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ACA 2016 TRENDS TO WATCH
Six trends your marketing team should look out
for when planning your 2016 campaigns.



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M A R K E T I N G I N S I G H T

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Trends Your Marketing Team Should Be Watching

The Affordable Care Act marketing pros at Responsory have pulled together six trends targeted for various segments that your marketing teams should be on the lookout for as you firm up your 2016 Marketing Plan.

Since the launch of the Affordable Care Act, individual market enrollment has seen fast-paced growth. Over 15 million had major medical coverage in the individual insurance market in 2014 — both inside and outside public health care exchanges, according to the Kaiser Family Foundation.

This is a huge jump over previous years — about 46% higher than 2010 coverage numbers, which was around 10.6 million.

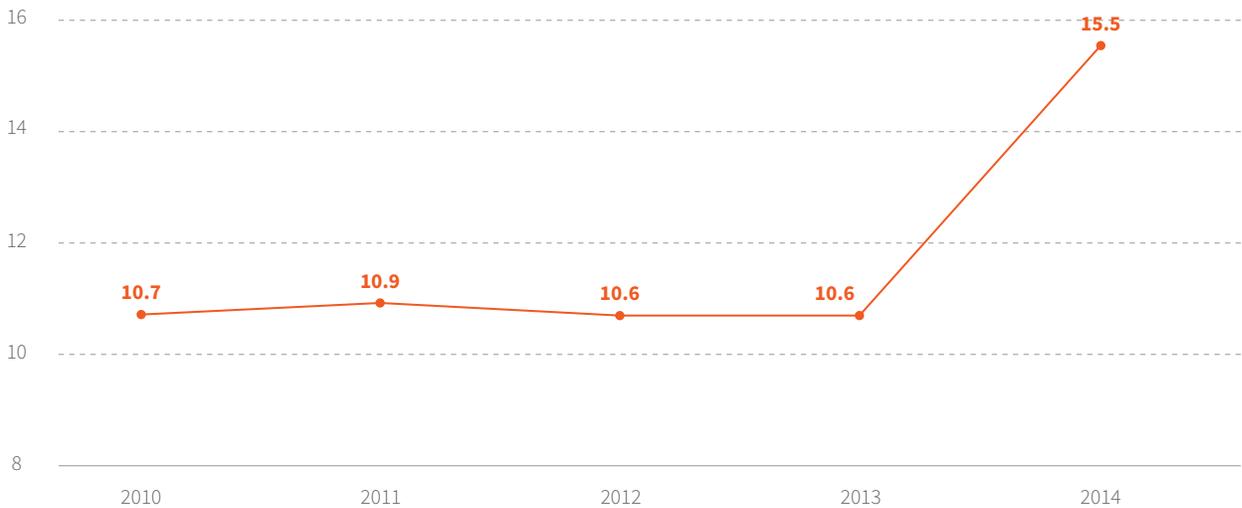
One way to stay ahead of the curve and better control growth, is to isolate your key target segments. Understanding who they are and remaining diligent in communicating specifically to them will ensure your brand never enters the losing proposition of “one size fits all.”

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MARKETING INSIGHT

INDIVIDUAL MARKET ENROLLMENT

In Millions





1. FEW AMERICANS COMPARE PLANS, HOSPITALS, DOCTORS

Target Segments:

Uninsureds and those new to ACA; switchers (those dissatisfied with their current insurer or plan)

Although consumer-directed health plans are on the rise, few Americans report comparing the quality and price of plans, hospitals or doctors. Fewer than one-in-five Americans surveyed by the non-partisan Kaiser Family Foundation reported having seen information comparing prices or quality across plans and providers and just one-third (31%) have seen information comparing doctors, hospitals and health insurance plans in a one-year period. Of those who saw information about quality, just 6% used the information to compare health insurance plans and doctors and 4% to compare hospitals. For information on pricing, 9% say they used the information for comparing health insurance plans, and just 2% for comparing hospitals and doctors.¹

Takeaway:

Offer pre-enrollment comparison tools and value-add member tools to illustrate to individuals how they can keep medical costs at bay. But don't allow "comparison" offers to overwhelm your marketing communications. This also presents an opportunity to educate and own key segments of your market.



2. AWARENESS OF AUTO-ENROLLMENT DECREASES SHOPPING

Target Segments:

Members and prospects

Currently, consumers who do not take action during the open enrollment window are re-enrolled in the same plan they were in the previous year even if that plan experienced significant premium increases. CMS is considering an alternative - defaulting into a lower-cost plan instead. Consumers could find themselves in a plan that doesn't include their preferred doctors.² Virtually all Individual Market consumers were auto-enrolled for year two of their plan, although only about 55% were aware of that fact. For the half who were aware they would be auto-enrolled, that knowledge acted as a "get-out-of-shopping-free-card." Switching for these "aware" consumers was reduced by 12% relative to those who were unaware of being auto-enrolled. This suggests that carriers with sizable membership should not only announce auto-enrollment to current members this fall, but reinforce it — consistently and loudly — as a means to drive lifetime value of current members.

Takeaway:

Proactively communicate to these distinct audiences: A) non-member switchers (from competitor plans to yours) by playing up your unique differentiators; and B) current members (who may be swayed to switch) with preventative marketing methods and relevant communication messages year-round.



