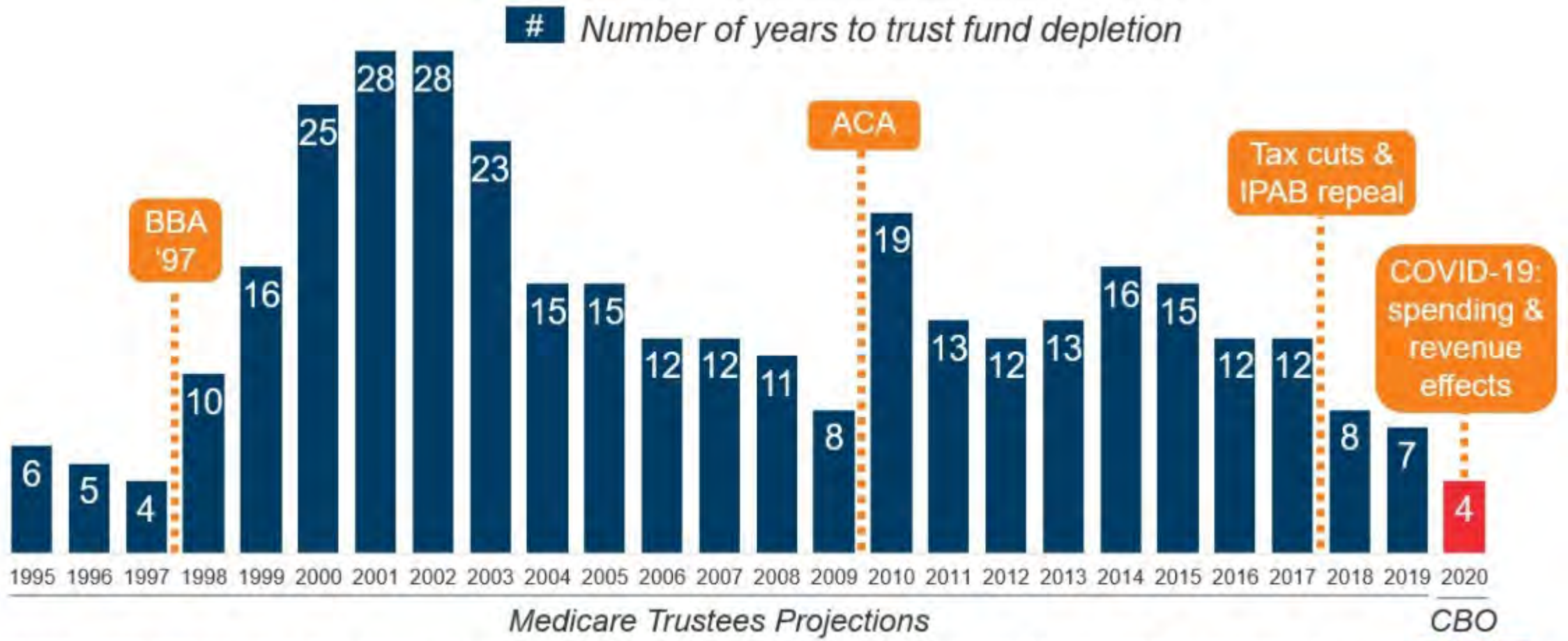
2021 Advance Rate Notice Maintains Stable MA Funding

Component	2020 Advance Notice	2020 Final	2021 Advance Notice	2021 Final	2022 Advance Notice
Effective growth rate	4.59%	5.62%	2.99%	4.07%	4.55%
Rebasing/re-pricing	TBD	-0.02%	TBD	-0.35%	TBD
Star Ratings	-0.14%	-0.14%	0.23%	0.23%	-0.34%
Risk model revision	0.28%	0.21%	0.25%	0.25%	0.25%
MA coding intensity adjustment	0%	0%	0%	0%	0%
FFS normalization	-3.08%	-3.08%	-2.54%	-2.54%	-1.64%
Encounter data transition	-0.06%	-0.06%	0%	0%	0%
Expected Average Change in Revenue from Policies	1.59%	2.53%	0.93%	1.66%	2.82%



