



### Medicare Advantage Plans: Market Landscape and Strategic Imperatives

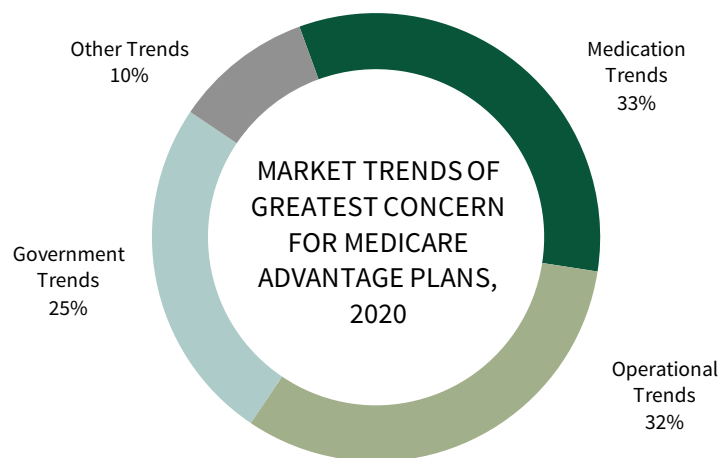
As the Medicare Advantage (MA) population continues to grow, plans face numerous operational challenges while trying to navigate the ever-changing CMS policy mandates and regulations. HIRC's report, *Medicare Advantage Plans: Market Landscape and Strategic Imperatives*, reviews the current market landscape, Medicare Advantage plan executives' strategic imperatives and objectives, and examines views on market trends that could further affect the segment. The report addresses the following questions:

- What is the current landscape of the Medicare Advantage market and which plans currently account for the majority of market share?
- What are Medicare Advantage plans' most important strategic imperatives and which operational objectives are of highest priority?
- What do Medicare Advantage panelists identify as the most notable market trends impacting their business in 2020? Which CMS policy mandates are most concerning?
- Which therapeutic areas are most often targeted for quality metric adoption?
- Which plans are viewed as having the strongest ability to limit brand access? Which are viewed as most willing to partner with manufacturers?

**Key Finding:** Increasing member enrollment is identified as Medicare Advantage plans' top strategic imperative in 2020, followed by improving the overall quality of care.

### Top Market Trends Affecting Medicare Advantage Plans

Medicare Advantage key decision-makers were asked to provide the top three market trends with the greatest potential to impact the Medicare Advantage space. Panelists identify trends in medications, such as specialty drug spend, gene therapy, and biosimilar adoption as the most impactful trends in 2020, followed by operational trends such as increased use of virtual care, the increasing MA population, and value-based care.



## Impact of CMS Policy Changes and Mandates

Respondents were asked to consider and rank a list of CMS policy changes and mandates in order of impact to the plan. Medicare Advantage key decision-makers rank *Changes to Medicare Star (metrics, review, and data)* as the most impactful CMS policy change, followed by *Changes to Part D Benefit Design*. Secondary policy changes with moderate impact include *Removal of Safe Harbor for Drug Rebates*, *Lowering of Medicare Eligibility to Age 60*, and *Changes to Drug Pricing Via International Pricing Index (IPI)*.

RANK ORDER OF CMS POLICY CHANGES, 2020

		Average Rank
VERY HIGH IMPACT	Changes to Medicare Star (metrics, review, data)	7.6
	Changes to Part D Benefit Design	7.3
MODERATE IMPACT	Removal of Safe Harbor for Drug Rebates	7.2
	Lowering of Medicare Eligibility to Age 60	7.0
	Changes to Drug Pricing Via International Pricing Index (IPI)	6.6
LOWER IMPACT	Changes to DIR (Direct Indirect Remuneration) Fee Structure	5.9

The full report includes a detailed examination of CMS policy mandates and/or regulations most concerning to Medicare Advantage executives.

The Managed Markets Service provides strategic and tactical information, including customers' assessments of manufacturers' contracting and resources within four commercial and government market segments; market landscape trends and activity influencing the availability, price, and utilization of pharmaceuticals; managed markets headcounts and organizational trends based on confidential data from industry leading pharmaceutical companies; and the access and partnership landscape of key accounts.



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## Research Methodology and Report Availability

In August 2020, HIRC surveyed 40 Medicare Advantage plan pharmacy and medical directors from national, regional, and BCBS plans. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Medicare Advantage Plans: Market Landscape and Strategic Imperatives*, is available now to HIRC's Managed Markets subscribers at [www.hirc.com](http://www.hirc.com).

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