



## 2025 MEDICARE SHOPPING AND SWITCHING EXECUTIVE RESEARCH BRIEF #1 of 2

### **From Boom to Bust: Will the 2025 AEP Hangover Change the MA Carrier-to-Beneficiary Dynamic Permanently?**

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1/30/2025

Deft Research recently published the 2025 version of the Medicare Shopping and Switching Study, a yearly report depicting what drove senior consumerism during the previous enrollment cycle. This comprehensive quantitative analysis of nearly 4,800 seniors in Medicare Advantage (MA), Medicare Supplement (MedSupp), and Original Medicare only (OMO) is considered by many in the industry to be the “Gold Standard” account of the AEP from a benefits, marketing, and sales perspective. For nearly two decades, managers from leading MA and MedSupp carriers—and their vendors—have relied on the insights from this study to drive results in future AEPs by understanding the lessons learned in the previous one.

The 2025 Medicare Shopping and Switching Study features in-depth analysis and reporting of the benefit changes and plan terminations that set the stage for last year’s remarkable AEP, the triggers that led to seniors to become active shoppers, the benefit designs and marketing channels that spurred a record number of seniors to become AEP switchers, and what this all means as we plan for the enrollment period’s aftermath and a fresh start in 2026. This Executive Research Brief examines a couple of interesting findings from the 90-plus page report as it pertains to the record movement seen this AEP and the lasting impact of benefit design changes and terminations on what is becoming a much more tenuous carrier-to-client relationship.

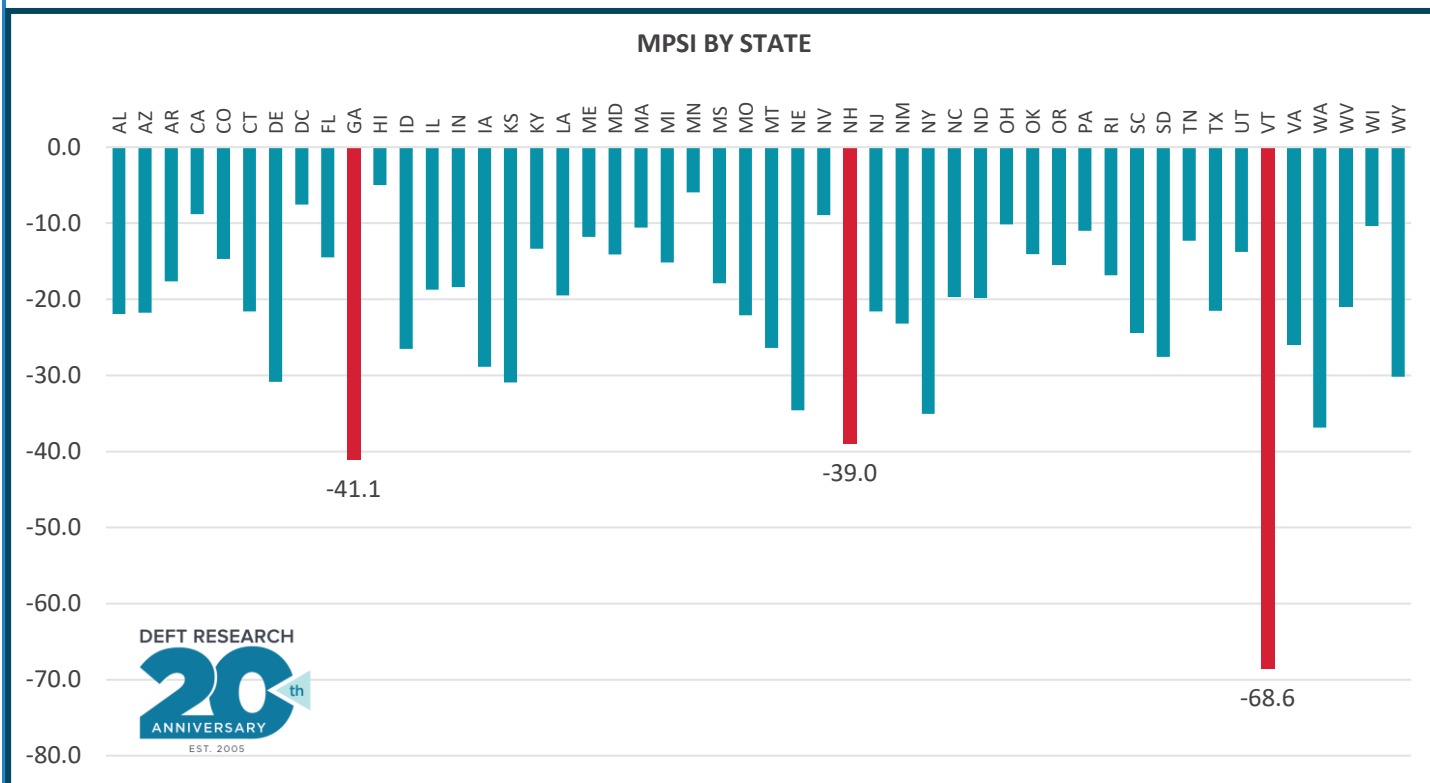
Armed with the insights from the Medicare Shopping and Switching Study, carriers, agencies, and consultants alike will be better positioned to rebound in 2026 as MA looks to reboot from its two-year malaise. For more information on the rest of the report, please contact your Deft Research Client Services associate or email [info@deftresearch.com](mailto:info@deftresearch.com).

