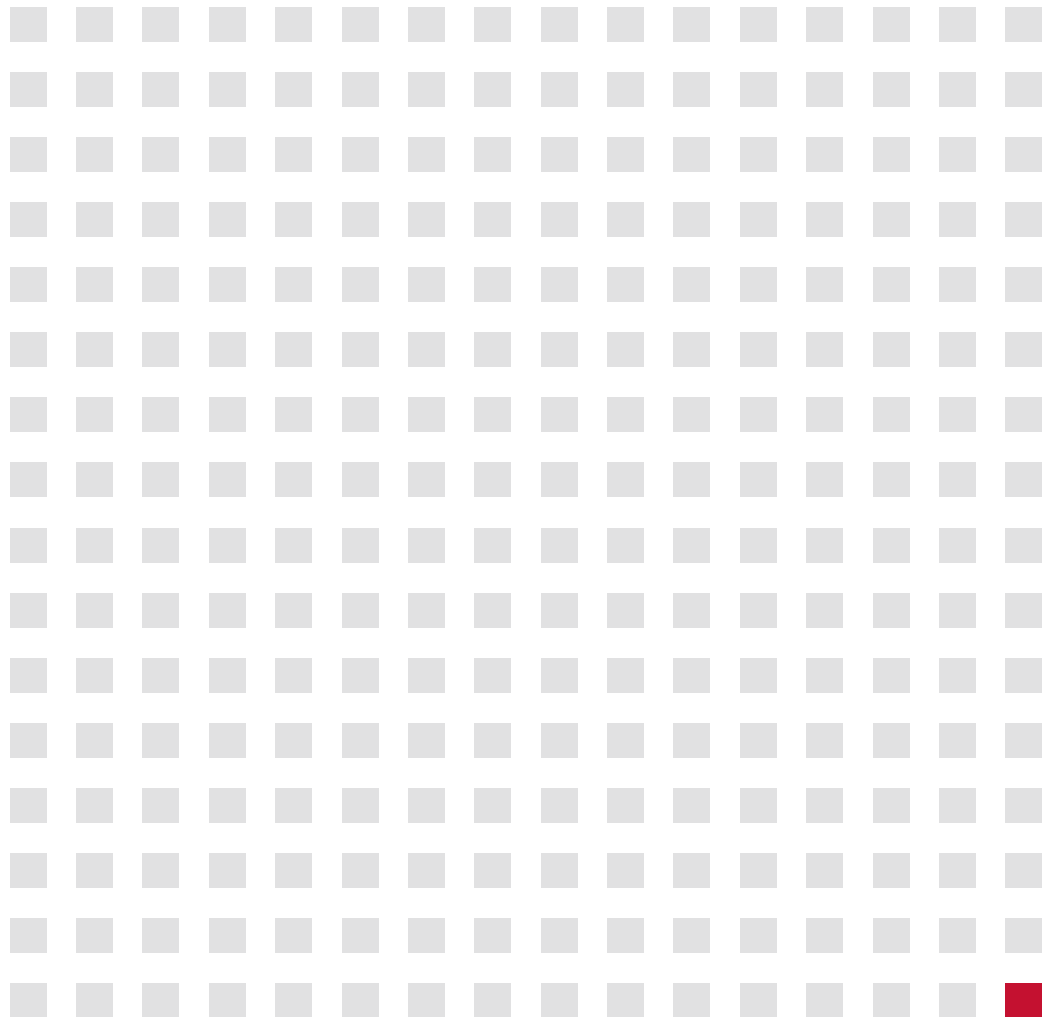




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# Converting and Capturing The Senior Market

A Guide to Effectively Marketing to Seniors  
While Staying in Compliance



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## The Boom

A surge of potential customers is quickly approaching Medicare eligibility. These new customers will almost double the Medicare enrollment growth rate over the next twenty years. They are the Baby Boomers.

