

U.S. et al. v. Aetna Inc. & Humana Inc.

Trial Presentation of Gary T. Ford, Ph.D.

Assignment

Review and evaluate the reliability of the results produced by the 2014 MAPD Member Disenrollment Survey conducted for Humana, Inc. by Burke, Inc.

- Also, asked to focus specifically on evaluating the reliability of the Burke survey for estimating:
 - Humana MAPD dis-enrollees switching to other MAPD plans or to original Medicare and
 - Reasons for dis-enrolling from Humana (questions H3 – H6)

Criteria Used to Evaluate Reliability of 2014 Member Disenrollment Survey

“Reliability” refers jointly to “replicability” and “accuracy” of survey results.

Survey reliability can be evaluated by examining various components of a survey including:

- Relevance of survey to issues of case
- The research design including:
 - Overall approach
 - Definition of universe, sampling procedure and representativeness of ending sample
 - Clarity and degree of bias in questions and procedures
 - Data analysis and interpretation of results
 - Appropriateness of conclusions

Used Diamond’s “*Reference Guide on Survey Research*” and own training and experience.

Overview of 2014 Member Disenrollment Survey

Objectives:

- Understand drivers of disenrollment from MAPD plans and plan switching
- Understand perceived gaps in Humana's MAPD plans from the perspective of dis-enrolled members

Telephone survey with randomly drawn sample of:

- Low/medium risk members who dis-enrolled from (n = 250) or re-enrolled in (n = 150) 2014 plan
- Mix of gender, age (18-84), geography, HMOs to PPOs in proportion to Humana MAPD membership

Conclusions Regarding 2014 Member Disenrollment Survey Methodology

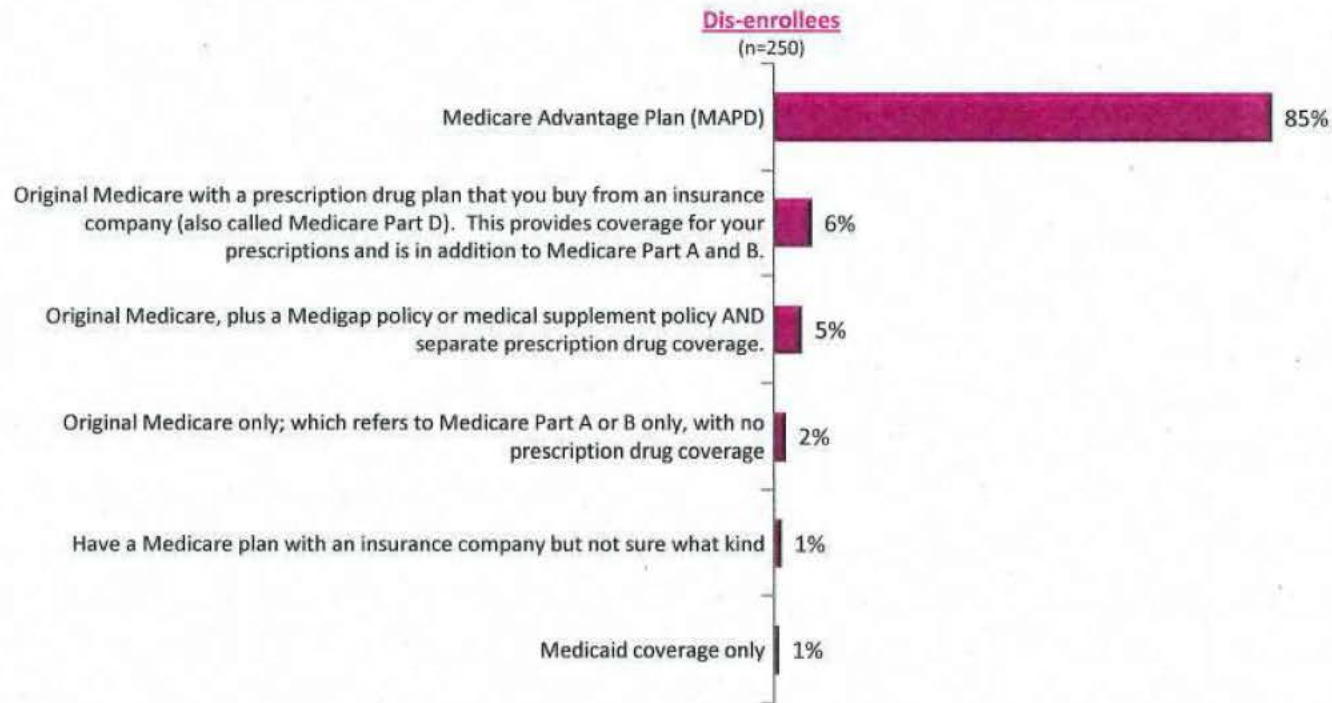
The 2014 Humana Member Disenrollment Survey is reliable.

