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2025 MEDICARE AGE-IN STUDY EXECUTIVE RESEARCH BRIEF

With MA's Shine Starting to Fade for Age-Ins, What Must the Industry Do to Meet the Needs of New-to-Medicare Seniors Before the Curtains Close on this Generation's Final Medicare Enrollment Act?

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Deft Research recently published the 2025 Medicare Age-In Study. This national market research report of nearly 2,000 Age-Ins and recently enrolled Medicare beneficiaries helps the industry understand how the final wave of Baby Boomers thinks about retirement, plans for Medicare, considers various Medicare insurance products, initiates the shopping process, and evaluates which products make the most sense for their retirement and healthcare needs.

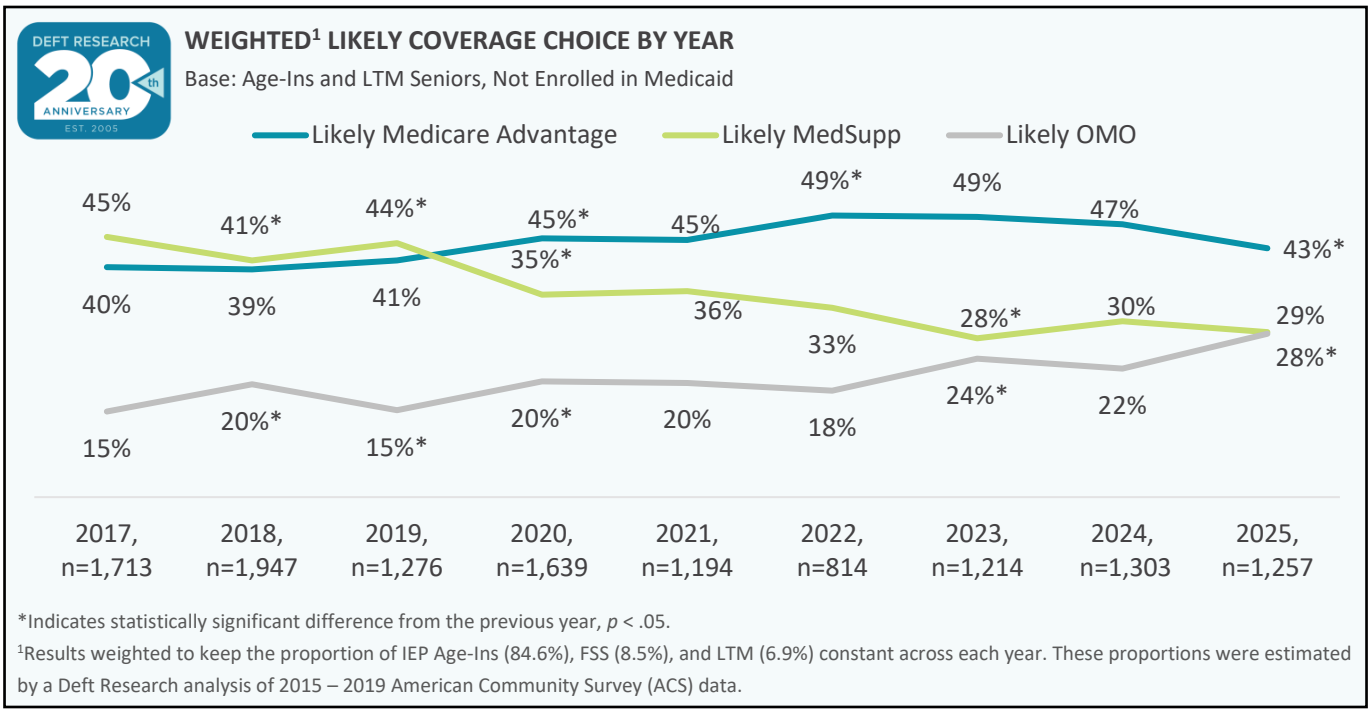
This Executive Research Brief touches on just a few interesting points from the 80-plus page report. The full Medicare Age-In Study features complete sections on how health insurance fits into retirement planning, how healthcare utilization defines the path that different segments of boomers take through enrollment, what marketers must consider when it comes to health literacy, the impact that Social Security and Medicare funding fears has on Medicare decisions, the timing of when Age-Ins tap into specific marketing channels, and what's the evolving role of the agent.