In 2011, millions of people will begin turning 65, adding to the 46.7 million people already enrolled in Medicare. By 2029, the Baby Boomer surge ends with numbers of Medicare enrollees reaching 78.6 million people.

These staggering numbers of Medicare enrollees presents an enormous opportunity to address the senior market and drive sustainable and profitable member growth for insurance carriers.

But just as the insurance carriers are about to begin their marketing campaigns targeting this massive number of Boomers, the rules change.

New regulations combined with an overwhelming potential new customer base lends itself to confusion and frustration. This paper will illuminate marketing opportunities that offer strong member acquisition and examine the benefits of integrating the right technology solution to aid in effective marketing efforts to seniors while insuring compliance and cost-efficient work by insurance carriers and their representatives.

## Evolution of Regulations

In response to the passing of the Medicare Improvements for Patients and Providers Act (MIPPA) legislation, Centers for Medicare & Medicaid Services (CMS) introduced new policies and procedures to protect the growing number of potential senior customers. The new CMS regulations placed strong restrictions on the methods that insurance carriers use when marketing to these Medicare-eligible seniors.

Regulatory compliance has become a major concern for all regional and national health plans. Insurance carriers have indicated that they not only find it difficult to remain safely within the new guidelines while attracting new customers and overseeing their brokers but also find that tracking compliance with the new procedures and policies presents a challenge.

And although the new regulations are designed to protect seniors, they greatly limit marketing opportunities to this enormous group of potential customers.



# The New Rules

The recently introduced CMS regulations focus on insurance carriers traditional tactics used when marketing and selling to Medicare-eligible seniors. Among other prohibitions, health plans are required to comply with the two following important standards.

1. The rules broadly prohibit unsolicited contact by insurance carriers.
2. Insurance carriers must make available electronic user interface that is designed to provide reasonable accommodations for individuals with disabilities.

## Prohibit Unsolicited Contact

This regulation extends the prohibition on door-to-door solicitation to other instances of unsolicited contact that may occur outside of advertised sales or educational events. Specifically, cold calls to Medicare-eligible seniors are no longer allowed. The ban extends to calling past clients or contacting “referred” prospects. In other words, agents and brokers can no longer initiate contact of any kind to potential enrollees.

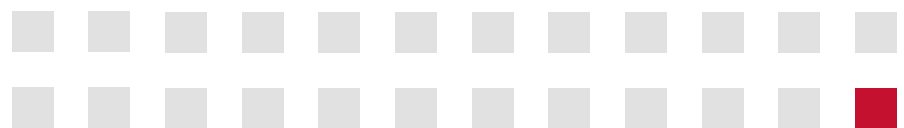
## Compatible User Interface

The primary purpose of this CMS standard is to provide access to and use of Federal executive agencies’ electronic and information technology (EIT), such as information kiosks and websites, by individuals with disabilities.

The regulation requires agencies to ensure that their procurement of EIT takes into account the needs of all end users – including people with disabilities. Doing so enhances the ability of members of the public with disabilities to have access to and use of information and data about Medicare as easily as those members of the public operating without disabilities.

These new regulations encourage insurance carriers to re-examine their marketing practices. Insurance carriers have to take a second look at their electronic media on a national and local level and agents and brokers are forced to find different ways to generate new leads.

So where can you find new leads while remaining compliant with CMS’s policies?



# Look Within

You don't have to go far to find your first marketing opportunities. Your current members present enormous untapped potential.

According to a CMS November 2008 Guidance memo, "plans continue to be allowed to call their current members for any reason." This includes members of your group and individual segments that are aging into Medicare. In addition, you can market to your existing Medicaid enrollees that may be dual eligible.



Current CMS regulations allow plans to continue to call their current customers for any reason.

A 2007 McKinsey survey of retail health care consumers found that of the \$25 billion opportunity, only \$6 billion had been achieved. That means there is still \$19 billion worth of new business just waiting to be acquired.