- Ending sample was representative of the underlying populations of dis-enrollees and re-enrollees regarding Age (18-84), Gender, Geography and HMO/PPO members.
- Respondents were either primary decision makers or involved in decisions regarding healthcare services and were asked straightforward and unbiased questions.
- Survey followed recommended practices for disguising survey sponsor, rotating key questions, and validating interviews, and survey conforms to international standards for conducting survey research.

Switching By Dis-enrollees

Current Medicare Plan

- The large majority of dis-enrollees went to another MAPD plan.

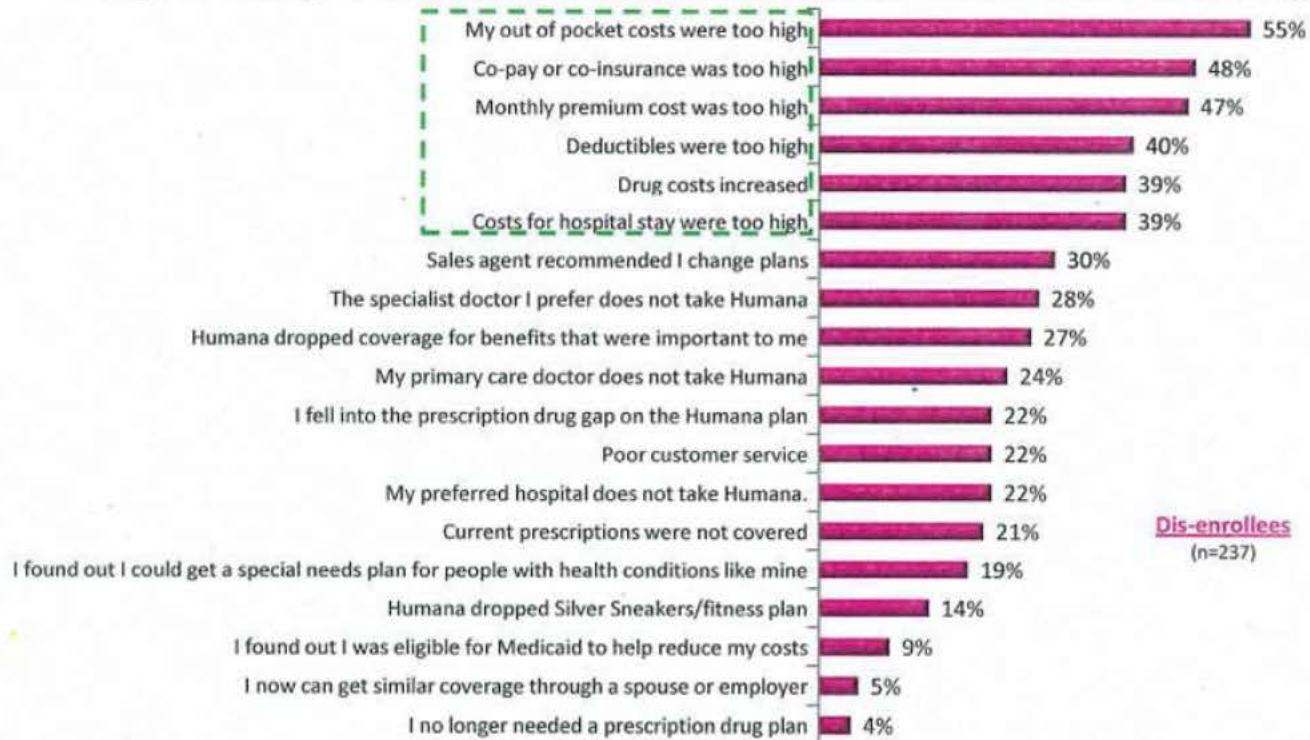


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Reasons for Disenrollment (prompted)

Reasons For Disenrollment (prompted):
The top six reasons were all related to costs

- After cost-related issues, sales agent recommendations, specialists not taking Humana and changes in coverage of benefits were the next most common stated reasons for dis-enrolling.



Reasons for Disenrollment (prompted) for Respondents who Switched to Another MAPD Plan

Table 2

Top Ten Prompted Reasons for Disenrollment
For Dis-Enrollees Who Switched to Another MAPD Plan*
(n = 212)

	n	%
My out of pocket costs were too high	110	51.9%
Monthly premium cost was too high	100	47.2%
Co-pay or Co-insurance was too high	93	43.9%
Deductibles were too high	77	36.3%
Drug costs increased	75	35.4%
Costs for hospital stays were too high	73	34.4%
Sales agent recommended I change plans	64	30.2%
Humana dropped coverage for benefits that were important to me	56	26.4%
The specialist doctor I prefer does not take Humana	52	24.5%
My primary doctor does not take Humana	49	23.1%

*Cross-tabulation of H4 (You may have already mentioned some of these, but for each of the following, please tell me whether or not it was a reason you left your Humana Medicare Advantage Plan you had last year) for dis-enrollees who enrolled in another MAPD plan.

