



Managed Markets

Medicare Advantage Plans: Market Landscape and Strategic Imperatives

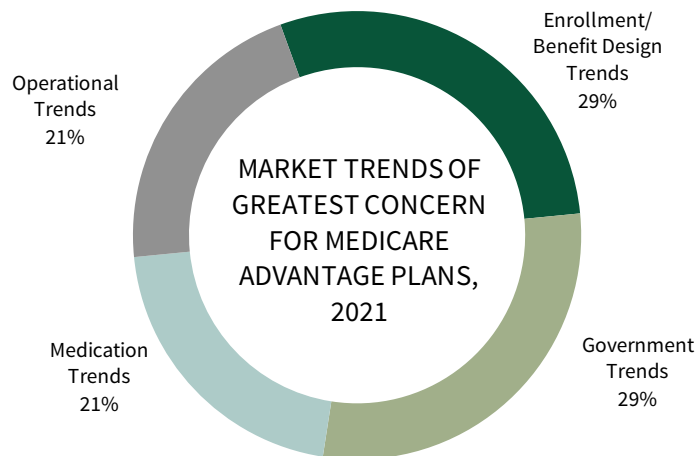
The Medicare Advantage (MA) segment continues to face numerous organizational challenges while trying to navigate the ever-changing CMS policy mandates and regulations. HIRC's report, *Medicare Advantage Plans: Market Landscape and Strategic Imperatives*, reviews the current market landscape, Medicare 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 2021? 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 2021, 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 enrollment/benefit design, such as rising MA enrollment and increasing competition, as well as government trends, such as CMS regulations and reimbursement changes, and MA drug price negotiations as the most impactful trends in 2021.



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 *Caps on Rx launch prices and/or price growth* and *Medicare Part D member out-of-pocket spending caps* as the most impactful CMS policy changes. Secondary policy changes with moderate impact include *Direct Medicare Price Negotiation*, *Removal of safe harbor for drug rebates*, and *Changes to DIR fee structure*.

RANK ORDER OF CMS POLICY CHANGES, 2021

		Average Rank
VERY HIGH IMPACT	Caps on Rx launch prices and/or price growth	7.8
	Medicare Part D member out-of-pocket spending caps	7.8
MODERATE IMPACT	Direct Medicare Price Negotiation	7.7
	Removal of safe harbor for drug rebates	6.9
	Changes to DIR (Direct Indirect Remuneration) fee structure	6.3
LOWER IMPACT	Changes to drug pricing via International Pricing Index (IPI)	6.3

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 2021, HIRC surveyed 42 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.

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