Executive summary

Approximately 26 million Baby Boomers will age into Medicare through 2030. As they do, will health plans be ready to capture and retain them?

Many researchers describe two groups within the Baby Boomer generation: “leading-edge” and “trailing-edge.” Trailing-edge Boomers are the next wave of Medicare enrollees, while leading-edge Boomers have mostly aged into the program already. While they might be more likely to select Medicare Advantage (MA) products, as they typically have extensive experience with employer coverage, networks, benefit designs, and health plans that offer MA products, health plans should consider how this next wave differs from the last in order to capture future Medicare market share.

National data on population-level trends and Deloitte’s surveys of health care consumers show that trailing-edge Boomers differ from their leading-edge counterparts in many ways:

- Many trailing-edge Boomers have higher rates of diabetes and obesity than their older peers. However, evidence suggests that many have better control of their health conditions, and may have some healthier habits than their older peers (e.g., lower smoking rates).
- Consumer surveys suggest that trailing-edge Boomers approach health care and coverage differently than leading-edge Boomers. Trailing-edge Boomers turn to different sources when seeking information about health plans. Also, many are dissatisfied with their current health plan—overall and when asked about their coverage and experience.
- Consumer surveys have also found that trailing-edge Boomers already use health technology more than their older counterparts, and many are interested in new technologies to support aging in the home (e.g., telemedicine, remote-patient monitoring [RPM]). However, privacy and security concerns may give many pause as these technologies become increasingly available.

Trailing-edge Boomers are more likely to have been in the workforce. Moreover, many trailing-edge Boomers are retiring to new areas of the country, staying in their homes longer as they turn away from traditional retirement communities, and facing dire financial circumstances as they look to retire.
MA is expected to be an important product for many health plans as they seek to grow enrollment and maintain positive margins. Understanding the characteristics, engagement behavior, technology use, and beliefs of trailing-edge Boomers may help plans adapt their strategies accordingly.

Health plans should consider adopting several strategies as they seek to attract and retain this next wave of Medicare enrollees. For example, new partners, such as home- and community-based organizations, may offer services that can help trailing-edge Boomers stay in their homes and get care in preferred settings longer. New solutions to support these services also may be required (e.g., care managers, transition coaches).

Segmentation, whether to determine appropriate outreach and communication strategies or to understand trailing-edge Boomers' patient-activation levels, could help health plans retain these enrollees longer. Trailing-edge Boomers may also need new tools—whether to help manage chronic conditions or to integrate technology into their care—to stay activated in their health care and engaged with the health plan.

Many health plans have been targeting, attracting, and engaging leading-edge Boomers since the first individuals turned 65. But, the next wave is different and will likely require different strategies, tactics, and capabilities to win with this important customer segment.

Medicare Advantage: What will 2017 bring?

In recent years, MA has been the single most consistent source of top-line growth and bottom-line results across the health plan sector. Today, one-in-three Medicare beneficiaries receives benefits from a private MA plan rather than the fee-for-service (FFS) Medicare program.

The MA market has grown steadily despite Affordable Care Act (ACA) reductions to MA health plan payment rates. And the market will likely continue to expand in 2017, though somewhat more slowly due to the continuing impact of ACA payment cuts.

Republican administrations and lawmakers have, in general, tended to favor MA. Burgeoning ACA “repeal-and-replace” efforts could provide a series of opportunities and legislative vehicles for policymakers to influence the longer-term trajectory and sustainability of MA, perhaps by bolstering payment mechanisms and updating the MA administrative and regulatory model. There are Medicare reform packages currently being discussed (such as Speaker Paul Ryan’s premium support proposal) that could dramatically reshape the future Medicare market landscape, including MA.

In the near term, while some regulatory and marketplace headwinds are likely, we forecast favorable conditions for the MA market, with high levels of confidence in the growth and performance potential of the MA line of business for health plans.
“Trailing-edge” Baby Boomers will be the next wave of Medicare enrollees

The Baby Boomer generation, born 1946 to 1964, is the largest generation the US has ever seen. As this group ages, it is changing many aspects of society, culture, economy, and consumerism. Medicare Advantage (MA) plans seeking to capture and retain Medicare enrollees will need to understand and manage this dynamic group of people.

