2018 AEP Overview & Planning Guide

800-955-5390  |  westernassetprotection.com

For agent use only. Not intended for the general public.
AEP STATS

50% of seniors didn’t shop at all for new Medicare options during the 2016/2017 AEP.

HUMAN ASSISTANCE is more closely tied to switching than self-service shopping.

85% of consumers have already decided whether they will switch plans or carriers, or stay with their current coverage by the beginning of the AEP.

Issues with CUSTOMER SERVICE emerged as a significant driver of Medicare Advantage switching for 2017.

What does all this mean for you?

Plans in many markets look stable for 2018, which means it is up to you to keep your clients aware of this, early on! With 85% of consumers deciding what they will do when AEP starts, you need to make sure your marketing plan is ready to launch October 1st!

Source: Deft Research

westernassetprotection.com
WHAT IS AEP?
AEP, or the Annual Enrollment Period, is one of the key times for senior market agents. This year, the time period is from:

**October 15th – December 7th**

*NOTE: 2018 plans are released October 1st to the public, however enrollment does not take place until October 15th.*

This is when Medicare beneficiaries can make changes to their Part C (Medicare Advantage) or Part D (prescription drug) plans. Changes will take effect January 1st. Beneficiaries will be locked in their plan until the next AEP or until they have a qualifying event that allows them a Special Election Period (SEP).

Some examples of a SEP are:
- Move to a new service area
- Qualify for state or federal assistance
- Qualify for are Medicaid beneficiaries
- Plan leaves the service area

MADP
There is also the MADP (Medicare Advantage Disenrollment Period) from January 1st to February 14th, where beneficiaries can leave their MAPD plans and choose to go back to original Medicare and elect a stand-alone Part D plan.

This **does not** give Medicare beneficiaries Guarantee Issue (GI) into a Medicare supplement policy.
A lot that happens behind the scenes leading up to AEP. Here is a brief overview of those activities:

**January 1st to February 14th**  MADP (as explained)

**January – June** (give or take) Carriers are designing and submitting their plans and revisions for next year to Centers for Medicare and Medicaid Services (CMS) for review and approval.

**July – September**  America’s Health Insurance Plans (AHIP) are starting to release certification for agents to pass. This is required annually for agents who want to offer Medicare Part C or D plans. Carriers are also prepping and releasing their own certification programs, which are also required for agents to pass should they want to offer that carrier’s products.

**October 1st**  Carriers release their next year plans to the public.

**October 15th – December 7th**  Medicare beneficiaries can enroll in plans.

**December 8th**  Agents take a deep breath, and then get ready to do it all over again!

**AGENT PREP FOR AEP**

While AEP does not officially start until October 15th, agent prep for AEP is an all year event.

With only 54 days, including weekends and holidays, there is little time to plan or strategize during AEP. This should be done prior to AEP, so all 54 days are maximized for success.

Here are some tips and strategies for agents to consider, modify, and adapt to their agency for a successful AEP:

**Compliance Reminder – Agents cannot discuss AEP or next year benefits prior to 10/1**
Call List
Throughout the year, agents should compile a list of prospects to call. This can include unsold prospects from previous AEPs and during the year. It is key to get their permission (and document it) to contact them during the next AEP to review their options.

The most successful agents I know go into AEP with 100+ people to contact and set appointments with. Not everyone will still want to have an appointment, but going into AEP with a list rather than scrambling to find prospects will give you a great head start.

A simple excel spreadsheet will work to keep track of who you need to call. This way you have all their names in one place. However, using a CRM is a far more effective way to track and organize your clients and prospects.

Current Clients
It is difficult to predict which plans will be best prior to October, as many carriers keep their plans a closely guarded secret to non-contracted agents.

If you have a select block of business that you do not want to change plans, it is important you contact them and let them know. Remember:

Your clients are another agent’s prospects

Make sure your clients stay clients after AEP. Frequent contact with your book of business throughout the year is vital to keeping them.

SUGGESTIONS:

Stay on their current plan:
I would suggest a form letter stating the current plan is still available and they do not have to take any action or re-enroll for the following year.

NOTE: CMS regulations state plans / sponsors (as well as agents) cannot use absolute superlatives (e.g. “the best”, “highest ranked”, “number one”) unless they are substantiated with supporting data. I would suggest using the same caution when sending letters to current clients.

Then hand-address the envelope and purchase a red stamp that says “Important Plan Information” or something along those lines in red to show urgency. After you address the envelope, stamp the envelope next to their address. Between the hand-written address and stamp, the vast majority of your letters should get opened. REMEMBER, these are your renewals!

If you have the time or staff available, make a follow up call to ensure your clients stay your clients.
Needing to change plans:
As plans change, some of your current clients may benefit from choosing a new plan.

