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# MEDICARE ADVANTAGE NEWS

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## Some MA Plans Show Fast Growth in Membership for New Products

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For a variety of reasons, Medicare Advantage (MA) organizations with new products that began coverage effective Jan. 1 already are reporting sizable enrollment in them. In some cases, MA plans report the influx arises from a single group enrolling in the product, while in other cases they attribute rapid growth in new products to a broad combination of marketing tactics.

UPMC Health Plan's private-fee-for-service (PFFS) product that began coverage Jan. 1 had 2,290 enrollees as of Feb. 1, according to CMS. Cathy Batteer, the plan's vice president of Medicare, says the PFFS product's growth came from a single new group account for retirees from Weirton Steel. She explains that the PFFS option gives the Pittsburgh-based plan the ability to compete for other employer-group accounts in the tri-state area in which the Weirton retirees reside: Pennsylvania, Ohio and West Virginia.

Batteer says that UPMC Health Plan also began offering individual PFFS plans in the three states as of Jan. 1, as required by CMS, but the individual PFFS plans have attracted no enrollment yet. She notes that CMS will no longer require MA organizations to offer individual PFFS alongside employer-group PFFS products for 2008, so UPMC Health Plan is considering no longer offering individual PFFS next year.

Overall, UPMC Health Plan exceeded its MA enrollment targets for January, picking up about 7,000 net new MA members, Batteer says. Its total MA membership exceeds 39,000, including nearly 37,000 HMO enrollees, 1,155 PPO members and the PFFS enrollees. She explains that the plan decided that its MA HMO with drug coverage was overpriced in 2006 with its \$72 monthly premium. Thus, for 2007 UPMC Health Plan kept that product as its enhanced MA HMO option, and introduced a much-lower-priced MA prescription drug plan (MA-PD). The new product, which is also an MA HMO and has a \$23.50 monthly premium, has attracted about 5,000 lives, she says. Nearly 3,000 of them are enrollees in the state's pharmaceutical assistance program who switched from a zero-premium HMO with no drug benefit to the new MA-PD; the state pays the premium for them, Batteer adds.

XLHealth Corp., a Baltimore-based disease management (DM) company, has enrolled several thousand beneficiaries into its three regional chronic-care SNPs that began

coverage Jan. 1, according to CMS. XLHealth's three similar plans, which are located in the Texas, Georgia/South Carolina, and Arkansas/Missouri regions, are designed for beneficiaries with diabetes, congestive heart failure, chronic obstructive pulmonary disease and end-stage renal disease.

As of Feb 1, XLHealth had a total of 4,885 members in its three new regional SNPs, along with 978 enrollees in its MA HMO and 10,686 members in its Medicare Health Support pilot program, according to CMS's MA and Part D enrollment data.

Of 45 chronic care SNPs now in the MA program, all but XLHealth's new trio of regional PPOs are operating as HMOs, notes Robb Cohen, XLHealth's chief government affairs officer. He says the company offers a targeted benefit design built around members on the medical side and drug side as well as DM support.

Cohen attributes the rapid growth of XLHealth's 2007 regional MA products to a broad combination of marketing methods, including community outreach and education, working through senior organizations, brokers and providers. "They all very much feed on each other," he says of the marketing strategies. "The goal is to create what I would call a public health awareness campaign."

Cohen declined comment on whether XLHealth will apply to CMS for additional regional SNPs for 2008. But he says the company expects its plans' enrollment growth, as seen in February, to continue throughout the year because of SNPs' year-round enrollment. He notes that XLHealth's regional SNPs offer prescription drug coverage through the coverage gap, "so we expect as people approach the gap, our plan will become of that much more interest."

According to CMS's latest enrollment data, two new PFFS contracts for WellCare Health Plans, Inc. that began coverage Jan. 1 had combined enrollment of more than 20,000 as of Feb. 1. Company officials, in a Feb. 14 earnings conference call, reported WellCare had more than 18,000 PFFS enrollees as of Feb. 1, and said 7,000-plus agents are selling the product across the U.S. WellCare officials also noted that 35% of the PFFS membership switched from WellCare's stand-alone Prescription Drug Plans (PDPs) into PFFS "because they saw value" in the MA product.

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## 16 New MA Plans Are Off to Fastest Enrollment Start in 2007\*

Organization Name (Parent Company)	Plan Type	Offers Part D	MA-Only Enrollment	Part D Enrollment	Contract Enrollment
First Health Life & Health Ins. Co. (Coventry Health Care, Inc.)	PFFS	No	68,445	**	68,445
Universal Health Care Ins. Co. (Universal Health Care, Inc.)	PFFS	Yes	**	61,160	61,160
Harvard Pilgrim Health Care Inc.	PFFS	Yes	1,105	14,477	15,582
Advance/WellCare PFFS Ins. Inc. (WellCare Health Plans, Inc.)	PFFS	Yes	9,701	1,053	10,754
Homeowner's/WellCare PFFS Ins. Inc. (WellCare Health Plans, Inc.)	PFFS	Yes	7,517	754	8,271
GEMCare Health Plan Inc. (Golden Empire Managed Care)	HMO/HMO POS	Yes	**	4,769	4,769
Coventry Health & Life Ins. Co. (Coventry Health Care, Inc.)	PFFS	Yes	**	3,749	3,749
Health Net Life Ins. Co. (Health Net, Inc.)	PFFS	Yes	3,384	249	3,633
Anthem Ins. Cos. Inc. (WellPoint, Inc.)	PFFS	Yes	275	2,479	2,754
UPMC Health Benefits Inc. (University of Pittsburgh Med.Ctr.)	PFFS	No	2,290	**	2,290
Care Improvement Plus of Texas Ins. Co. (XLHealth Corp.)	Regional PPO	Yes	**	2,276	2,276
UniCare Life & Health Ins. Inc. (WellPoint, Inc.)	MSA	No	2,110	**	2,110
Trillium Community Health Plan	HMO/HMO POS	Yes	**	1,889	1,889
Care Improvement Plus South Central Ins. Co. (XLHealth Corp.)	Regional PPO	Yes	**	1,824	1,824
MVP Health Plan Inc.	HMO/HMO POS	Yes	232	782	1,014
American Pioneer Health Plans Inc. (Universal American Financial Corp.)	HMO/HMO POS	Yes	107	805	912

\* Figures are for Jan. 1, 2007, contract effective date.

\*\* Had less than 10 enrollees in this category.

PFFS=Private-Fee-For-Service, MSA=Medical Savings Account

SOURCE: MAN analysis of CMS February 2007 data (released Feb. 16, 2007).