



## Medicare expansion planning

### Targeting markets to deliver profitable growth

The Medicare Advantage rising tide is lifting all ships. In our experience, plans that take advantage of the positive environment by conducting very targeted market expansion are typically well-positioned to deliver long-term, profitable growth. One key to identifying the right growth geographies is deploying a holistic, data-driven evaluation that pulls in different perspectives in an integrated evaluation.

**Medicare Advantage Organizations should contemplate the following questions when targeting markets for expansion**



What is the current and anticipated composition of Medicare eligible and how do the demographics align to target members?



What is the competitive environment and how are competitors positioned?



How do CMS premium rates align with FFS claims experience by county and FFS risk scores?



What is our ability to meet network adequacy requirements by physician specialty by identifying both over-supply and under-supply by specialty type?



What are the target preferred physician practices for recruitment efforts in order to address any network adequacy gaps based on network adequacy requirements and "value" to the network?



How will we need to configure in the market to attract and retain members?



Where will we need to innovate to stay ahead of competition and win in the market?

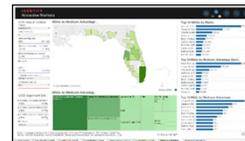
**Deloitte has developed a robust assessment that can help you answer these key, strategic questions**

A holistic assessment can help you to evaluate a market to be able to determine whether an MAO can deliver organizational membership and financial objectives

**Market Demographics:** Current and anticipated future population of Medicare-eligible and how their socio-economic characteristics and determinants of health align to your target segments



**Competitive Environment:** Assessment of competitive landscape, including key competitors, products available and their recent performance. Review of plans that have exited or recently entered market to understand competitor product portfolio strategies.



**Network Adequacy:** Baseline network adequacy evaluation by physician specialty identifying both over-supply and under-supply based on projected market share (including evaluating the adequacy of your commercial network in MA growth counties)



**Provider Performance:** Analysis of network “value” through evaluation of physician level performance and geographic scoring criteria specific to Medicare to identify areas of strength and potential challenges. This can help you target preferred physician practices for recruitment efforts in order to address any network adequacy gaps based on the same Medicare specific criteria used in the network value calculations



**Financial Analysis:** Analysis of trends in CMS premium rates, fee-for-service claims experience by county and fee-for-service risk scores, to provide perspective on financial viability of a market

Region	2015				2016			
	SP Members	Assumed Premium (\$)	Exp. ACA (\$)	Exp. ACA (\$/cap)	SP Members	Assumed Premium (\$)	Exp. ACA (\$)	Exp. ACA (\$/cap)
North Central	627	521	884	\$1,424	621	521	884	\$1,424
Northwest	853	824	827	\$978	1,381	824	827	\$599
Southwest	408	823	80	\$199	1,292	823	80	\$62
Northwest	887	832	815	\$922	1,246	832	815	\$658
Other	108	832	836	\$772	1,288	832	836	\$652
<b>Grand Total</b>	<b>6,732</b>	<b>81</b>	<b>0.15</b>	<b>\$1,476</b>	<b>6,388</b>	<b>81</b>	<b>0.15</b>	<b>\$1,472</b>

**How we can help**

Deloitte has helped Medicare Advantage plans expand and deepen their footprint by applying this methodology in focused market assessment where we develop a recommendation of what markets to enter together with initial perspectives on how to configure products and provider network.

We would welcome the opportunity to share with you our recent experiences and approach, and see if Deloitte may help you achieve your strategic goals.

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