The Baby Boomer generation is quite diverse. A Boomer born in 1946 is very different from one born in 1964. Many researchers describe two groups within the Baby Boomer generation: “leading-edge” and “trailing-edge.”

• “Leading-edge” Boomers were born between 1946 and 1955 and grew into adulthood during the Vietnam War and Civil Rights movement. Most leading-edge Boomers have already joined Medicare.

• “Trailing-edge” Boomers were born between 1956 and 1964 and grew up after the Vietnam War and the Watergate scandal. The trailing-edge Boomers will be aging into Medicare at a rate of 10,000 per day over the next 10 years.

Many trailing-edge Boomers:
• Are used to having several plan options to choose from through their experience with employer coverage.
• Are more familiar with the concepts of plan networks and benefit designs (e.g., health maintenance organizations, preferred provider organizations) than their predecessors. Because of this, many are comfortable with comparing different plan options.
• Have enrolled in employer-based plans for years (if not decades) with the same health plans that offer MA plans, making them more likely to seek out MA products from the health plan they already know.

We leveraged data from national sources as well as from Deloitte’s surveys of health care consumers to paint a picture of future Medicare enrollees. Many in the trailing-edge population are changing retirement trends. Differences between the two populations will likely require health plans to develop new strategies to recruit and retain future MA members.
What do trailing-edge Boomers look like?

Many trailing-edge Boomers differ from leading-edge Boomers in several ways. For example, women in the younger generation are more likely to have a work history. Also, many trailing-edge Boomers are turning away from traditional retirement destinations, have a stronger desire to remain in their homes and communities, and have financial struggles resulting from the Great Recession.

Female Boomers will be an important set of decision-makers

Trailing-edge Boomer women are more likely to have been in the workforce. Leading-edge Boomer women had to challenge assumptions about working and participating in the workforce: Only one-third of women were in the workforce when the Boomers—born in 1946—reached 18. Trailing-edge Boomer women were more likely to benefit from the progress made by the older group—the number of women in the workforce had jumped to more than half of women (53 percent) by the time the youngest Boomers turned 18.9

Trailing-edge Boomer women are more likely to have made their own decisions about health benefits, rather than relying on spousal coverage. Increased workforce participation in earlier years of life also means that many women are eligible for Social Security and, thus, Medicare benefits, through their own work history. To be eligible for premium-free Part A benefits under Medicare, people in the US have to have worked for 40 quarters.10 Many women in older generations stayed at home and were not eligible for Medicare through their work history; instead, they gained it through spousal benefits.11

Women retiring now are more likely to have been in the workforce. They’ve been making benefit decisions for years and likely won’t stop just because they’ve entered retirement.
New retirement destinations are rising in popularity

Many trailing-edge Boomers are retiring to different areas of the country than those chosen by leading-edge Boomers. For many in the leading-edge generation, retiring meant moving to warmer climates and states where older adults were in the majority, such as Florida and Arizona. Retirement homes and continuing care retirement communities developed in these areas as a result. However, trailing-edge Boomers appear to be moving away from that trend.

Many areas of the country not traditionally associated with growing older have become attractive destinations for the younger wave of aging adults. Places like Boise, Idaho and Austin, Texas have seen their population of adults aged 55 to 64 explode in the last 15 years. For example, Ada County, Idaho had a 92 percent increase and Travis County, TX had a 110 percent increase in their 55-64 year old population from 2000 to 2010.\(^2\) (See Figure 1.)

Trailing-edge Boomers appear to moving away from the established trend of retiring to warmer climates and states where older adults are in the majority.

Figure 1. Counties in Texas, North Carolina, and Idaho have seen a rapid increase in the population of trailing-edge Boomers

<table>
<thead>
<tr>
<th>Percentage increase in people aged 55 to 64 from 2000 to 2010</th>
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<tbody>
<tr>
<td>Austin, TX</td>
</tr>
<tr>
<td>Raleigh, NC</td>
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<tr>
<td>Boise, ID</td>
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<tr>
<td>Colorado Springs, CO</td>
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<tr>
<td>Provo, UT</td>
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<tr>
<td>Madison, WI</td>
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<tr>
<td>Portland, OR</td>
</tr>
<tr>
<td>Houston, TX</td>
</tr>
<tr>
<td>Riverside/San Bernadino, CA</td>
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<tr>
<td>Albuquerque, NM</td>
</tr>
</tbody>
</table>

College towns are becoming some of the most popular retirement destinations. Many of these towns contain a vibrant youth population, are often walkable and/or have sophisticated transportation infrastructure, and have established relationships with the universities to give the community’s older adults lifelong learning benefits. Moreover, aging services organizations within these communities can help address the health, physical, and social needs of older adults. These organizations may become critical partners of health plans as they seek new ways to meet the needs of the growing aging population. (See sidebar.)