Armed with the insights from the Medicare Age-In Study, carriers, agencies, and consultants alike will be better positioned to win in 2025 and beyond as the market continues to absorb another four million new 65-year-olds this year. For more information on the rest of the report, please contact your Deft Research Client Services associate or email info@deftresearch.com.

As it turns out, the bad PR surrounding AI in claim denials, the very public fighting between hospital systems and MA carriers, CMS vs. carrier (and carrier vs. CMS) lawsuits, and a historically disruptive year where two million seniors were shown the door by their old carrier has begun to take its toll on how Age-Ins view Medicare Advantage as a potential health insurance option.

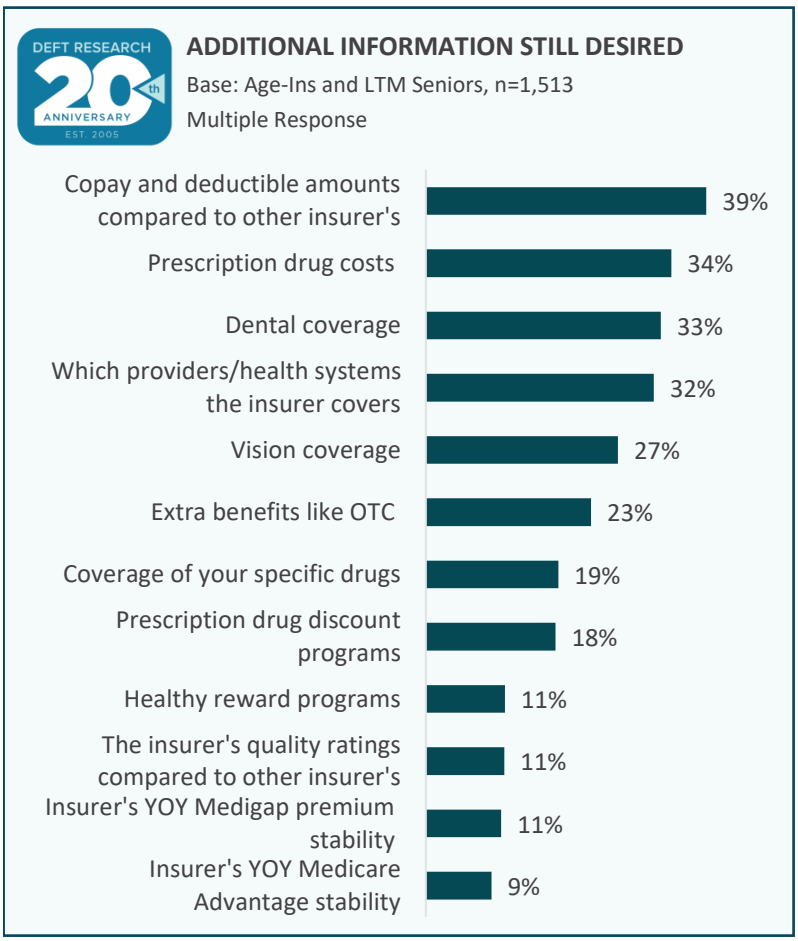
As seen on the chart on the following page, the 43% of Age-Ins who initially lean toward selecting MA as their first destination in Medicare is the lowest since a shaky COVID economy collided with shady TPMO marketing to drive MA initial preference to record highs. MedSupp preference has held steady these last three years while Original Medicare Only (OMO) has ticked up—more likely of an indictment of MA due to

its recent challenges than a full-throated endorsement of Original Medicare. Previous Deft studies have shown that many Age-Ins initially leaning toward OMO learn more about the pros of the two private options—and more about the cons of 20% coinsurance—during their IEP and end up enrolling in MA or MedSupp versus settling on standard, government-issued healthcare.



*Indicates statistically significant difference from the previous year, $p < .05$.

[1]Results weighted to keep the proportion of IEP Age-Ins (84.6%), FSS (8.5%), and LTM (6.9%) constant across each year. These proportions were estimated by a Deft Research analysis of 2015 – 2019 American Community Survey (ACS) data.