Future Outlook

The Medicare Trust Fund is Projected to be Depleted Within 4 years – in 2024 – Sooner Than at Any Point in the Last 20 Years



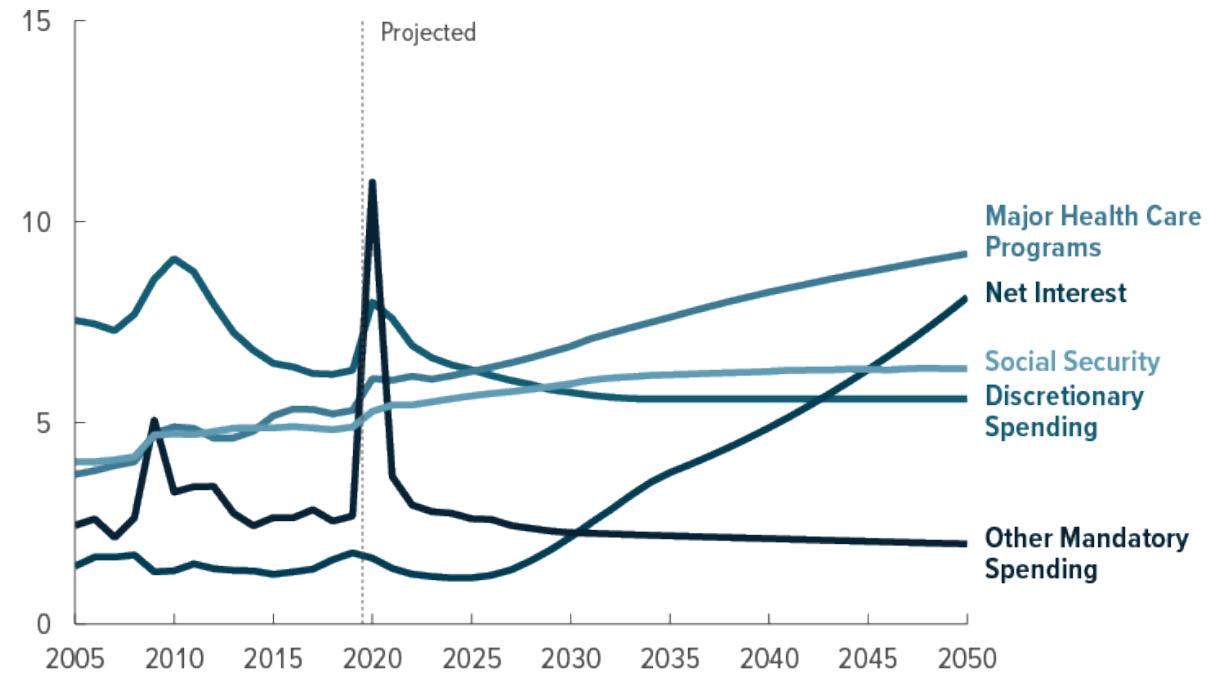
SOURCE: 1995-2019 projections from intermediate projections from 1995-2019 Annual Reports of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds; 2020 projection from CBO, The Outlook for Major Federal Trust Funds: 2020 to 2030, September 2020.

Federal Deficit Nearing All-Time High and Health Care Programs are Primary Driver

Federal Debt Held by the Public as a Percentage of GDP



Key Drivers of Federal Debt Held by the Public as a Percentage of GDP



Key Questions for 2021

- Will the Biden Administration and/or Congress seek to reduce MA payments?
- Are certain aspects of the MA program more at risk for payment cuts than others – i.e., Risk Adjustment, Stars, FFS benchmarks, etc.?
- Will the Biden Administration continue to push for expanding Medicare eligibility if Republicans maintain control of the Senate?
- Can Democrats and Republicans broker a deal on drug pricing?