2017 AEP Overview & Planning Guide for Agents

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Thank you for downloading the Senior Marketing Specialists University AEP Overview and Planning Guide.

Medicare AEP is arguably one of the busiest insurance seasons in the insurance industry. There are approximately 54 million Medicare beneficiaries in the U.S. Roughly 39 million Medicare beneficiaries have some type of Part D coverage (61% on a stand alone Part D plan and 39% with Medicare Advantage coverage, including employer group plans*) which can and usually do change on an annual basis.

This guide is designed to give you a better understanding of AEP, what marketing in AEP looks like, and other ideas to make sure your AEP is the best one to date.

Sincerely,
Mike Gattorna
SMS University

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Any questions or concerns may be directed to Senior Marketing Specialists.
(800) 689-2800

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

October 15th – December 7th

This is the time period wherein 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 SEP (Special Election Period).

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

NOTE: There are other SEP events, which can be viewed by using our online enrollment period tool. Click here to access

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 GI (Guarantee Issue) to a Medicare supplement policy.
THE YEAR LEADING TO AEP

There is a lot that happens behind the scenes leading up to AEP. Here is a brief overview of some of that activity:

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 CMS (Centers for Medicare and Medicaid Services) for review and approval.

July – September - AHIP (America’s Health Insurance Plans) 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.

AGENT PREP FOR AEP

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

With only 54 days including weekends and holidays, there is not a lot of time to try and plan or strategize during AEP. This should all 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:

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Call List
Throughout the year, agents should be compiling a list of prospects to call. This can include unsold prospects from previous AEPs and during the year. It is key that you 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. No, not everyone will still want to have an appointment, but going into AEP with a list rather than scrambling to try and find prospects will get 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.

Current Clients
It is difficult to predict what 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
You want to make sure your clients stay clients after AEP. Frequent contact with your book of business throughout the year is also vital to keeping your clients.

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 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, this should result in the vast majority of your letters getting opened. REMEMBER, these are your renewals!

If you have the time or staff available, a follow up call should ensure your clients stay your clients.

SAMPLE FORM LETTER FOR USE AFTER OCTOBER 1st - THIS FORM TALKS ABOUT KEEPING COVERAGE GENERIC ANNUAL REVIEW LETTER (CAN BE USED THROUGH-OUT THE YEAR)
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 similar letter as above, but stating there may be different options for the following year. Also state in the letter 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.

SAMPLE FORM LETTER FOR USE AFTER OCTOBER 1st

LEAD CAMPAIGNS IN AEP
Obtaining leads during AEP can be a challenge. More agents are looking for leads, plus 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 of 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, they 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 you be performing a seminar for them, should inform you of these regulations.

Internet Leads

While internet leads may give you 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 the quickest way to receive leads, as there is no lag time waiting for BRCs (Business Reply Cards) 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 BRC (Business Reply Cards) and other mailers for lead generation, the amount of mail seniors receive prior to and during AEP can be overwhelming. Carriers are looking to generate leads just as much as the individual agent, but are doing 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 would 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 are using a mail piece to generate Medicare Part C or D leads, the mailer must be CMS approved and a copy sent in with the SOA (Scope Of Appointment) form.

From the Medicare Marketing Guidelines Issued 7-2-2015 Section 70.9.3:
“Note: All business reply cards (BRC) used for documenting a beneficiary's SOA, agreement to be contacted, confirmation of attendance to a sales event, or request for additional information must be submitted in HPMS. Plans/Part D Sponsors should include a statement on the BRC informing the beneficiary that a sales person may call as a result of their returning a BRC. “

Senior Marketing Specialists has partnered with ARM for Medicare Supplement & Final Expense BRC mailers.
CLICK HERE TO SEE THE CATALOG

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 or deadline for your client’s referrals to contact you.

I would 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.”
One key thing to mention is making 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 them a hand written thank you card with a few extra business cards to remind them. 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 do not get handwritten thank you cards, so this can really stand out from other pieces of mail.

Referrals from other professionals

Working with other professionals can be key to building referrals and becoming a resource for your current clients and prospects.

While some of these relationships may take time to build, they are worth pursuing. Here are some professionals I would 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 such as 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 could pass your information along to.
You can 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.

NOTE: We have templates available for you to use. Call us for details. 800-689-2800.
Now that you have an idea of marketing and strategies for AEP, it is time for you to make your own action plan.

7 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 what plans are exiting their area or major changes in benefits.

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

**Step 3** – Certify, including AHIP if required, for any and all products you will be offering during AEP. Certification usually starts late June or July (depending on the carrier).

**Step 4** – Order supplies.

**Step 5** – Organize any marketing campaigns you are wanting to perform during AEP. Have those tested and approved prior to 10/1 so when 10/1 hits, you can launch on time.

**Step 6** – Use the letters linked in this guide to inform your clients of the market changes and whether they should stay on their current policy or explore other options with you. NOTE: You cannot market AEP until after 10/1.

**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 give extra weight to them taking action or maintaining coverage with you.

**BONUS**: Remember to let clients know you are 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).
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