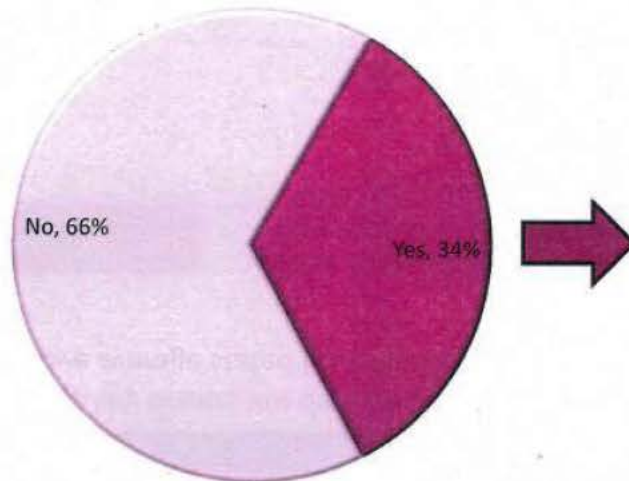
Changes in Humana Plan that Led to Disenrollment

Though not high on stated importance, plan changes have the largest impact on actual defection

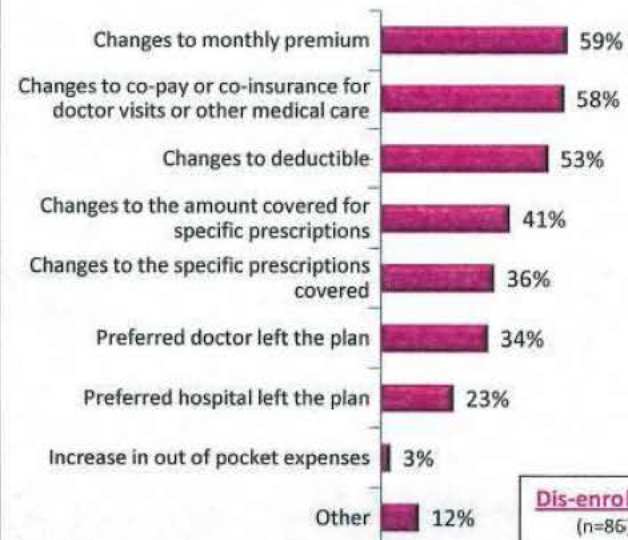
- When dis-enrollees were asked specifically, over a third said a change in the plan provoked their dis-enrollment.
- Of those who dis-enrolled because of a plan change, premium, co-pay and deductible changes were the most common changes that provoked the change.

Did Changes to Humana Plan for 2014 Provoke Dis-enrollment?

Dis-enrollees
(n=250)



Types of 2014 Plan Changes That Provoked Search for New Plan



Base: Motivated to search for new plan due to changes in old Humana plan

Changes in Humana Plan that Led to Disenrollment for Respondents who Switched to Another MAPD Plan

Table 3

Types of 2014 Plan Changes that Provoked Search
For New Plan Among Dis-Enrollees Who Switched to Another MAPD Plan*
(n = 73)

	<u>n</u>	<u>%</u>	<u>95% CI**</u>
Changes to monthly premium	44	60.3%	48.1%-71.7%
Changes to co-pay or co-insurance for Doctor visits or other medical care	39	53.4%	41.4%-65.0%
Changes to deductible	36	49.3%	37.5%-61.2%
Change to the amount covered for Specific prescriptions	29	39.7%	28.7%-51.9%

Change to Monthly Premium and/or Change to Co-pay or Co-insurance and/or Change to Deductible or Change to Amount Covered for Specific Prescriptions

61 83.6% 72.6%-90.1%

Co-pay or Co-insurance and/or Change to Deductible.	58	79.5%	68.1%-87.7%
Change to Monthly Premium and/or Change to Co-pay or Co-insurance and/or Change to Deductible or Change to Amount Covered for Specific Prescriptions	61	83.6%	72.6%-90.1%

*Cross-tabulation of H5 (Did changes to your old Humana plan that were to take effect in 2014 urge you to search for a new plan or did you do so based on other reasons?) by H6 (Which of the following plan changes urged you to search for a new plan?) for dis-enrollees who enrolled in another MAPD plan.

**95% Confidence Interval

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Conclusions Regarding Results of Burke Disenrollment Survey On Switching and Reasons for Switching From Humana

85% of dis-enrollees switched to another MAPD plan (Q.S5)

- 13% switched to Original Medicare

The top six reasons for switching were all related to costs

- This finding held for the entire sample of dis-enrollees as well as the 85% who switched to another MAPD plan (Q.H4)

83% of those who switched to another MAPD plan because of changes to their Humana plan said cost was one of the reasons for switching (Q.H6)