



Deft Research provides focused, applicable information to health product and marketing teams for more confident and productive project implementations.

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CASE STUDY: COMPETITION AND PRODUCT DESIGN

The Challenge

A regional health plan had a strong senior market share in the central city of their service area. But the rest of the region was highly competitive with a large Blues player and national firms such as AARP/United, Humana and others vying for the senior business. Our client needed to crack the outlying markets in order to grow.

The Approach

First, Deft conducted an analysis of the market using secondary data from the client and public sources. We developed the view that the two largest opportunities were lower income seniors with supplemental Medicare policies and seniors with no insurance other than original Medicare.

Several research goals were developed during meetings between Deft and the client

- Describing preferences and attitudes of seniors currently served by Medigap plans, MA customers and seniors with no supplemental coverage.
- Developing an understanding of preferences for premium levels and cost sharing.
- Obtaining information that helps predict the response of the market to coverage packages offering extra benefits.
- Suggested ways to differentiate with product, price, and positioning.

Results

The research gave the client information that reduced the uncertainty and financial risk of an innovative product launch.

- To attract low income, MedSupp customers, the client launched a Medicare Advantage product whose benefits were rich and cost sharing low. The product had a higher premium than the previous conventional wisdom would have recommended.
- The client learned where to focus. Seniors with original Medicare only and with Medsupp were most attracted to predictability of premiums and costs and were less attracted than seniors already in Medicare Advantage to ancillary services such as wellness programs or advice services.
- For many Medsupp customers, premiums are more associated with financial worries than with the benefits of comprehensive coverage and peace of mind. The client's Medicare Advantage plan has been positioned to both relieve the financial stress and meet their needs better.