As 2024 took shape, it was evident early on that the 2025 AEP was going to be a whopper. The January Advance Notice letter announced to the industry that the pain in 2023 was not a fluke, and that doing more with (much) less would be the new norm. Coupled with persistently higher utilization, that realization led to a growing cascade of market exit announcements in both MAPD and PDP, depressing earnings calls, layoffs, and budget cuts. The MA boom was officially busting.

What came next was all too predictable: benefit cuts, cost increases, and the return of non-commissionable plans across the country. All corners of the MA industry would feel pain, and that included the senior beneficiary.

Deft created the Medicare Plan Stability Index (MPSI™) as part of its 2025 MAPD and PDP Disruption Tool to quantify consumer “pain.” The index examines changes in 10 key areas of MA benefit design: terminations, changes to premium, Part B givebacks, medical deductibles, drug deductibles, MOOP, dental, OTC, vision, and hearing benefits. A MPSI score above 0 represents a plan where seniors saw improvement overall if they stuck with their plan through the AEP—these seniors are likely enjoying their new benefits. But plans with negative MPSI scores indicate coverage that has been negatively disrupted overall—seniors who stayed with a negative MPSI score plan for the new year are likely feeling “pain.” The more positive the MPSI score, the greater the improvement in benefits for beneficiaries to enjoy; the more negative, the worse the pain.

