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Prepare now for open enrollment season

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Each year, Medicare Advantage Plans must prepare for the agony of the Annual Election Period (AEP). Some plans have learned from past mistakes and gained efficiencies to alleviate the pain and discomfort of AEP, but most have not.

With the extremely frequent changes in guidance from the Centers for Medicare and Medicaid Services (CMS) and state governments, it is more difficult than ever for health plans to navigate—and comply with—highly complex regulations. And with CMS's announcement in February that reimbursement rates for Medicare Advantage Plans will be significantly reduced in 2014, plans need to be more efficient and nimble to be profitable.

Streamlining the AEP process can make a huge impact on a plan's ability to survive.

Health plans that are highly efficient with AEP are able to significantly reduce their SG&A expenses, maintain a more favorable standing in CMS's five star quality rating, and place themselves in CMS's good graces.

Here are five ways Medicare Advantage Plans can be more efficient with AEP.

1 Stay on Top of All HPMS Notices

CMS issues regular notices – sometimes daily – from its Health Plan Management System (HPMS). Most notices go to a health plan's compliance department; however, notices often include information relevant to teams outside of compliance, particularly about marketing communications.

If there is a breakdown in communication between the compliance and marketing departments, the health plan may miss important notices that specify content required to be included in member documentation, dates for collateral material due to the marketplace and other critical directives. Failing to comply with these notices can result in expensive mistakes.

Gaps among a health plan's departments usually indicates a workflow process problem. Look for tools and resources that improve communication between departments and make your workflow as efficient as possible.

2 Check Your Data Grids Thoroughly

Data grids health plans use to populate variable information into member marketing collateral material are highly susceptible to errors, especially when creating the Annual Notification of

Changes (ANOCs) and Summary of Benefits (SB). This is due to the sheer volume of variables and CMS's frequent changes to rules that affect the grid.

As an example, if one data point in a 20,000-cell grid is inaccurate and that erroneous information gets printed and mailed to a health plan's 100,000 members, it's going to be very costly to then create, print and mail each member communications outlining the mistake—not to mention dealing with CMS's penalties.

Consider outsourcing creation of the data grids and member marketing materials to experts hyper-focused on staying on top of CMS's rules and paying very close attention to detail. If your in-house team creates these grids, consider having an experienced outside consulting firm review them.

The investment money you spend up front will be significantly less than the expense of making amends for the errors.

3 Be Mindful of Your Members

Rather than simply chasing CMS's five star quality ratings—the criteria for which are changing—it's essential to be mindful of what keeps and makes members happy.

During AEP, be very clear and concise about the types of products your plan offers. If a product is difficult to understand and will cause members confusion, don't offer it.

Healthy members are happy members. Offering products that focus on providing the best quality of care makes members happy, and better care that leads to improved health keeps them from needing to utilize more expensive health care services, like the emergency room.

4 Focus on Medical Management

Healthcare reform and the expansion of Medicaid is going to make proper medical management even more critical to ensure members receive the right care at the right time in the right context. Ideally, effective medical management will appropriately monitor health problems so they don't escalate into long-term illness, like hypertension and diabetes.

Focus on medical management during AEP. And look for ways for all health plan departments to effectively communicate and collaborate so members are aware of the availability and benefits of medical management.

5 Start Early, Plan and Prepare for the Worst

While most Medicare Advantage Plans intend to start preparing for the next AEP early, many don't. For those that do start early, few have a well-documented plan in place to prepare for compliance issues and create member materials, especially the grueling ANOCs and Evidence of Coverage (EOC) notices.

Start preparing for 2014 AEP now. A project management tool that identifies regulatory compliance issues and tracks the production of collateral material can greatly improve the efficiency of the next enrollment period.