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Study Defines Link Between Insurance Status and Seniors' Part D Interests

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Deft Top Line Result:

"Please tell me how much you agree or disagree with each statement using a scale from 1 to 5 where a 5 means you strongly agree and a 1 means you strongly disagree."

Percent Agreeing by Supplemental Insurance Status					
<i>(top 3 points on a five point scale)</i>					
Area of Interest	No Supplemental	Retiree Plan	Dual Eligible	Medigap	HMO or Mgd Care
Percent with Drug Coverage	37%	89%	57%	39%	70%
You are interested because you don't yet understand the program's cost to you	72%	44%	59%	58%	61%
You are interested in finding drug coverage that is better than you have now	66%	41%	68%	71%	57%
You are interested because you want to evaluate the pros and cons of different insurance policies	64%	50%	67%	70%	58%
You believe the new program will help pay your bills	53%	27%	50%	49%	32%
You are interested because you don't know yet if you qualify for limited income subsidies	49%	30%	48%	40%	39%
You are less interested because you have concluded the new Medicare program is a bad deal	45%	55%	49%	44%	42%
You think the new drug program might add to the comprehensiveness of your current health insurance coverage	44%	25%	49%	56%	46%
You are less interested because you already have superior drug coverage	44%	75%	63%	34%	51%
You are less interested because you don't spend much on drugs	41%	37%	45%	45%	44%
You are less interested because someone you trust has a negative opinion of the program	30%	19%	30%	25%	23%

Source: National Segmentation Study, 2005, Deft Research, LLC

The table above provides selections from the Deft study. Many more data points also provide explanation.

Minneapolis, Minnesota – Deft Research’s National Segmentation Study has led to an analysis that identifies a link between health insurance status and seniors’ interests in the new Medicare Part D program. The analysis helps Part D plans identify and more effectively act on the market levers affecting seniors’ Part D decisions.

The analysis identifies an “in play” group as seniors most likely to be in the individual market for Part D plans. “In play” seniors have no supplemental insurance, or have privately purchased Medigap coverage. They don’t belong to group retiree or managed care plans that will re-enroll members in existing creditable or new Part D offerings. They are also not dual eligible and therefore are not candidates for auto-enrollment. According to Deft’s research more than 40% of the non-institutionalized and non-disabled senior market is “in play”.

In the table, “in-play” seniors’ data are in the columns labeled “No Supplemental” and “Medigap”. These seniors, differ from retiree and managed care seniors. More than two thirds are interested in finding better drug coverage than they have now. They are eager to sharpen their definition of “better” by evaluating the pros and cons of different programs. In seeking a plan, they want clarity on the cost structure. They are also more optimistic that the new Part D program will help them pay their bills (more than half believe it will) and that it will add to the comprehensiveness of their health coverage (more than half say it will). The biggest dampener of interest for “In Players” was that nearly half (41% and 45%) say they are less interested because they don’t spend much on drugs.

The results detailed the interests of Medicare-Advantage enrollees. Fifty-seven percent of HMO/managed care enrollees said they were interested in finding drug coverage that is better than they have now. A majority of this group expressed motivation to evaluate offered plans, and 46% said they thought Part D might add to the comprehensiveness of their insurance. In spite of these interests, 51% said they believed their current coverage is superior to Part D.

Segmenting the senior market by current insurance status is the most common way health plan managers look at their market. Users of this study are able to add explanatory detail to their intuitive understanding that these segments have different needs.

Deft Research’s National Segmentation Study also captured differences by service preferences, economic concerns, coverage concerns, demographics, and health condition. The full study may be accessed by subscribers through Deft’s web-based interface.

The National Segmentation Study was conducted to help health plans reach seniors better. The success of the Part D program depends on effective senior reach.

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