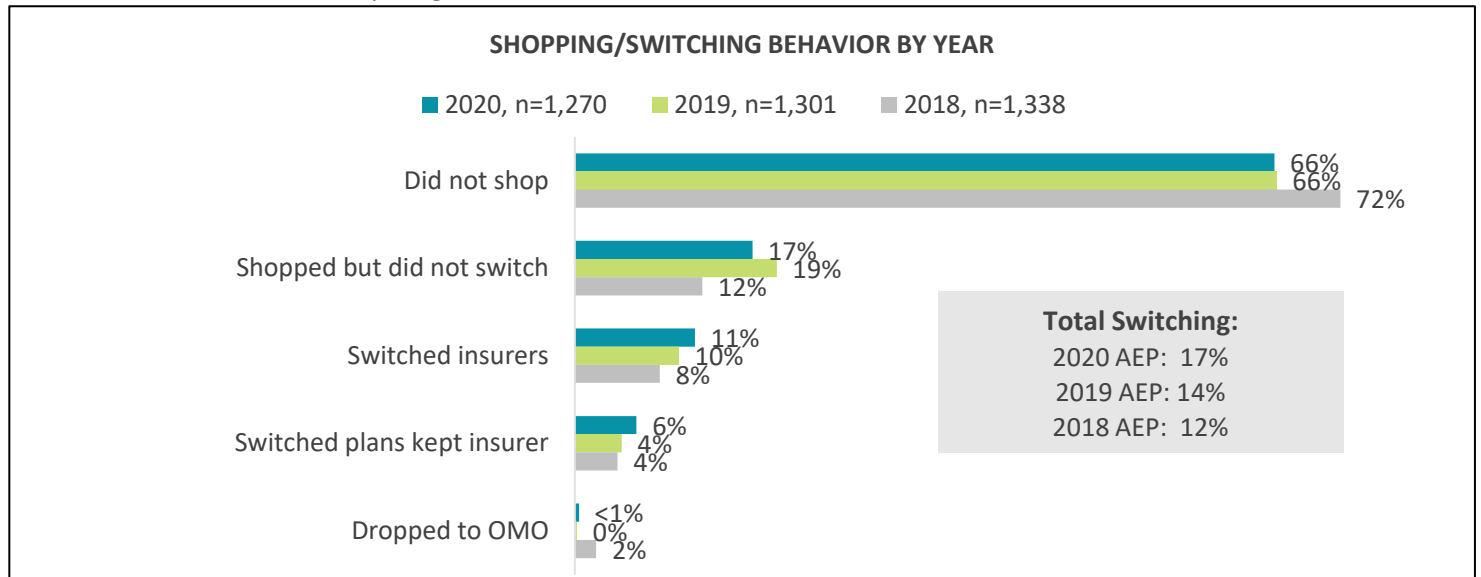


Agents: The Key to Maximizing the Growing Dual Eligible Opportunity

Deft Research recently published the *2020 Dual Eligible Study*. This national market research report of over 1,200 low-income seniors delves into the essence of the Dual Eligible consumer—what prompts them to shop, what benefit changes lead them to switch, and which channels are more efficient at converting switchers. This Executive Research Brief will examine the overall consumerism of these seniors and the role of the agent in developing this segment of the Medicare population. For more information on the rest of the report, please contact your Deft Research associate or visit www.deftresearch.com.

Marketers and sales managers at most Medicare carriers today feel conflicted. On one hand, they relish the chance to compete for senior enrollment during a boomer demographic “high tide” that is lifting all ships. But on the other hand, they know that this wave won’t last forever, and the promises of enrollment growth in a strong reimbursement era means every carrier is giving it their all during this final push. The result is that the market is bursting at the seams, with some US counties hosting more than two dozen MA carriers on medicare.gov. With so many options, positioning a single MA plan to over-marketed-to seniors has led to declines in things like leads and conversions.

But there may be one corner of the senior market that isn’t so overcrowded—the low-income segment. Today, the low-income Medicare market is anything but “low”.



As seen above, the 2020 switching data from the *Dual Eligible Study* shows that the switch rate in the low-income senior market has consistently increased over the last three cycles. (Low-income includes current Partial and Full Duals, as well as seniors with low-incomes who are not yet enrolled in Dual plans.) The 17% market switch rate dwarfs the middle-income senior market rate of 11%. With more “fish in the pond”—and with the fish more likely to bite—marketers and sales managers willing to wade into the low-income waters are rewarded with greater hauls.

Not only is the low-income senior market producing more AEP enrollment, there is evidence to show that ROIs in the low-income senior market may be much better than those in the all-too-crowded middle-income and above space when one examines “active conversion rates.”