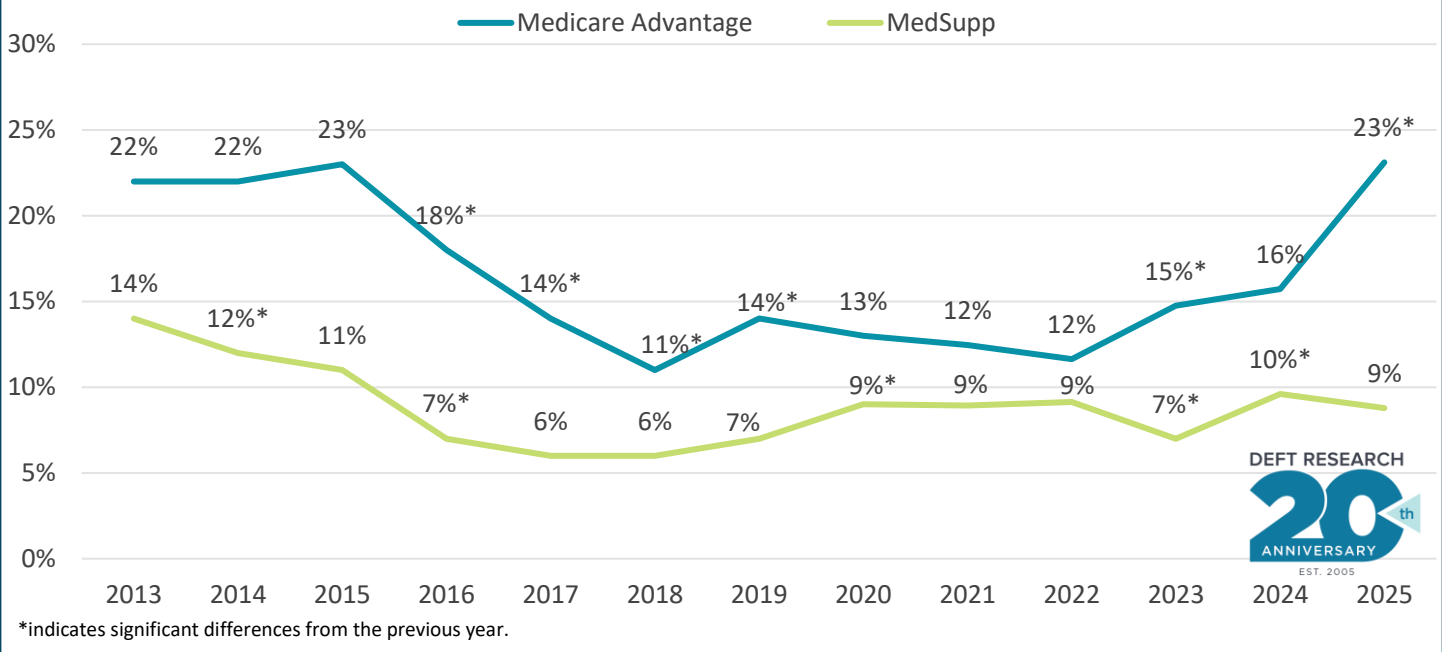
For the 2024 plan year (not 2025), year one of CMS’ austerity led to a total of 29/51 states and territories having a negative overall MPSI score, ranging from -1 to -20. That brought some negative disruption in 2024, but it was far from widespread. In this most recent plan year, the compounding effect of back-to-back years of CMS austerity have made “plan pain” nearly ubiquitous.



As seen from the chart above, the average senior across all 49 states with MA felt some degree of pain, and all 49 had worse scores than in 2024 (Alaska does not have any active MA plans). More notably, seniors in half these states had it worse for 2025 than seniors did in the most disrupted state in 2024. Seniors in many New England areas as well as Washington and Georgia are feeling the brunt of it.

Even though the AEP coincided with the presidential election (which can crowd out Medicare marketing) and a late Thanksgiving (which is never good for lead generation), word of this pain got out and seniors sought shelter by switching at levels rarely seen.

### 2013-2025 MEDICARE PLAN/CARRIER SWITCH RATES



As seen in the chart above, MA switching for the 2025 AEP equaled the all-time high not seen since 2015 when PFFS plans were closing up shop and carriers were terming 4 to 5% of MA members. 2025’s 8.7% term rate in the individual, non-SNP space jolted the market and was a factor in the rate of MA switching increasing by an incredible 7% overall from 16% in 2024.

The 2025 [Medicare Shopping and Switching Study](#) details the benefit changes and attitudes most associated with members who voluntarily chose to switch. It examines the degree to which cuts or eliminations of key supplemental benefits influenced voluntary switching, the impact of utilization management on switching, and which increasing cost shares were to blame for moving more seniors out. *(For a detailed description of the Driver Analysis in the study and the predictive switching model it produced, please reach out to your Deft Research Client Services associate.)*

