

# The New Senior Consumer and Their Impact *on Supplemental Benefits*

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Supplemental benefits have served as a differentiator of the Medicare Advantage (MA) program when compared to traditional Medicare, and benefits continue to evolve to address the needs of beneficiaries, particularly with low-income, rural and minority members.

As enrollment in the Medicare Advantage program continues to grow with approximately 78 million Americans being over the age of 65 in 2035, there is an opportunity to enhance supplemental benefit design to better address the future needs of the consumer.<sup>1</sup> CMS provides Medicare Advantage organizations flexibility when providing items and services beyond the basic Medicare benefit through supplemental benefits. Regarding supplemental benefit packaging, CMS permits MA organizations to “offer enrollees a group of services as one optional supplemental benefit, offer services individually, or offer a combination of groups and individual services.”<sup>2</sup> As supplemental benefits have evolved, stakeholders and industry groups have recognized the need to identify trends, priorities and the need for a direct beneficiary perspective. This work was designed to begin this assessment.

#### **Senior Healthy Living Survey by SilverSneakers®**

To gain a better understanding of the new senior consumer and their impact on supplemental benefits, Morning Consult, on behalf of Tivity Health, fielded the Senior Healthy Living Survey (SHLS) by SilverSneakers in May and June 2023 among a national sample enrolled in a Medicare Advantage (MA) plan. The mission of the SHLS is to serve as a primary voice of seniors nationwide in areas representing all aspects of their healthy aging journey. Harnessing a consumer voice and anticipating the future-state needs of seniors help all of us be more responsive to the needs of this growing population.

#### **Understanding Supplemental Benefit Consumption**

With supplemental benefits representing a diverse and wide range of medical and non-medical benefits, the SHLS revealed that vision, dental, and OTC medications are the most important benefits to seniors and are also the most used among a shortlist also including telehealth, hearing support, and fitness.

**Vision, Dental, and OTC medications are the most important benefits to seniors and are also the most used**

\*Seniors selected their top 5 from a list of 20

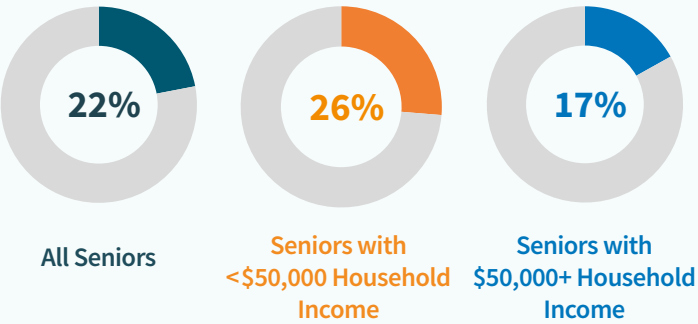
	Benefits used in 2023 (among 20 listed)	Most important when selecting a plan
Over-the-counter Medications	54%	56%
Eye exams and glasses	49%	79%
Dental benefits	37%	75%
Telehealth	15%	16%
Hearing exams and/or aids	12%	49%
Fitness benefits (in-person or virtually)	9%	20%
Assistive devices (e.g., grab bars, raised toilet seats, low-vision aids, reaching aids)	9%	16%
Medicare Part B Give Back benefit	8%	40%
Non-emergency medical transportation services	6%	19%
Mental health services and/or resources	5%	14%

This data is consistent with what was in the June 2023 Medicare and the Health Care Delivery System Report to Congress by The Medicare Payment Advisory Commission (MedPAC), which found that in 2022, the most common supplemental benefits were vision, fitness, hearing, and dental benefits.<sup>3</sup>

**Demand and Consumption of Medicare Flex Cards**

In addition to understanding the demand and consumption of supplemental benefits, the SHLS also examined the correlation of flex card usage and supplemental benefits. When considering supplemental benefit design in relation to these beneficiaries, it is important to examine the seniors who have access to a flex card.