As many trailing-edge Boomers seek to remain in their communities, health plans may want to partner with organizations that can help them do this. Many aging services organizations are retooling their core offerings and adding new ones to respond to Baby Boomer population growth. Congress passed The Older Americans Act of 1965 (OAA) in response to the growing concern about the lack of community-based services for older adults. OAA established the Administration on Aging (AoA), which administers many of the national grants programs that assist older people. While OAA funding has traditionally supported much of the services that these organizations provide, many have begun to collaborate with private payers (e.g., MA, Medicaid managed care organizations) to provide services to health plans’ members.

**Aging services community organizations are becoming new partners for health plans**

As many trailing-edge Boomers seek to remain in their communities, health plans may want to partner with organizations that can help them do this. Many aging services organizations are retooling their core offerings and adding new ones to respond to Baby Boomer population growth. Congress passed The Older Americans Act of 1965 (OAA) in response to the growing concern about the lack of community-based services for older adults. OAA established the Administration on Aging (AoA), which administers many of the national grants programs that assist older people. While OAA funding has traditionally supported much of the services that these organizations provide, many have begun to collaborate with private payers (e.g., MA, Medicaid managed care organizations) to provide services to health plans’ members.

**Case study: Athens Community Council on Aging (ACCA)**

ACCA is a nonprofit organization founded in Athens, Georgia in 1967. While traditionally considered the senior center for that community, the organization has expanded its efforts to go beyond those services to support older adults aging in the community that surrounds the University of Georgia. In addition to the nutrition services and transportation that it provides to low-income older adults, ACCA also provides an array of expanded services. Health plans may find these services attractive as members seek to get more care at home and in the community. Programs such as Meals on Wheels and ACCA’s Bentley Center for Adult Day Health may provide attractive alternatives to traditional post-acute care settings. For example, ACCA is working to establish a contract with a local MA plan to pay for ACCA’s adult day services to help patients with medication compliance and reconciliation as well as physical, occupational, and nutritional therapy after patients are discharged from post-acute care. More recently, they hired a case manager on staff to work closely with MA plans or be contracted as the local case manager for the plan. Finally, ACCA has focused on showing the value of its services through data-driven outcomes and results.

As health plans look for ways to support aging members in cost-effective, high-quality ways, organizations such as ACCA may become attractive partners.

Many Baby Boomers say they want to stay close to their current home as they age

Although areas of the country that were not previous retirement destinations have seen a growth in their older adult population, many older adults are also staying in their current communities as they age. Most (67 percent) Baby Boomers say they want to remain in the state in which they currently reside. Additionally, half (51 percent) of the Baby Boomers say they want to retire within 29 miles of their current home. Retirement communities and senior-focused housing are becoming less popular, too. Only one-in-five Baby Boomers says they want to move to an active adult community as they age, as evidenced by the fact that Google searches for the word “retirement home” have declined by nearly half since 2004.
Many trailing-edge Boomers are struggling financially, especially after the recession

The 2008 recession—also known as the Great Recession—hit the entire country hard. But individuals closest to retirement age (those in their 50s and 60s) lost the most earning power of any age group.18 Their retirement savings and home values fell sharply at the worst possible time—right before they needed that income to retire. (See Figure 2.)

Although younger adults lost more jobs after the recession, older unemployed adults had a much harder time getting work once they lost their job. In fact, the average duration of unemployment for older adults in the workforce is 53 weeks, compared with 19 weeks for younger adults.19 Older adults also have fewer years to make up what they may have lost in savings, stocks, and home equity. This situation is one of the main reasons why many older adults may have no other choice but to remain in their current homes when they retire.