In this case, you can send a letter stating there may be different options for the following year. Also state you will contact them over the next week to set an appointment if you do not hear from them.

Then start making the calls to set appointments.


LEAD CAMPAIGNS IN AEP
Obtaining leads during AEP can be a challenge. More agents are looking for leads, and all the carriers are sending out mail pieces and advertisements, which can drown out mailings and messages from individual agents. This is why it is important to have your own leads either through unsold prospects or current clients going into AEP. However, if you have to gather additional leads just before or during AEP, here are a couple ideas:

Carrier Overflow
If you have a local carrier office in your area, ask them if they have any extra leads or need extra assistance enrolling beneficiaries during AEP. Some local offices may have an additional push that year to up enrollment and could use an independent agent to help. Just remember, their leads should only be used for their products. Selling other carriers with those leads could damage the relationship you have with that carrier and prevent any future leads.

Seminars
Besides lead overflow, carriers may have some seminar opportunities for you as well. Offer to perform these seminars for the carrier. Remember that CMS has very strict rules about performing Medicare Part C and D seminars. Your local carrier should inform you of these regulations.

Internet Leads
While internet leads may be the quickest way to acquire leads, remember that this is the main season for agents and carriers who work the Medicare market to sell. This is also a prime season for independent call centers to maximize their sales. Basically, the odds are stacked against an individual agent. This is why planning all year to develop an AEP strategy is critical.

As mentioned, internet leads are convenient, because there is no lag time waiting for Business Reply Cards (BRC) or other mailers. However, contacting the prospect as quickly as possible is essential to turning internet leads into an appointment.
BRC and other mailers

While many agents will use Business Reply Cards (BRC) and other mailers for lead generation throughout the year, but the amount of mail seniors receive prior to and during AEP is overwhelming. Carriers look to generate leads just as much as the individual agent, but do so with a much larger advertising budget. It is very easy for your mailer to get lost in the shuffle.

If you are determined to do a mailing just before or during AEP, I suggest working with a mail house and talking to them about what mailers they have and their response rate. There is not enough time in AEP for trial and error with your own pieces.

If you use a mail piece to generate Medicare Part C or D leads, the mailer must be CMS approved and a copy sent in with the Scope Of Appointment (SOA) form.

Door to Door

Door to door or unsolicited contact to Medicare beneficiaries is **against CMS regulations** for Medicare Part C and D plans.

You may go door to door for Medicare Supplement sales (depending on your state’s regulations).

Referrals from clients & prospects

Referrals are essential to success in most any sales career. With AEP, your clients and prospects will more than likely have family and friends who have to review their Medicare coverage. This poses a great opportunity for referrals.

While I believe referrals are earned, the fact that Medicare puts a deadline (December 7th) on any and all changes to a Medicare beneficiary’s chance to change plans creates an opportunity for your client’s referrals to contact you.

I suggest mentioning this to all your prospects and clients. An example: “If you have any family or friends who would like a quick review of their coverage, please pass them my information. They only have until December 7th and I can make the review and change, if needed, as easy and painless for them as I have for you.”
Make the process easy. According to a recent study published by the Kaiser Family Foundation, many Medicare beneficiaries will not change plans because they found the initial enrollment very confusing and complex, and do not want to repeat the process.

After each appointment, send clients a handwritten thank you card with a few extra business cards. A simple note thanking them for their time (or business), a personal sentence, and your phone number can go a long way. Example:

Mr. Client,
Thank you for allowing me to assist you with your insurance needs. I hope you enjoy your vacation to Texas over the holidays. If you or anyone you know has questions, please let me know!
Thanks – Mike (555) 555-1212

This card takes about 2 minutes to write. Most people don’t get handwritten thank you cards, so this will stand out from other pieces of mail.

Referrals from other professionals

Working with other professionals can help build referrals and becoming a resource for your current clients and prospects.

While these relationships take time to build, they are worth pursuing. Here are some professionals I suggest reaching out to:

- P&C agents
- Estate planning attorneys
- Tax professionals
- Insurance agents who specialize in group coverage or under 65
- Financial Planners
- Banks / Credit Unions

You can also offer to do generic Medicare or healthcare presentations at local events like Chamber of Commerce meetings, Rotary Club, churches / parishes etc. While your target audience may not be in front of you, they probably have family or friends they can pass your information along to. Stress the importance of the December 7th date to make changes with all the above.

Tracking Activity

The most important thing you can do during AEP or any other time during the year is to keep your sales pipeline full of prospects and marketing efforts.

Just as important is to track your results. Simply throwing money and time at marketing is no way to have effective results, especially during such a short enrollment period. Don’t just keep busy, keep productive.
Social media is used more and more by people over 65. As the chart illustrates, 62% of people over 65 are using Facebook.

Being on Facebook is a great way to keep in touch with clients, reach out to prospects, and give yourself an online presence.