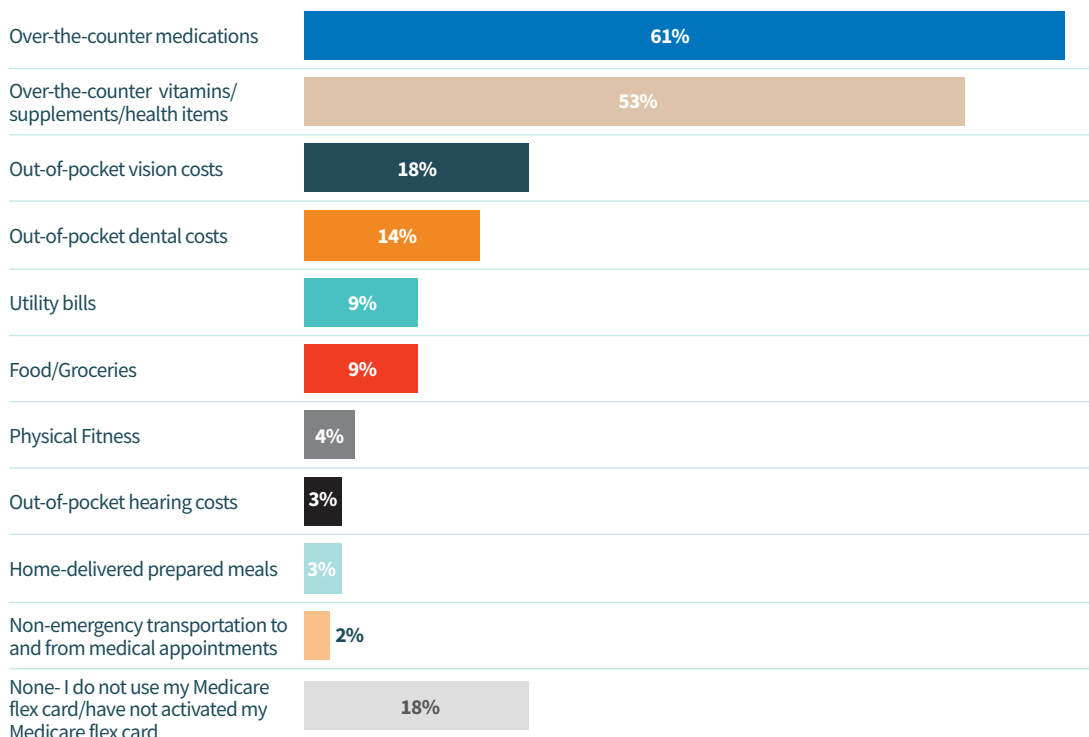
The survey found that more lower income seniors have access to a flex card compared to their higher income counterparts.



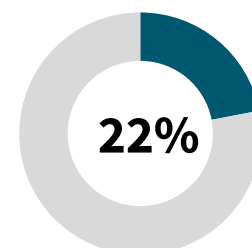
Furthermore, survey results revealed that seniors are currently using this card to pay for needs including OTC medications, out of pocket vision/dental services, and utility bills, food, and fitness.



## Used a flex card for the following in 2023



Have access to a flex card



*These findings point to the need to not only consider an expanded definition of wellness but to also recognize flex cards as a source for additional support for low-income seniors.*

## The Future for Supplemental Benefits

As the MA population continues to grow, there will be a continued need to evaluate consumer trends as they relate to supplemental benefits usage to best meet the needs of this population. More specifically, it will be valuable to design supplemental benefit packages through the lens of underserved rural, low income, and minority seniors to ensure these vulnerable populations are being supported in their context.

1. <https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.htm>
2. Chapter 4 of the Medicare Managed Care Manual, 30.1 – Definition of Supplemental Benefit, <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c04.pdf>.

2. 42 CFR 422.102(d).
3. [https://www.medpac.gov/wp-content/uploads/2023/06/Jun23\\_MedPAC\\_Report\\_To\\_Congress\\_SEC.pdf](https://www.medpac.gov/wp-content/uploads/2023/06/Jun23_MedPAC_Report_To_Congress_SEC.pdf)