Figure 2. Adults ages 55 to 64 saw median net worth decline more than any other age group after the recession


Trailing-edge Boomers were hit especially hard by the Great Recession, and many may have no other choice but to remain in their current homes when they retire.
Understanding the next wave of Medicare enrollees

Implications for health plans

Health plans should consider:

<table>
<thead>
<tr>
<th>Aligning network strategies to new population growth areas</th>
<th>Coordinating provider networks across products</th>
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<tbody>
<tr>
<td>Health plans should consider whether they need to develop larger or different networks—engaging with clinicians and health systems in geographic areas that are growing in popularity for the trailing-edge population. Health care providers in markets that have not been a core focus for the organization may warrant evaluation as potential partners.</td>
<td>Many in this population will be seeking a seamless transition from employer coverage into MA as they turn 65. Health plans will need to make sure there is as little disruption as possible to age-in members as they do this. For example, if certain members are forced to change doctors because the provider network aligned to the under-65 group is different from that in the Medicare networks, this could lead to member attrition. Health plans might also look at benefit differences between commercial and MA products; this could be another area for disruption. Finally, easing care transitions for commercial members who are in medical management programs as they move to MA plans may be a critical differentiator to engender plan loyalty.</td>
</tr>
</tbody>
</table>

Investing in solutions to enable aging with grace in the home

The propensity of trailing-edge Boomers to remain in their homes as they age—whether out of desire or necessity—will likely mean that more people will be seeking care solutions in their home, too. Health plans should consider structuring benefits to cover services that help people age in their homes (e.g., care managers and transition coaches, personal care services, long-term care support services).

As an example, CareMore, a subsidiary of Anthem, sends health care professionals to members’ residences to make sure they have the right tools to care for themselves in their homes. CareMore gives many members a scale to monitor their weight, assesses homes for fall risks (e.g., loose rugs), and/or supplies technology-enabled pill boxes to keep members adherent with their medication regimens.\(^{20}\)

Finding new partners

As members age, they typically develop additional needs beyond traditional health care, some of which are associated with the social determinants of health. Industry stakeholders are beginning to recognize that preventing or mitigating certain health conditions may require addressing nutrition, housing, transportation, and other social needs. Health plans should consider collaborating with new partners, such as aging services organizations and other community-based entities, to offer such services to their aging members.

Tailoring communication and outreach strategies by high-priority consumer segment

Segmentation can be an important tool to help health plans tailor messages, channels, and other tactics for customer acquisition and engagement. As we described earlier, women who are aging-in over the next 10 years will likely be more familiar with decisions around choosing benefits than ever before. Developing deep insights to help understand how to tailor messages to capture this consumer segment will likely be critical.
Medicare Advantage plans may need new strategies to capture and retain younger Baby Boomers

How does the disease burden of trailing-edge Boomers differ from leading-edge Boomers?

Many trailing-edge Boomers have a higher disease burden than the older Boomers, which will have implications for the future cost burden of these individuals.

**Disease burden is shifting, but so is engagement level**

A small group (five percent) of individuals age 55 to 64 in the commercial insurance population accounted for 51 percent of commercial spend for that age group in 2014.\(^1\) These high-cost patients will age into the Medicare system over the next 10 years. Understanding the cost implications of this population will be critical for health plans as they enroll this new generation of MA members.

Research suggests that, generally, Baby Boomers are already in worse health than earlier generations: Baby Boomers have higher rates of hypertension and high cholesterol. However, Boomers with these conditions are much more likely to have them under control, as evidenced by the fact that they have shares of heart disease and stroke similar to the previous generation.\(^2\)

Other evidence suggests that trailing-edge Boomers have higher obesity and diabetes rates than the population just 10 years ahead of them.\(^3\) (See Figure 3.)

Additional evidence suggests that Baby Boomers have healthier behavior than prior generations. For example, the smoking rate among Baby Boomers is much lower than it was for previous generations. When members of the previous generation were adults in the 1950s and mid-1960s, the US had one of the highest smoking rates among other developed countries. As Baby Boomers entered adulthood, that rate has declined dramatically.\(^4\)

**Figure 3. Obesity and diabetes prevalence has increased among 55–64 year olds over the last decade**

![Obesity and diabetes prevalence](chart)

The prevalence of obesity increased. The prevalence of diabetes increased.

Data compares prevalence rates for 50–64 year olds in each period.