Furthermore, only 33 percent of all Medicare-eligible seniors thought that their insurance carriers offered Medicare. And 68 percent of those aged 64 and above had never even been approached by their insurance carriers regarding a change to a Medicare product.

The costs to keep a member or a beneficiary is much less expensive than the cost to attain a new customer. Therefore, your profit margin is much greater when you keep a current customer vs. bringing a new customer on board.

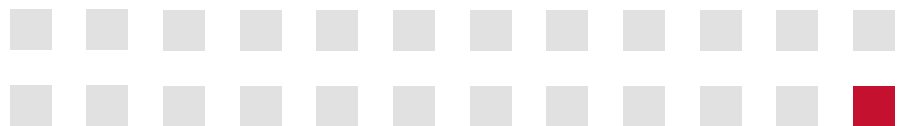
So how do you capture and convert these current customers? The right technology solution makes that step much easier.

Since you have already identified a target audience of current clients ages 64 and 65, you can utilize available technology to extract contact information for those individuals from your membership database and upload them into a sales process software.

Leads can then be qualified and automatically assigned to the appropriate sales representatives based on your business rules.

Once the leads are assigned, representatives can work from the "approved" list of customers and offer their assistance with plan selection and the enrollment process. As each step is taken, the software tracks all necessary appointments, communications and other transactions to ensure compliance with CMS regulations.

Utilizing a lead management and sales process software not only enforces structure, it also creates an accessible archive and proof



of compliance while lowering costs in the back-office. The health plan's job is made easier and the customer receives guidance to make an informed choice all while staying within the CMS standards and guidelines. The added cost savings for the carrier increases the return on investment of this type of software solution.

## Give Them What They Need

So now you are converting your current beneficiaries but you don't want your customer-base to remain static. How do you attract new customers?

Don't forget about your corporate website. The notion that seniors do not utilize technology is a thing of the past. More and more seniors are online and as the Baby Boomers reach 64, that trend will only grow.

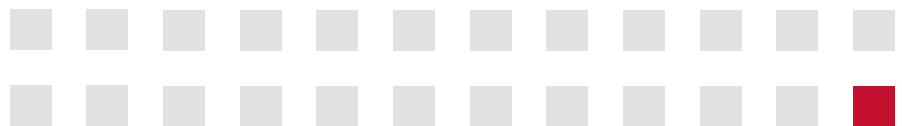
In fact, a 2009 article published by Forrester entitled "How Online Seniors Purchase Products" demonstrates that 64 percent of seniors research products online. And not only do they research the products but 67 percent of seniors actually purchase products online.

There are three "musts" to keep in mind when marketing online to seniors:

1. Design your site to create an environment that they are comfortable with that also meets the CMS regulations.
2. Make your plan information and application easy to find.
3. Offer several ways to request additional information.

When approaching the online senior population, there are unique considerations that you need to make. By following the CMS regulations, you will design a site with a user interface that is compatible with screen-reading applications. You should allow the audience to choose a high-contrast view and choose the desired font size. It is important that the audience finds your site to be comfortable and conscious of their needs.

Making the plan information easy to find is vital to your online success. The amount of information on the internet easily causes an information overload. The right technology can offer tools to help the senior compare plans and determine the plan that best meets their needs. On an easy-to-navigate site, once a senior selects their plan, they are taken directly to the online application for real-time, straight-through processing. Additional tools such as needs analyzers/plan finders or online chats can assist seniors and add to a successful online experience.



With the new CMS regulations, health plans need to capture the information of potential customers through every possible means. By giving seniors the option to request additional information, health plan representatives are able to contact them, present their plan options and remain in compliance.

Once a health plan receives interest through their website, they can again utilize the technology solution to upload them into sales process software and assign them to the appropriate sales representatives. And once again, the software tracks the transactions ensuring structure and compliance and presents the carrier with a less expensive way to conduct business.

