



2025 DUAL ELIGIBLE ACQUISITION STUDY EXECUTIVE RESEARCH BRIEF

HIDE/FIDE, Allowance Notification, and the End of Both VBID and the Quarterly SEP: Powerful Forces Are Putting More Pressure on Carriers to “Get it Right.”

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Deft Research recently published the 2025 Dual Eligible Acquisition Study. This national market research report of over 1,900 Full and Partial Dual Eligibles over 65, Duals under 65, and Low-income Non-Duals (LINDs) who are close to Dual status examines how these consumers behaved during the previous AEP and what this means for upcoming 2026 AEP product, sales, and marketing changes.

The Dual Eligible Acquisition Study features sections on how Dual consumerism is changing now that the market for D-SNP has crested 6 million, which supplemental benefit changes triggered Duals to voluntarily switch last year, the shopping channels they used, and the influence of agents. This Executive Research Brief examines a few interesting points as they relate to switching patterns, shopping channels, and changes to supplemental benefits for 2026.

Armed with the insights from the Dual Eligible Acquisition Study, carriers, agencies, and consultants alike will be better positioned to win in 2026 and beyond as the Dual market matures. For more information on the rest of the report, please contact your Deft Research Client Services associate or email info@deftresearch.com.

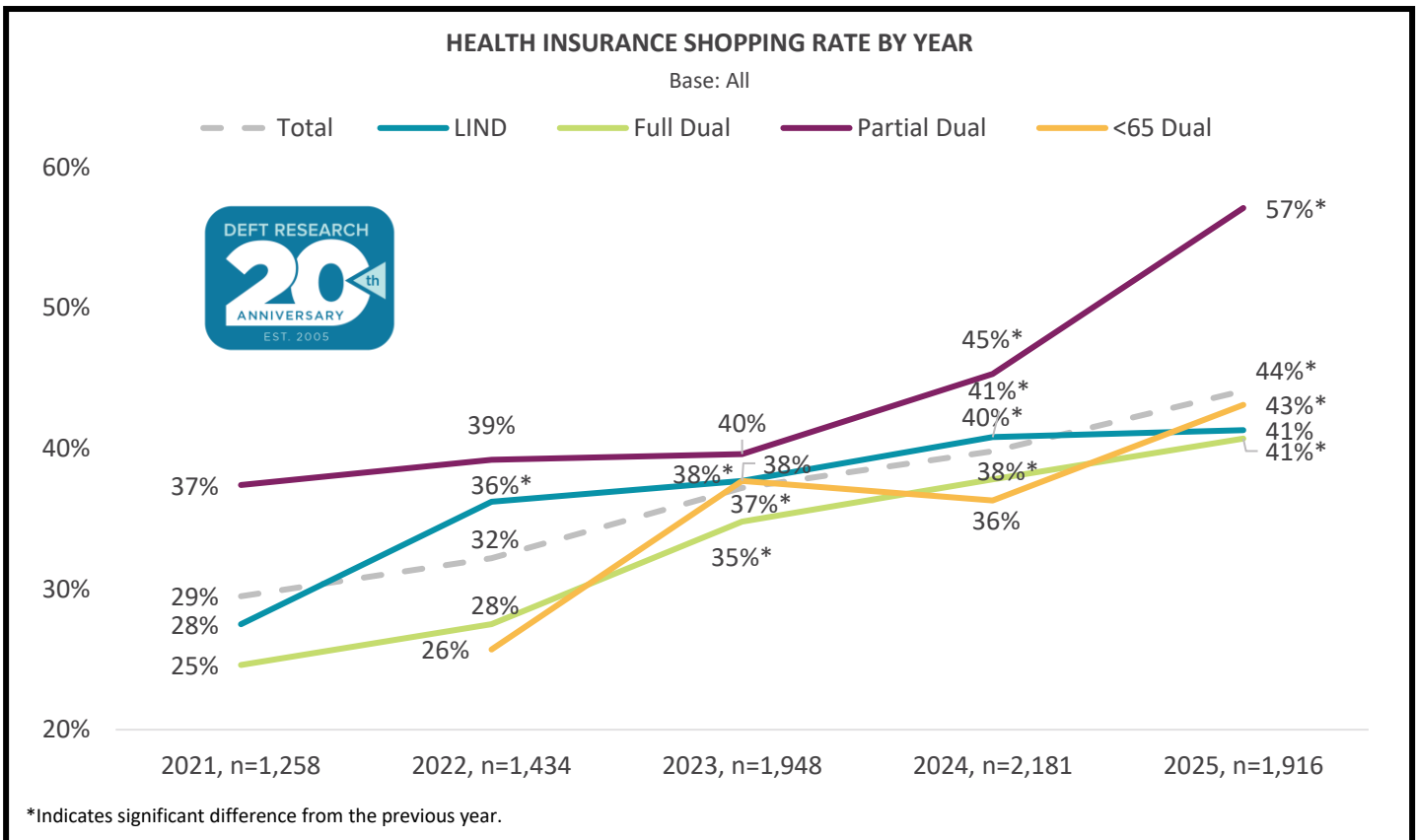
With the sunset of coordination-only D-SNP, commitment to Duals is poised to become an “all-in” proposition. It’s never easy to enter a new market, but with the help of coordination-only plans, cautiously entering the D-SNP market was possible for carriers who would have otherwise never dared cater to Medicaid consumers. Fast growth and strong reimbursement made D-SNP attractive then. But now that CO D-SNP will be making way for HIDE/FIDE D-SNP in this new era of Medicare/Medicaid carrier alignment, care coordination is now more than just a bumper sticker: it has to be a guiding philosophy. That hasn’t helped recent D-SNP enrollment gains, which have been replaced by surging growth in C-SNP.