Understanding the next wave of Medicare enrollees

Implications for health plans
Health plans should consider:

Creating tools that help members manage chronic conditions

In-person behavior therapy may need to be transformed into online, immersive experiences for those willing to engage virtually. Offering around-the-clock support via health coaches, social services staff, and smart technology could support real-time monitoring and recording patients’ care management practices.

Omada Health has developed a digital health program, Prevent, for patients with chronic conditions. Prevent uses a full-time health coach, interactive curriculum, a private online support group, and smart technology. In a study to test outcomes, Omada found that participants had an average five percent (16 weeks) and 4.8 percent (12 months) weight loss, which indicates they sustained their weight loss over a long period of time. The participants also had an average 0.37 percent reduction in their A1C levels at final measurement.21

Trailing-edge Boomers with high disease burden may need online, immersive experiences to help them control their health conditions.
How do trailing-edge Boomers approach coverage and health care?

Evidence from the Deloitte 2016 Survey of US Health Care Consumers (see below) suggests that trailing-edge Boomers are less satisfied with their existing health plan than current Medicare enrollees; that fewer have made time for wellness visits in the last year; and that they trust different sources than the previous generation for information about health plans. Still, some of the trailing-edge population’s higher disease burden may be alleviated if this age group continues to have access to alternative insurance sources, such as the exchanges and Medicaid expansion.

Trailing-edge Boomers appear to be less satisfied with their existing health plan than current Medicare enrollees

According to our consumer survey, trailing-edge Boomers who currently have employer coverage are less satisfied with health insurance than people now on Medicare. Overall, only half (53 percent) of trailing-edge Boomers say they are satisfied with their coverage, compared with 78 percent of Medicare enrollees. In addition, trailing-edge Boomers are less satisfied with their total health insurance costs, their benefits, purchase experience, and experience with using their coverage after they enrolled. (See Figure 4.)

We see this trend in national data, too. Most Medicare enrollees say they are happy with their coverage. This is likely due to the relatively low cost share that they shoulder. In contrast, many people with employer coverage have high-deductible health plans and often have fewer options to select from (83 percent of employers offering health coverage only offer one type of health plan to their employees).

Deloitte’s 2016 Survey of US Health Care Consumers: Comparing trailing-edge Boomers with the current Medicare population

Surveys about consumer attitudes and behavior can help stakeholders better understand specific populations. Using Deloitte’s 2016 Survey of US Health Care Consumers, we compared how trailing-edge Boomers (age 55 to 64) who currently have employer coverage differ from the older population (age 65 and older) that is currently on Medicare. For this analysis, we removed 55 to 64 year olds who said they are currently on Medicare, Medicaid, or another type of insurance (e.g., exchange).
Fewer young Boomers say they have had a wellness visit or routine check-up in the last year

Trailing-edge Boomers with employer insurance are less likely to have had a wellness visit or routine check-up in the last year than current Medicare enrollees (76 percent vs. 68 percent). (See Figure 5.)

Older people, especially those who are retired, often have more time to prioritize health care. Moreover, the “Welcome to Medicare” preventive visits and annual wellness visits make it an easy choice for Medicare enrollees to seek out care early and often.29 As trailing-edge Boomers age into Medicare, these services may be critical to get them engaged in their health care and more focused on wellness.

Chart shows percent who selected “Visited a doctor/medical professional for a well visit or routine check-up” when asked “Which of the following, if any, have you experienced in the last 12 months?”

Source: Deloitte Center for Health Solutions, 2016 Survey of US Health Care Consumers

Trailing-edge Boomers trust different sources for health plan information

When it comes to getting information about health plans, trailing-edge and leading-edge Boomers appear to trust different sources. The 2016 Survey of US Health Care Consumers found that while providers are the top-ranked source for trusted health care information for current Medicare enrollees (50 percent), family and friends rank first for trailing-edge Boomers with employer coverage (47 percent). And, on the whole, trailing-edge Boomers with employer coverage are less trusting than people currently on Medicare. (See Figure 6.) This suggests that health plans may need to employ different customer engagement strategies as they seek to gain the trust of future Medicare enrollees.

When comparing these findings to those for Millennials, more differences emerge. Overall, Millennials are more trusting of all sources. One reason could be that many Millennials are new to health care and health insurance and are looking for information wherever they can find it.