What to do:
• Create a Facebook Page for your agency
  • Not sure how to make a page? CLICK HERE
• Post at least 3x’s a week – useful or interesting topics – we can help you with this!
• Invite your friends / clients / prospects to like your page
• Keep active and keep being seen online!

---

79% of online adults (68% of all Americans) use Facebook

<table>
<thead>
<tr>
<th>% of online adults who use Facebook</th>
<th>79%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All online adults</td>
<td>79%</td>
</tr>
<tr>
<td>Men</td>
<td>75%</td>
</tr>
<tr>
<td>Women</td>
<td>83%</td>
</tr>
<tr>
<td>18-29</td>
<td>66%</td>
</tr>
<tr>
<td>30-49</td>
<td>84%</td>
</tr>
<tr>
<td>50-64</td>
<td>72%</td>
</tr>
<tr>
<td>65+</td>
<td>62%</td>
</tr>
<tr>
<td>High school degree or less</td>
<td>77%</td>
</tr>
<tr>
<td>Some college</td>
<td>62%</td>
</tr>
<tr>
<td>College+</td>
<td>79%</td>
</tr>
<tr>
<td>Less than $30K/year</td>
<td>84%</td>
</tr>
<tr>
<td>$30K-$49,999</td>
<td>80%</td>
</tr>
<tr>
<td>$50K-$74,999</td>
<td>75%</td>
</tr>
<tr>
<td>$75,000+</td>
<td>77%</td>
</tr>
<tr>
<td>Urban</td>
<td>81%</td>
</tr>
<tr>
<td>Suburban</td>
<td>77%</td>
</tr>
<tr>
<td>Rural</td>
<td>81%</td>
</tr>
</tbody>
</table>

Note: Race/ethnicity breaks not shown due to sample size.
Source: Survey conducted March 7-April 4, 2010.
“Social Media Update 2010”
PEW RESEARCH CENTER
Now that you have an idea of marketing and strategies for AEP, it’s time to make your own action plan.

8 STEPS TO AEP SUCCESS

**Step 1** – Break down your book of business by product and carrier type. This will help you quickly identify clients who may need to change plans depending on which plans are exiting the area or experiencing major changes in benefits.

**Step 2** – Organize all your current prospects (Medicare beneficiaries you have met previously who have not purchased a policy through you). Get ready to call them after October 1st to follow-up, provided you have permission to contact them.

**Step 3** – Certify for everything the carrier offers. Remember that you are certifying for 2018, not just AEP. Put yourself in a position to say “yes” to opportunities. Certification usually starts late June or July (depending on the carrier).

**Step 4** – Order supplies.

**Step 5** – Organize any marketing campaigns you want to perform during AEP. Have those tested and approved prior to October 1st so when October 1st hits, you can launch on time.

**Step 6** – Use the letters linked in this guide to inform your clients of market changes and whether they should stay on their current policy or explore other options with you. NOTE: You cannot market AEP until after October 1st.

**Step 7** – After the letters are mailed out, follow up with a phone call. Remember, senior’s mailboxes are filled with advertisements. While many may see and read your letter, a phone call will ensure a higher chance of them taking action or maintaining coverage with you.

**Step 8** – Keep your website, blog, and social media outlets up-to-date, especially during AEP!

**BONUS**: Remember to let clients know you’re there to help their family and friends as well! Leave a few extra cards and give them a reason to use you (example: “My clients refer me because they know I will always have their best interests, and yours, in mind”).

westernassetprotection.com
MARKETING PIECES

We created some marketing pieces for you to personalize and send to your clients and prospects.

**Annual review letters**
There are two options:
1. Generic 1 – used for an annual review reminder
2. Generic 2 – more of an annual review letter
Both are generic in nature and can be used throughout the year.

**AEP Letters**
There are also two options here which tell your clients to either meet with you to take a look at alternate plans or to stay on their current plan. REMINDER: These can only be used after October 1st.

**Pharmacy Flyer**
This is a cheat sheet for pharmacists to use. It is not intended for public use or viewing.

[CLICK HERE TO VIEW THE ONLINE FOLDER]
Why Choose WAP?

Western Asset Protection Can:

- Provide additional training and educational opportunities
- Contract you with the most competitive carriers
- Ensure that your materials and sales methods are CMS compliant
- Support you and your office staff
- Create marketing plans
- And more...

Join the industry’s only Field SERVICE Organization

“After 25 years of working for one of the nation’s largest insurance companies, I decided to become an independent broker. I would have floundered out on my own, if not for Western Asset Protection, as I had no idea where to turn for help and resources. They became and are a huge part of my success. Their professional staff is always willing to help, and their website is a fantastic resource with virtually every tool a broker could need. I look forward to many years of a mutually beneficial partnership!”

westernassetprotection.com

800-955-5390