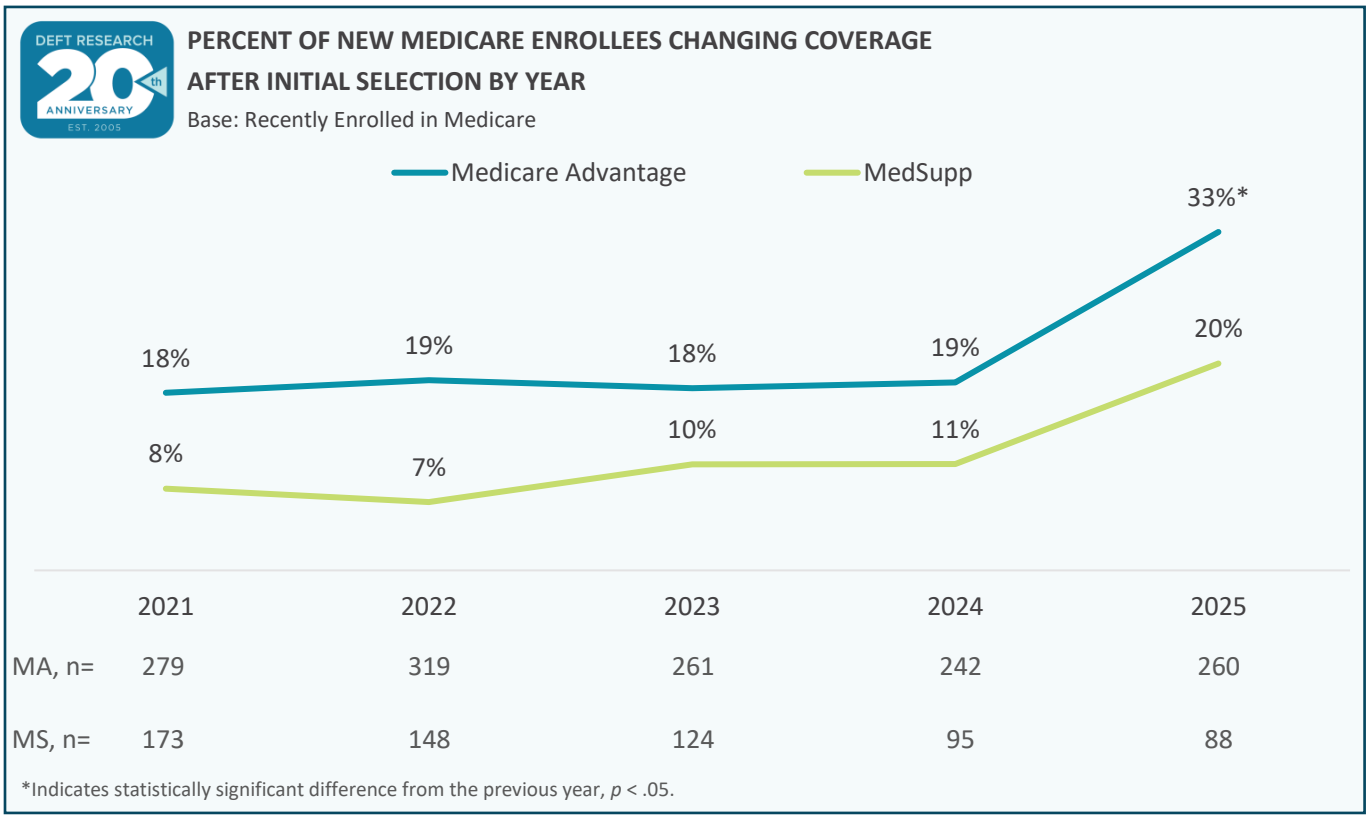


But still, whether MA-leaning Age-Ins break for MedSupp, or MedSupp-leaning-Age-Ins do an about face for MA, or OMO-leaning Age-Ins change course for something else, what's clear is today's Age-Ins need more information to sift through all of the noise that's out there. And let's not forget that it isn't just MA that has had its ups and downs lately with IRA-induced Part D changes, supplemental benefit disruption, and provider tussles—MedSupp has had its fair share of issues with birthday rule state disruption and double-digit premium increases.

As seen on the chart to the left, the top four areas Age-Ins want more information on before taking the Medicare plunge all have to do with the recent challenges facing the industry: 1) MA cost shares (think 2025 benefit disruption), 2) changes to drug

coverage (think IRA year two), 3) Dental coverage (will allowances go down again in 2026?), and 4) provider needs (will provider/carrier issues ever cool down?). Carriers, agents, and marketing agencies will need to answer those questions and more for this next crop of Age-Ins in order for them to feel secure in whatever plan they end up in. For both MA and MedSupp, it's critical that consumers who age into their products stick with their plan for at least the first few years so that their carriers don't actually lose money.