Figure 6. More young Boomers than current Medicare enrollees trust family and friends for health plan information and advice

<table>
<thead>
<tr>
<th>Source</th>
<th>Current Medicare enrollees</th>
<th>Younger Boomers</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers</td>
<td>50%</td>
<td>44%</td>
<td>54%</td>
</tr>
<tr>
<td>Family and friends</td>
<td>42%</td>
<td>47%</td>
<td>61%</td>
</tr>
<tr>
<td>Independent consumer-oriented organizations (e.g., AARP)</td>
<td>36%</td>
<td>36%</td>
<td>Not in top 5</td>
</tr>
<tr>
<td>Health plans</td>
<td>34%</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td>Employers and schools</td>
<td>Not in top 5</td>
<td>30%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Chart shows percent who selected 8, 9, or 10 on a 10-point scale where 1 is “No trust” and 10 is “Completely trust” when asked, “How much trust do you have in the following sources to provide you with reliable information and advice regarding the best health insurance plans for you and your family?”

Source: Deloitte Center for Health Solutions, 2016 Survey of US Health Care Consumers
Medicare Advantage plans may need new strategies to capture and retain younger Baby Boomers

Continuous coverage prior to becoming eligible for Medicare may help reduce costs

The length of time that individuals have continuous insurance coverage prior to enrolling in Medicare could help mitigate their future cost impact. On average, Medicare spending is significantly higher for previously uninsured adults than it is for previously insured adults. A look at recent coverage data suggests that more trailing-edge Boomers are covered by insurance than the leading-edge generation. Coverage under ACA through Medicaid expansion and federal and state exchanges began in 2014 when the youngest Boomers were 50 years old. Some trailing-edge Boomers who otherwise would have been uninsured before aging into Medicare now may have 15 years of continuous coverage before becoming eligible. Indeed, approximately 25 percent of exchange enrollees are age 55 to 64, and the uninsured rate for people age 45 to 64 dropped from 16.4 percent in 2010 to 9.6 percent in 2015.

Implications for health plans

Health plans should consider:

Leveraging patient-activation and receptivity surveys and models to identify “willingness to engage” levels

Health plans can use predictive analytics to identify those most at risk for disease or disease progression, especially for the highest-cost chronic conditions. Moreover, patient-activation scores can help health plans understand where their members fall along a spectrum of activation in their health care. For example, members with lower activation scores may need interventions that are designed to increase knowledge about their condition and their treatments. On the other end of the spectrum, members who score higher on activation measures may need to increase their skills and confidence in completing different self-management tasks. Patient activation and health literacy have been shown to enhance decision-making, healthy behavior, and self-management of chronic conditions.

Measuring patient activation can help health plans understand the value of interventions as well. For example, an MA plan tested a mobile integrated health (MIH) care coordination program on its membership in Florida. The MIH team was led by a physician and involved many clinical professionals, such as nurses, social workers, and pharmacies. The program stratified participants by their patient-activation level and used that to guide the intensity of the intervention they received. The program showed improvements in patient activation; members who participated improved their patient activation score by 5.3 percent over three months.

Developing a well-executed health risk assessment (HRA) strategy

The HRA is a tool for gathering information, but it also may be a way to educate members about their benefits and how to use them. While this is a US Centers for Medicare and Medicaid Services (CMS) requirement, often it is viewed as a “check-the-box” activity, rather than a way to engage members. Health plans may need to innovate on how they deliver HRAs and use the data.

Enlisting trusted support systems

For trailing-edge Boomers, health plans should consider finding ways to engage the family unit earlier in Medicare coverage decisions. Many of these family members could become future caregivers to their parent or loved one.
Trailing-edge Boomers have had more access to technology throughout their lives than have the leading-edge generation. This is likely generating different expectations around health technology, including how younger Boomers envision using RPM and telemedicine technologies. Their experience with and knowledge of credit card breaches and other cyber-attacks also means that privacy and security demands are higher among this population.

**How will the trailing-edge population’s technology needs differ from leading-edge Boomers?**

Trailing-edge Boomers have had more access to technology throughout their lives than have the leading-edge generation. This is likely generating different expectations around health technology, including how younger Boomers envision using RPM and telemedicine technologies. Their experience with and knowledge of credit card breaches and other cyber-attacks also means that privacy and security demands are higher among this population.