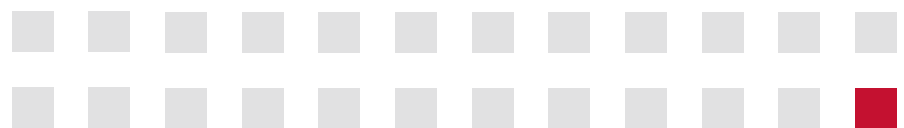
## A Connecture Connection

As health care evolves to handle new regulations, new customers and new technologies, it is vital for insurance carriers to find a partner that can help them streamline end-to-end member acquisition.

One of Connecture's partners began as a plan who maintained a selling process that was largely manual and paper based. Their key objectives were to:

- Leverage technology to gain a competitive advantage in the individual market segment, particularly the senior space
- Drive a sustainable increase to their e-commerce business
- Lower operating costs and increase productivity
- Decrease the processing time required to insure individuals, quote-to-card
- Maximize their investment so that it could be used to reach both the individual market segment as a whole and give specific focus on the senior market

The solution was to implement Connecture's InsureConnect Quoting and InsureConnect Enrollment and Installation software for the individual market, and then expand into selling senior Medicare products online. They also utilized online tools to streamline back-end home office processes such as data entry, underwriting, and change of coverage, and to equip field and in-house producers with online tools to assist individuals throughout the application process.



As Baby Boomers age into Medicare eligibility, the opportunity for sustainable and profitable member growth is enormous.

Within merely 12 weeks, their InsureConnect solution was live. Approximately 250 thousand applicants were submitted in the first year alone. The specific outreach efforts to seniors produced nearly 5,000 seniors enrolled within the first three weeks following the launch.

Currently, the system processes about 1,000 applications each day. The overall process is quicker, cheaper, simpler and more accurate.

## Conclusion

The year 2011 brings with it incredible opportunities for insurance carriers. As Baby Boomers age into Medicare eligibility, the opportunity for sustainable and profitable member growth is enormous. In order to realize the full potential that the aging Baby Boomers present, carriers must become prepared, become educated and become organized.

By leveraging their Internet presence and focusing on the unique needs of the senior market, health plans can attract new customers. And by marketing to their current customers that are reaching 64 and 65, health plans can convert current customers.

InsureConnect assists carriers in automating the entire new business and renewal process. No matter where carriers are in the bidding process, health plans can leverage technology to reduce administrative costs and gain processing efficiency. The operating costs are lowered due to a streamlined process, and compliance is tracked to insure that representatives are operating within CMS regulations.

The rules for marketing to seniors have changed. They might limit sales opportunities but they definitely do not eliminate them. Insurance carriers merely have to look within and give potential customers what they need.



## About Connecture

Connecture is solely focused on delivering integrated Web-based sales, service and process automation solutions to the health insurance industry. Connecture has automated elements of the insurance sales and service process for more than 80 health plans and insurers, and its InsureConnect suite of solutions currently supports the sales and servicing of 11 of the 20 largest health plans and insurers in the country. Its industry-proven solutions encompass the entire spectrum of multi-channel insurance sales and services for small group, large group and individual markets. Connecture offers an end-to-end business process transaction platform consisting of focused modular applications that fully integrate with existing systems. Connecture's solutions have proven to deliver increased sales, enhanced broker loyalty, improved back-office efficiencies, lower customer-acquisition costs, and decrease overall operating expenses.

## About the Author



**Curt Schumacher, Senior Vice President of Product Management**

Curt has more than 20 years of experience working with insurance information systems. The breadth of his experience on the vendor side at an employee benefits insurance carrier gives him a unique perspective, which helps him understand both the technical and business challenges health plans face. Curt has managed carrier-side systems, including coordinating conversions and migrations of administration and claims systems. He also led design and development efforts for core carrier insurance administrative systems that process rating, renewals, billing, commissions, agent licensing, fulfillment, and claims as well as solutions for sales automation, experience analysis, and data warehousing. Curt earned his Bachelor of Business Administration degree from the University of Wisconsin-Milwaukee.



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