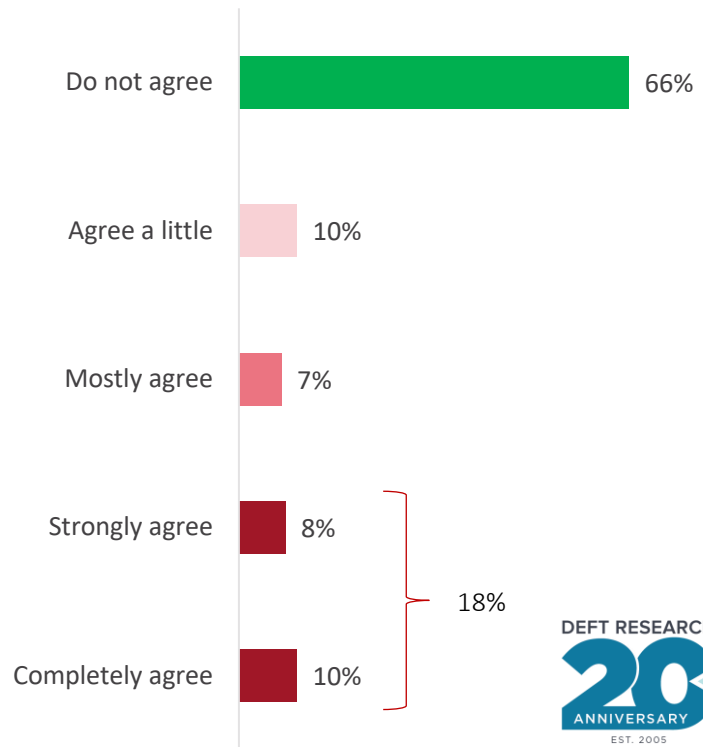
But just as it was easy to predict that back-to-back years of bad rates would lead to the fallout we saw this past AEP, it was easy to predict that soon the pendulum would have to swing the other way. There are simply too many seniors who benefit from MA, they vote, and when they feel pain as they did this past year politicians and government administrators alike take note. The 2026 Advance Notice brought new hope to managers in the program that better days lie ahead (even though a new administration may have something to say about the Final Notice). But in light of this seemingly good news, has too much damage already been done to the carrier-to-beneficiary dynamic?

This brings up another good question—something carriers considering a 2025 exit had to tirelessly debate. Which is worse? Is it worse to exit the market and try to come back—hat in hand—two or more years later and hope that former members and agents remember the good times and not the (really) bad? Or is it worse to term plans and try to force members into different designs they didn’t necessarily want? Neither is great with both posing short-term and medium-term challenges. But as it turns out, the challenges with at least one of those options may not be insurmountable.

As seen on the chart to the right, 18% of seniors who saw their 2024 plan terminated wanted nothing to do with their carrier when it came to considering replacement plan options from their same carrier in 2025. In a sense, their 2024 carrier was “dead to them”, and carriers and agencies should recognize that there will be some degree of brand damage to those that terminate specific plans but keep or introduce others. But two-thirds of seniors in plans that were termed were willing to “kiss and make up” with the carrier, evidenced by their willingness to consider other plan designs offered by their current carrier for 2025. These seniors, none of whom wanted to have to deal with scrambling for new coverage, showed an impressive amount of grace by being willing to still work with their old carrier. Carriers and agencies should also take note of that.

### DID NOT CONSIDER 2024 CARRIER DUE TO PLAN TERMINATION

Base: Forced Switcher, Carrier Available in 2025, n=154



Quitting on a market and making a complete exit will not soon be forgotten by consumers or agents alike. But making the best out of a difficult rate environment and showing a commitment to a customer base by keeping some options—even though maybe not their current or preferred option—appears to have been more than acceptable to most seniors. And should 2026 bring, in fact, more rate pleasure than pain, these resilient carriers stand to preserve loyalty with their resilient members.

#### Don't miss these offerings related to the 2025 Medicare Shopping and Switching Study:

- [National MAPD Benefit Design Conjoint Plus MaxDiff Study](#) is a critical component to any plan designer's toolkit, providing detailed information on the tradeoffs consumers are willing to make about benefits. The study includes Deft analysis of key benefit tradeoffs and an online benefit design simulator for testing.
- [Medicare Part D Study](#) provides a complete picture of Part D (including both MAPD and standalone) and can help you understand how seniors are reacting to changes in their benefits after disruptive changes put in place by the IRA.
- [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.

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.