While this change is occurring over the next several years, allowances—which have always had an oversized influence on Dual consumer product choice—come under growing scrutiny across multiple fronts.

There are now several headwinds to D-SNP growth:

1. CMS’s decision to close the door on VBID came about as the demonstration program’s budget was running a tad hot (+\$2B on an annual basis). Well before anyone had ever heard of DOGE, supplemental benefit spend was in the crosshairs.
2. The government perceived D-SNP carriers as marketing health-improving supplemental benefits to spur enrollment but then doing little to encourage their usage. Regulators became tired of this practice, perhaps concerned that carriers were engaging in this to ease MLR pressures. Now that untapped allowance notifications are required for 2026, carriers will have to curtail allowances and ensure the benefits they provide are more than just window dressing.
3. Removing the quarterly SEP means that consumers and agents will have to plan ahead for which product (and all of its various supplemental benefits) is the best fit for the consumer across the entire year. This makes enrollment more of a marriage than dating. *“Let’s not just focus on a larger allowance for “X”, all components of this plan have to work for you for the whole year.”*

As seen on the chart below, total Dual consumerism rates—which is the total percent of Duals who shopped



or switched—has grown meaningfully over the last several cycles. About 20% of Full Duals, Low-income Non-Duals (LINDs), and Duals under 65 used to shop or switch each year; that number is now in the 40s. Partial Duals have always been the most active, in part due to their lower socioeconomic status but incomplete cost share protection. These Duals have seen their consumerism move from the mid-30s to nearing the 60% mark. Carriers and their agencies who think Duals and their agents won’t notice any meaningful changes to their supplemental benefits have another think coming.

All of this change with supplemental benefits comes at a time when Duals and their agents are more prone to paying attention to marketing and thus notice product enhancements as well as benefit degradation.

As seen on the chart to the right, around 50% of Dual shoppers indicated that they paid attention last AEP to mail from health insurers.

