

Medicare Advantage marketing: be competitive in a 90 day window

Companies offering Medicare Advantage plans are operating in a rapidly growing market. According to the U.S. Census Bureau, the baby boomers comprise 78.2 million of the U.S. population. This group is made up of men and women born between 1946 and 1964; they begin turning 65 in 2011. This market is on the fast track and it is imperative that companies selling Medicare Advantage plans effectively prepare to market and sell their plans in the 90 day window allotted by watchdog agency CMS, the Centers for Medicare and Medicaid Services.

The Obstacle Course

In 2008, Medicare Advantage marketing permits companies to market their plans from October 1 through November 14. Between November 15 and December 31, plan providers can submit applications for new sales to Medicare-eligible seniors. This is called the enrollment period. After that, seniors are given until March 31 to change their minds and switch to a similar plan offered by another provider.

The reason for this period is due to the potential for buyer's remorse. It gives seniors the opportunity to change their minds without consequences if they feel they have been pressured into a purchase or they didn't have enough time to evaluate all of their plan choices. Encouraging seniors to switch plans is much harder as members can only change between like plans and most have just enrolled in a plan and are reluctant to change so quickly.

In 2005, Medicare changed the open marketing window for Medicare Advantage plans in order to keep seniors free from a constant barrage of phone calls, direct mail, and pressure from sales people trying to get them to enroll. Currently, there is a black out of media and sales in the nine months prior to October 1. On that day, the media blitz begins and seniors are inundated by campaigns that push them to seminars, phone numbers, websites, and more. The goal; get them to make a decision knowingly and quickly.

Be Prepared to Pounce

So what are companies doing to prepare in the first nine months of the year? Smart companies start preparing early to ensure they are ready to fully launch a 90 day marketing campaign by October 1. This is such a small window of opportunity; any delay can cost potential members. Those who want to be successful create a professional, well thought out marketing plan that effectively communicates their value propositions. It should focus on 3 major initiatives:

- New customer sales campaign
- Existing customer sales campaign
- Retention campaign

An effective plan includes a variety of channels and media choices. For example, direct marketing through television ads, post cards, newspaper ads, flyers, billboards, and bus ads are essential pieces of the puzzle. But the process of creating these pieces is a time-consuming one. A successful post card mailing, for instance, relies on an appealing design, relatable images, compelling copy, key messages, and a swift call to action. Additionally, there must be time for CMS approval, printing, and mailing to ensure the post cards arrive at precisely the right time to the targeted recipients. Sound overwhelming? It can be.

It is also important to market to current members. In addition to providing excellent customer service, companies should take advantage of referral marketing opportunities. This can be accomplished through referral cards, referral brochures, bring a friend campaigns, event invitations, referral letters from providers, provider office posters, and front office brochure kiosks. In a provider's office, you have the opportunity to reach your target market with little effort and for the minimal cost of creating the collateral.

Recommendations for Success

This shortened window of opportunity for sales success seems to level the playing field between large and small companies when it comes to access to seniors. Everyone is competing at the same time for the attention of the same group of people. Your marketing efforts must illustrate a sense of urgency and provide your potential customer with all of the information they require to make an informed decision. Start planning your strategy in the first quarter of each year. Determine the bandwidth and expertise of current personnel. Are they up to the task at hand? If not, enlist help. Prepare your materials early even if you feel edits will need to be made before going to press. Make sure your printer is prepared and has all of the information needed to meet the October 1 deadline. Remember, that date is just around the corner.

(Callout)

Make sure you have the Major 3 in your budget;

- New customer sales campaign
- Existing customer sales campaign
- Retention campaign