**Trailing-edge Boomers have had more access to technology**

Baby Boomers are often thought of as lacking experience with newer technology, such as cell phones and computers. But, this is another example of how leading- and trailing-edge Boomers differ: Many younger Boomers have seen technology evolve and proliferate throughout their work and personal lives. In fact, the youngest Boomer was only 17 when IBM introduced its first PC and only 38 when the first-generation smartphone was released.36 (See Figure 7.) Automated teller machines and cellphones are among the other technologies developed and enhanced during their lifetimes. Moreover, 83 percent of trailing-edge Boomers (ages 51–59) are Internet users, compared with only 76 percent of older Boomers.37

**Figure 7. People born in 1964 were age...**

17
...when IBM introduced its first personal computer.

19
...when Apple, Inc. introduced Lisa.

29
...when some of the first email addresses were introduced.

38
...when Handspring introduced the Palm Treo.

Medicare Advantage plans may need new strategies to capture and retain younger Baby Boomers.

Access to health technology is of increasing importance

Deloitte’s 2016 Survey of US Health Care Consumers explores the use of technology among the two age groups. Nearly 50 percent of trailing-edge Boomers with employer coverage currently own a smartphone. This is much lower for the Medicare population (25 percent). In addition, approximately one-fourth of the trailing-edge population with employer coverage, compared with only one-sixth of the Medicare population, have measured their fitness and health improvements in the last 12 months. Finally, fewer Medicare enrollees have gone online to pay a medical bill in the last 12 months than trailing-edge Boomers with employer coverage. (See Figure 8.)

Trailing-edge Boomers may be helping drive greater demands around mobile access for health care. While only 14 percent have used an app to access a health plan or enrollment site, this is greater than current Medicare enrollees (nine percent). This may be a case of demand not being met by health care stakeholders. Few people who get their coverage through their employer have access to such features, especially when contrasted with groups like exchange enrollees, who were encouraged to go online and use mobile sites to enroll.

Many trailing-edge Boomers are open to using telemedicine to support their lifestyles

Findings from the survey also suggest that new technologies can act as an enabler to access care outside traditional settings. Indeed, nearly one-third of individuals in the 55-64 age group with employer coverage say they could envision using telemedicine during travel (31 percent) or for a minor injury (27 percent). This population also appears to be less concerned with the nature of telemedicine visits, as only one-third of 55-64 year olds with employer coverage report that telemedicine seems impersonal (contrasted with 47 percent of Medicare enrollees). This implies that telemedicine is viewed by trailing-edge Boomers as an easy way to manage unexpected or short-term health care issues.

However, in most instances, more Medicare enrollees can envision using RPM than trailing-edge Boomers. Most Medicare enrollees have one or more chronic conditions, and RPM technology can help provide timely access and care. Moreover, this technology may be helpful to detect a fall or may help individuals to recover after a major surgery. As trailing-edge Boomers age and their chronic conditions worsen, these technologies may become more attractive options.

Figure 8. Many trailing-edge Boomers have used health technology to support their lifestyles

<table>
<thead>
<tr>
<th>65+ Medicare enrollees</th>
<th>55–64 year olds with employer coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Own a smartphone</strong></td>
<td>46% (25%) 36% (28%)</td>
</tr>
<tr>
<td><strong>Have paid a medical bill online in the past 12 months</strong></td>
<td>0% (0%) 36% (28%)</td>
</tr>
<tr>
<td><strong>Have measured fitness and health improvement goals in the past 12 months</strong></td>
<td>0% (0%) 16% (27%)</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Health Solutions, 2016 Survey of US Health Care Consumers.
Privacy is a concern for many trailing-edge Boomers

Credit card breaches and cyber-attacks have become commonplace in today’s increasingly connected digital world. As these incidents continue to proliferate, many consumers are becoming more attentive to and cautious about health information privacy and security.

However, this is another area where trailing-edge and leading-edge Boomers differ. Thirty-eight percent of people (ages 55–64) with employer coverage say they are concerned that their health information could be leaked if they use technologies such as telemedicine and RPM. (See Figure 9.)

Figure 9. Concerns about information leaks are higher among trailing-edge Boomers than for leading-edge Boomers

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<thead>
<tr>
<th></th>
<th>Trailing-edge</th>
<th>Leading-edge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telemedicine</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Remote-patient monitoring</td>
<td>39%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Chart shows percent who responded “My personal health information could be leaked” when asked about certain concerns that individuals may have about using telemedicine or RPM.