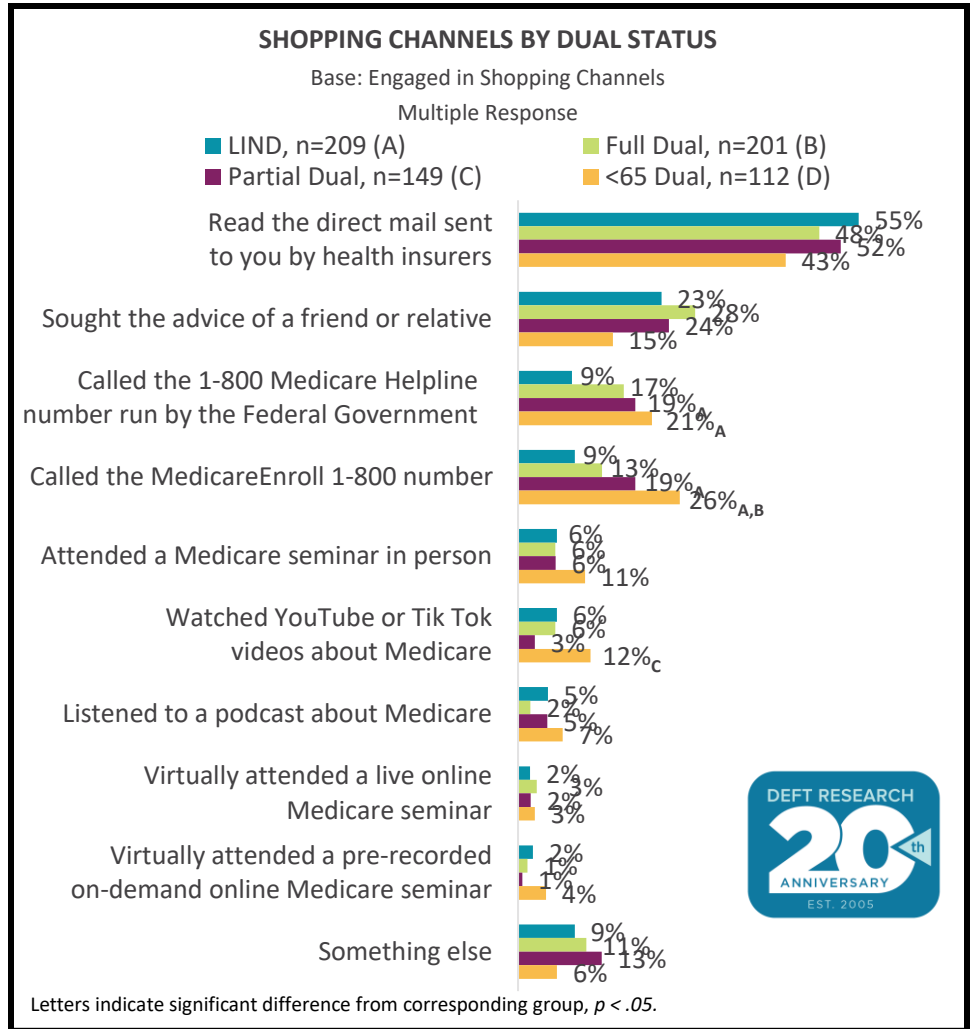
Allowances are sure to be more exhausted in 2026 than could have been predicted going into 2025, and carriers must find ways to reduce benefits. But just as Duals will notice a letter alerting them to untapped allowance dollars next summer, they will also notice and act if their plan documents show cuts to OTC allowances this AEP.

Design teams must be both surgical and deliberate in identifying which benefits to trim and which to bolster as levels of shopping and switching in the Dual space continue to set records. Cutting the allowances and benefits that Duals

see as must-haves is sure to be noticed, especially now that reduced SEP switching opportunities mean Duals have to make sure they “get it right.” With more on the line now for carriers, “getting it right” has to be the mantra for design teams as well.

Of the many questions plan marketers and designers face today, one is certainly “*will they notice if we reduce these allowances?*”

Yes. They will notice.



Don't miss these offerings related to the 2025 Dual Eligible Acquisition Study:

- [Dual Eligible Retention Study](#) helps to better understand the member experience carriers, agencies, and consultants need to hold to Dual Eligible consumers.
- [2025 Medicare Market Assessments](#) are a series of data tools that can help you refine your sales and marketing efforts for plans by providing estimates of the consumers available to target. Assessments can provide substantial information about the Dual Eligible population and are available in 3 versions: the general Medicare market (including Duals), the SNP market, and the Age-in market.

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.