3. INSURERS CAN EXPECT HIGHER EXPECTATIONS FROM NEW PURCHASERS

Target Segments:

Prospects who previously had an employer-sponsored group insurance plan

There will be a large portion of New Purchasers this 2016 enrollment period who have experience with employee-sponsored group plans. As savvy shoppers, they'll apply their insured history and experience to their decision-making process and will have higher expectations than uninsured newbies. Those expectations will be based on the coverage options, support and value-add benefits they've received in the past. These new purchasers are likely used to larger formularies, typically larger networks, supplemental benefits: dental, vision, and fitness add-ons. As employed shoppers, they'll shop for plans with higher premiums and more benefits than unemployed shoppers.³

Takeaway:

Demonstrate to this audience that they can get everything they are looking for plus more out of your plan, with the same level of quality and benefits they may have received from an employer plan. **Request your copy** of the "2016 ACA Marketing Insight: Expectations" infographic courtesy of Responsory which provides additional insight into this audience.

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MARKETING INSIGHT

¹ Benefit News, April 2015

² CNBC.com, Nov 2014

³ Health Policy Brief, Dec 2014



4. PUBLIC EXCHANGES MORE SATISFYING THAN EMPLOYER-SPONSORED COVERAGE

Target Segments:

Prospects who previously had an employer-sponsored group insurance plan

According to a J.D. Power study, health insurance plans purchased through public health care exchanges often generate levels of member satisfaction higher than plans obtained through employers.

Enrollees in plans bought through an exchange rated satisfaction at 696 in 2014 (on a 1,000-point scale), compared with an average of 676 for traditional, mostly employer-based plans, according to the study. One main reason individuals shopping through the marketplaces are more satisfied is the choice of plans available.⁴

Takeaway:

Play up the reasons to shop the public exchange for your plans, especially for prospects who have previous experience with the limitations of employer-sponsored group plans.



5. MORE TAX CREDIT ELIGIBILITY AMONG SMALL BUSINESSES

Target Segments:

Small business (2-50 employees in 2015 and 1-100 employees in 2016) owners

Hundreds of thousands of businesses may be eligible under the Affordable Care Act for tax credits to help them provide employer-sponsored coverage. And a new marketplace – the Small Business Health Options Program, or SHOP – offers group plans geared to the needs of small business owners and non-profits. For those small businesses that meet the minimum participation rate (70%), there's no limited enrollment period to enroll in SHOP coverage for their employees.

For the 2015 AEP, the SHOP Marketplace is open to employers with 50 or fewer full-time equivalent employees (FTEs) and applicants can enroll in SHOP at any point throughout the year. In 2016, the small business size definition will change from 2-50 employees to 1-100 employees. Large businesses with 51-99 employees will be re-classified as small group and may also be eligible for a tax credit and to enroll in SHOP coverage.⁵

Takeaway:

Shopping for coverage can be intimidating for small business owners and their employees. Common questions and concerns revolve around tax-filing issues, counting household income, eligibility, immigration status and minimal essential coverage. Offer preemptive guidance for small business owners, helping them to determine if they are eligible for a premium tax credit, show them how they can get registered assistance from an expert, and prepare them for their journey through the process.



6. RECOGNIZE THE CHANGING ROLE OF THE BROKER

Target Segments:

Health insurance brokers/agents

ACA has created a much greater demand for brokers to serve individuals and small business groups. What may have been 10 or 15% of their business in the past has now grown to 50% or more for some. In many cases, this shift is costing brokers time and money. Working with individuals and small business owners is time consuming and there are obstacles, such as assisting with enrollment through the exchanges, that can be quite tedious.⁶

Takeaway:

Understanding that the broker is playing an important role among individuals and small biz owners is key. Cater to the brokers' needs to help them identify and deliver the best plan for their client and demonstrating that by partnering together you can fuel their growth. Proactive communications, tips and guidance and tools will go a long way among this influential group.



MARKETING INSIGHT

⁴EBN, April 2015

⁵IL Health Matters, Small Business

⁶EBN Adviser, May 2015



2016 OPEN ENROLLMENT



November 1, 2015:
First day you can enroll in a 2016 Marketplace plan



January 1, 2016:
First date 2016 coverage can start



January 31, 2016:
2016 Open Enrollment ends

Let's Pave the Path, Together

Marketers have a big job ahead of them, as significant changes to rules controlling the Affordable Care Act go into effect for 2016. We can expect many changes, including shorter open-enrollment seasons, increased transparency of insurance plans and prices, and a movement to push current customers toward lower-cost plans.⁷

Combine rule modifications with the dual challenge of retaining current customers while bringing new customers on board, and the need for a thoroughly researched and segmented marketing strategy becomes critically essential.

Responsory's familiarity with Affordable Care Act marketing is intimate. That said, we understand the ACA individual insurance landscape is shifting, and competitively-priced plans from insurers are paving new paths for consumers.

Let's work collaboratively to build a 2016 ACA Marketing Plan that encapsulates your vision for success.

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MARKETING
INSIGHT

⁷CMS.gov Parameters for 2016 Fact Sheet, Nov 2014