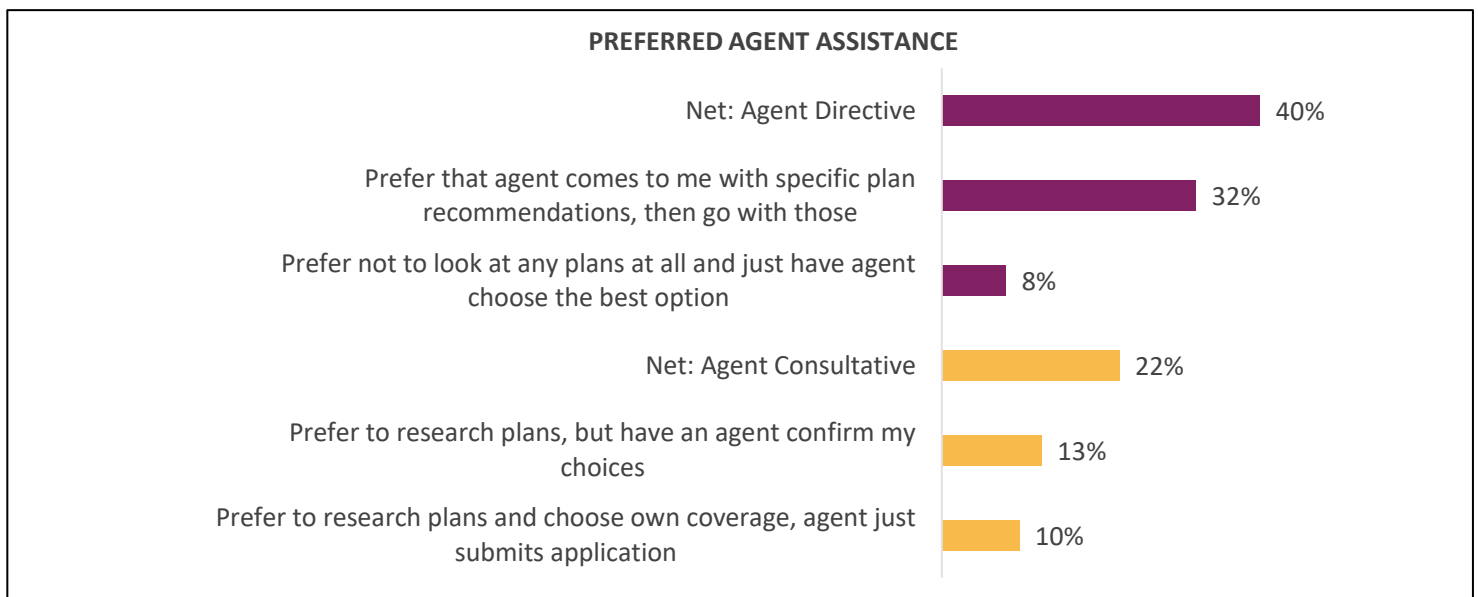
Active conversion rates are a simple calculation that tells us what percent of all consumers who shop will ultimately end up switching. The thinking is if marketers convince 10 seniors to shop, and five of those ultimately switch, then the active conversion rate would be 50%. Today, the middle-income or higher senior market has a shopping rate in the low 40% range, but a switch rate of only 11%, producing a paltry active conversion rate of just 24%. That means marketers must convince **four seniors** to look into new coverage for just **one** of them to end up switching. The active conversion rates in the low-income senior market, however, are much more attractive.

Active Conversion Rate (Rate of Switching Among Active Shoppers):	
Low-Income Non-Dual:	43%
Full Dual:	52%
Partial Dual:	60%
Total Dual:	56%
Non-Dual Middle Income*:	24%

Whereas it takes convincing **four** middle-income seniors to shop before **one** switches (24% active conversion rate), we only need to convince approximately **two** low-income or Dual seniors to be rewarded with **one** switch (43% low-income / 56% Dual active conversion rate.) If we are just as efficacious in convincing low-income seniors to look into new coverage as we are doing so with middle-income and above seniors, then we are bound to have much greater success, and at a higher ROI.

How do we get them to consider new plans? We must convince our agency partners to go after this low-income group with the same zeal they have for targeting middle-income seniors. Today, agents and brokers are simply less enthusiastic about attacking this market opportunity. Low-income seniors are about 25% less likely than middle-income and above seniors to solicit the help of an agent. However, low-income consumers are more in need of the helping hand of an agent. The [Dual Eligible Study](#) shows that low-income consumers have the least confidence in understanding what their healthcare needs will be in future years—that’s the role of an agent.

And when an agent meets with a low-income senior, low-income consumers are two times as likely to want the agent to direct them into a plan than they are to want to consult with the agent regarding their own ideas.



If the senior marketers of the world commit to targeting low-income consumers, and the sales managers of the world convince agency partners to get serious about Duals, both parties will find a less-obstructed path to enrollment than they would ever find in the claustrophobic non-Dual space.

About the Research

The *Dual Eligible Study* is the second study in the 6-part **Senior Market Insights Service** for 2020. This study surveyed over 1,200 low-income consumers to provide a comprehensive look into the causes for senior shopping activity. Carriers, agencies, and consultants alike can gain from understanding the nuances of today's low-income senior, and what makes them decide to switch coverage.

Deft Research's **Senior Market Insights Service** includes five other main reports. The year started off in January with the publication of the *Medicare Shopping and Switching Study*—a comprehensive look into middle-income and above senior consumerism; in late April we will publish the results of our *OEP Study* that focuses on year two of the newly-reinstated shopping period; in May Deft's *Age-in Study* will chronicle how consumers progress from Individual Under 65 coverage or Group into Medicare; and Deft's *Medicare Member Experience Study* will show what causes attrition, switching intention, and lower CAHPS scores when it publishes in late August. **Additionally, Deft will be publishing a special report at the end of May on the impact the COVID-19 crisis is having on seniors with an eye toward the 2021 AEP.**

- Medicare Shopping and Switching (PUBLISHED)
- Dual Eligible (PUBLISHED)
- OEP Study (April 2020)
- SPECIAL REPORT: COVID-19's Impact on Seniors and the 2021 AEP (May 2020)
- Age-in (June 2020)
- Medicare Member Experience (August 2020)

For more information:

For more information on the full results of the **2020 DUAL ELIGIBLE MEMBER STUDY**, email info@deftresearch.com with the subject line "2020 Duals."