Mobile matters to many trailing-edge Boomers, but not necessarily or engagement in health care

When you ask consumers what’s important to them on an absolute basis, they tend to rank many things highly. However, the Deloitte 2016 Consumer Priorities in Health Care Survey asked people to force rank and choose between multiple dimensions on a relative basis. When consumers are asked to do this, they make tradeoffs.

This survey tested 64 different health care interactions by asking consumers to force rank their importance. All things being equal, one would expect each of the variables to fall along the “expected average score” line. But, when consumers are asked to rank each variable compared to the others, priorities appear more clearly. What this ranking revealed is that consumers first and foremost want to be known and understood in order to get a personalized health care experience. The ranking shows that providers are best-positioned to deliver on this.

The next two priorities for consumers are affordable care with no surprises and access to care when, where, and how it best suits them. Lastly, while consumers are looking for support to help manage their care, digital tools haven’t risen to the top of their priority list. This could indicate that digital capabilities and tools must become easier to use and more integrated into the care continuum to gain traction.

Source: Deloitte 2016 Consumer Priorities in Health Care Survey
Implications for health plans

Health plans should consider:

<table>
<thead>
<tr>
<th>Investing in technology to help people age in their homes</th>
<th>Investing in self-service technology</th>
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</thead>
<tbody>
<tr>
<td>Advanced RPM solutions that provide digestible feedback immediately and frequently could be solutions that trailing-edge Boomers begin to appreciate as their chronic conditions increase in number and/or severity. In addition, expanded telemedicine capabilities could help health care providers treat a broader spectrum of conditions.</td>
<td>To meet consumers’ higher expectations for easier ways to pay bills, enroll in programs, and check on wellness progress, health plans may need to reallocate current technology investments and funnel them toward self-service technologies. Accolade pairs its Health Assistants with patient-support tools and apps. Health Assistants’ personalized outreach via phone, online, and mobile platforms is paired with consumer-facing technologies to support self-care, such as mobile health apps, price transparency tools, and provider search tools.</td>
</tr>
<tr>
<td>Many providers have begun to add telemedicine capabilities to their suite of services. For example, Humana and Anthem offer virtual doctor’s visits for many of their MA members. Highlighting these types of services in marketing materials and on websites could help commercial health plans stand out from traditional Medicare, which has been slower to adopt telemedicine policies. However, this may not be the case for long, as CMS has begun to experiment with ways to offer telemedicine in traditional Medicare, such as allowing flexibility around how providers deliver services under the Comprehensive Primary Care Plus (CPC+) model.</td>
<td></td>
</tr>
<tr>
<td>Building strong privacy protection into all technology solutions</td>
<td>Re-evaluating and potentially refocusing how to use digital to drive consumer engagement</td>
</tr>
<tr>
<td>Credit card scams, identity theft, and breaches at major US retailers have left many in the trailing-edge Boomer age group rattled. Highlighting tools and processes that the organization uses to safeguard not only financial and billing information, but also medical history and diagnosis information, could help differentiate health plans in this area.</td>
<td>When asking questions such as “What are the newest digital tools and applications we can use to attract patients?” and “What technology do we need to enable the right interaction with patients?” health plans should consider focusing on customer engagement and experience using the same principles that successful, customer-driven businesses use.</td>
</tr>
</tbody>
</table>
How can health plans attract and retain future Medicare enrollees?

The experience of aging into Medicare is a meaningful one for individuals and families. Many future beneficiaries are likely worried about how the decisions they make about coverage will affect their financial security into and through retirement.

Trailing-edge Boomers considering their future Medicare coverage options may be bombarded with information from multiple sources and need help to cut through the clutter to understand which Medicare benefits are right for them.

Health plans should consider providing simpler communications in both traditional print and online formats and tools to assist in comparing coverage options given an individual’s historic and potential future benefits usage.

Health plans also should consider developing strategies to identify new partners; developing new services to assist members as they age (e.g., care managers, transition coaches); segmenting their populations to develop appropriate outreach and communication strategies and patient activation levels; and offering solutions to help trailing-edge Boomers manage chronic conditions, stay active in their health care, and engage with their health plan.
Medicare Advantage plans may need new strategies to capture and retain younger Baby Boomers

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Endnotes

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