Anecdotally, breaking even financially may take three years in MA through risk adjustment. MedSupp carriers may easily need three years or more to get through the initial utilization surge that happens when 64-year-olds in high deductible commercial plans wait to schedule expensive medical procedures until they are in Medicare. Regardless of the plan type or reason, the market needs to educate these consumers more about their coverage—the good and the not-so-good—or risk losing members as fast as they come in.



As seen on the chart above, today's boomer isn't willing to wait around to see if the product they thought they wanted turned out to be right after any initial turbulence. Age-Ins switching out of their MA plan within their first year hit an all-time high this year. First-year MedSupp Age-Ins shifted plans in 2025 at double the rate of 2024. The healing that needs to take place in both lines of business will be catalyzed by enrollees who stick around longer. And with all of today's noise, that means all Medicare stakeholders have to do a better job informing, educating, and even handholding as we work through what we all hope is the end of the "COVID catchup" and its untenable utilization.

Sooner or later, the MLR pendulum will swing back the other way. When it does, organizations that have helped their new enrollees manage through the first few crucial years after aging in will be best positioned for the upswing.

Don't miss these offerings related to the 2025 Medicare Age-In Study:

- Medicare Member Onboarding Study can help you better understand the important events and touchpoints that drive enduring membership for MA, MedSupp, and Part D members.
- Medicare Digital Tools Study gives an in-depth look at how seniors shop online, navigate health insurance and healthcare, and whether they find the amount of information online to be overwhelming.
- Medicare Member Experience Study shows what causes attrition, switching intention, and lower CAHPS scores, helping carriers to better engineer member communications and customer service for higher scores.

Keep the insights coming all year with our syndicated studies.

The **2025 Senior Market Insights Service** includes the following studies:

- National MAPD Benefit Design Conjoint Plus MaxDiff Study examines tradeoffs between benefits, illuminating senior's preferences for major product components alongside preferences for supplemental benefits.
- Medicare Shopping and Switching Study examines senior consumerism during the AEP and highlights what made members venture to new products.
- Medicare Part D Study provides insight into seniors' reaction to IRA-influenced changes to Part D, including how that may have influenced migration from standalone Part D to MAPD and how carriers might reduce attrition.
- Dual Eligible Acquisition Study provides insights into the rapidly growing segment of seniors with Medicaid eligibility (D-SNP or otherwise), examining how they shop and consider new coverage.
- Medicare Member Onboarding Study can help you better understand the important events and touchpoints that drive enduring membership for MA, MedSupp, and Part D members.
- Medicare Age-In Study shows the product preferences and ideal cadence of touchpoints, channels, and enrollment preferences of the next generation of boomer eligibles as they navigate their journey into Medicare.
- AEP Gut Check Study examines the pain points, service failures, and plan experiences that carriers and agents must address as we near the AEP.
- Dual Eligible Retention Study helps to better understand the member experience carriers, agencies, and consultants need to hold to Dual Eligible consumers.
- Medicare Digital Tools Study gives an in-depth look at how seniors shop online, navigate health insurance and healthcare, and whether they find the amount of information online to be overwhelming.
- Medicare Member Experience Study shows what causes attrition, switching intention, and lower CAHPS scores, helping carriers to better engineer member communications and customer service for higher scores.

Our **2025 Commercial Market Insights Service** studies for the Individual Under 65 Market include:

- Individual and Family Plan Benefit Design Conjoint Study gauges consumer appetite for richer or leaner benefits, providing carriers and consultants with fresh insight on how consumers may react if ACA subsidies change for 2026.
- Individual and Family Plan Shopping and Switching Study examines the traditional OEP enrollment period, the channels that best connected with consumers, and how these individuals chose to enroll.
- Commercial Group, ICHRA, and Alternative Health Plans Study provides insight into non-traditional solutions that appear poised to disrupt the commercial group market, including how current commercial group members feel about a potential move to ACA coverage through ICHRA and the market potential of copay-only insurance plans.
- Individual and Family Plan Digital Tools Study gives an in-depth look at all aspects of digital healthcare, including online shopping on public and private exchanges, portal management, e-brokers, virtual care, and virtual-first plans.
- Individual and Family Plan Member Experience Study identifies the experiences that either inflate or depress loyalty so that carriers can be more informed on how to hold onto their ACA members.