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WHAT COMES NEXT:

Psych 101

How to set expectations, build trust, and guide clients through change.

Learning Objectives

- Understand the psychology behind client reactions to benefit reductions
- Prepare clients before AEP begins Shift conversations from "extras" to healthcare fundamentals
- Reduce unnecessary plan switching
- Reinforce your role as a trusted advisor





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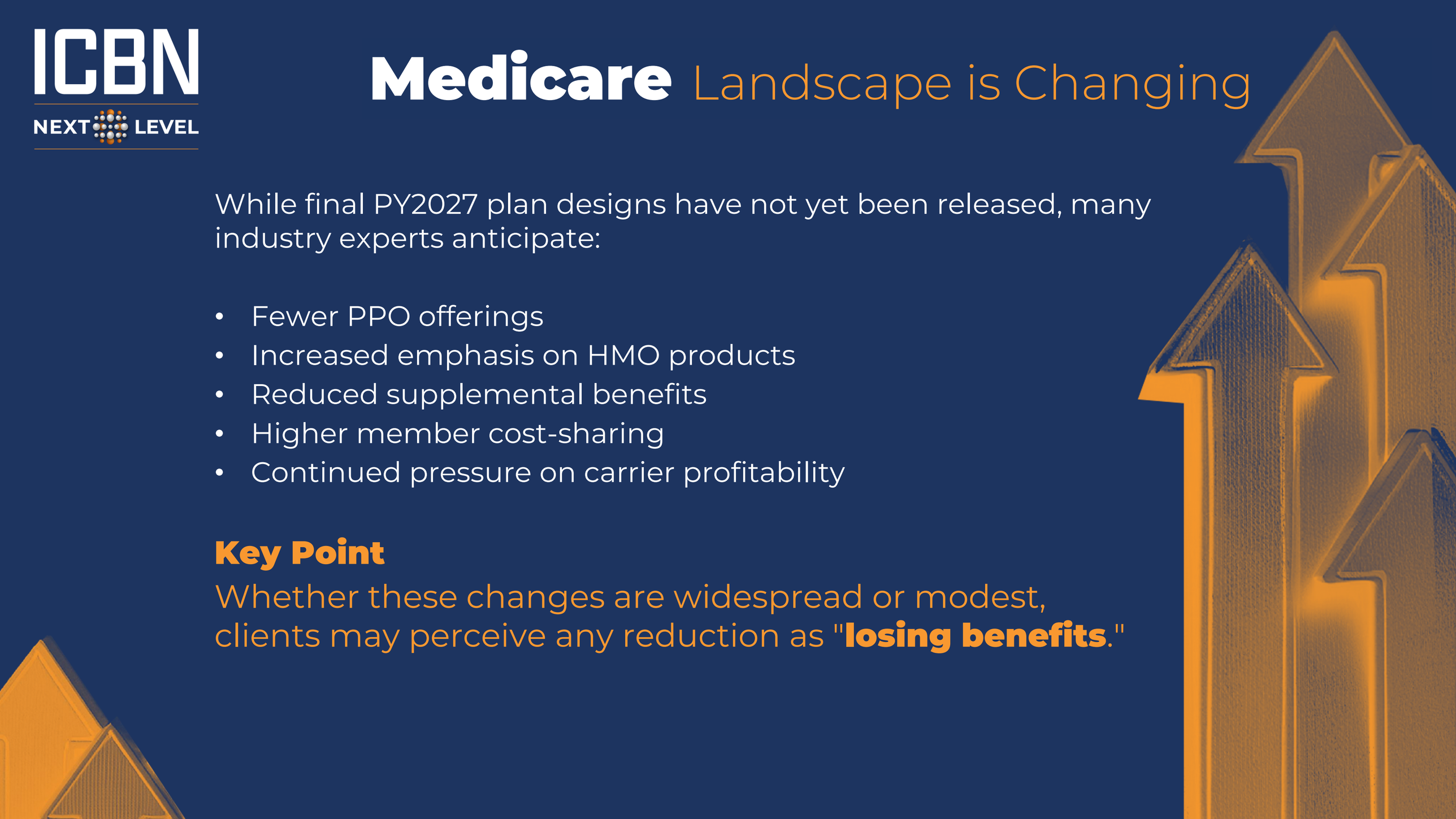
Medicare Landscape is Changing

While final PY2027 plan designs have not yet been released, many industry experts anticipate:

- Fewer PPO offerings
- Increased emphasis on HMO products
- Reduced supplemental benefits
- Higher member cost-sharing
- Continued pressure on carrier profitability

Key Point

Whether these changes are widespread or modest, clients may perceive any reduction as "**losing benefits**."



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What's Driving these Changes

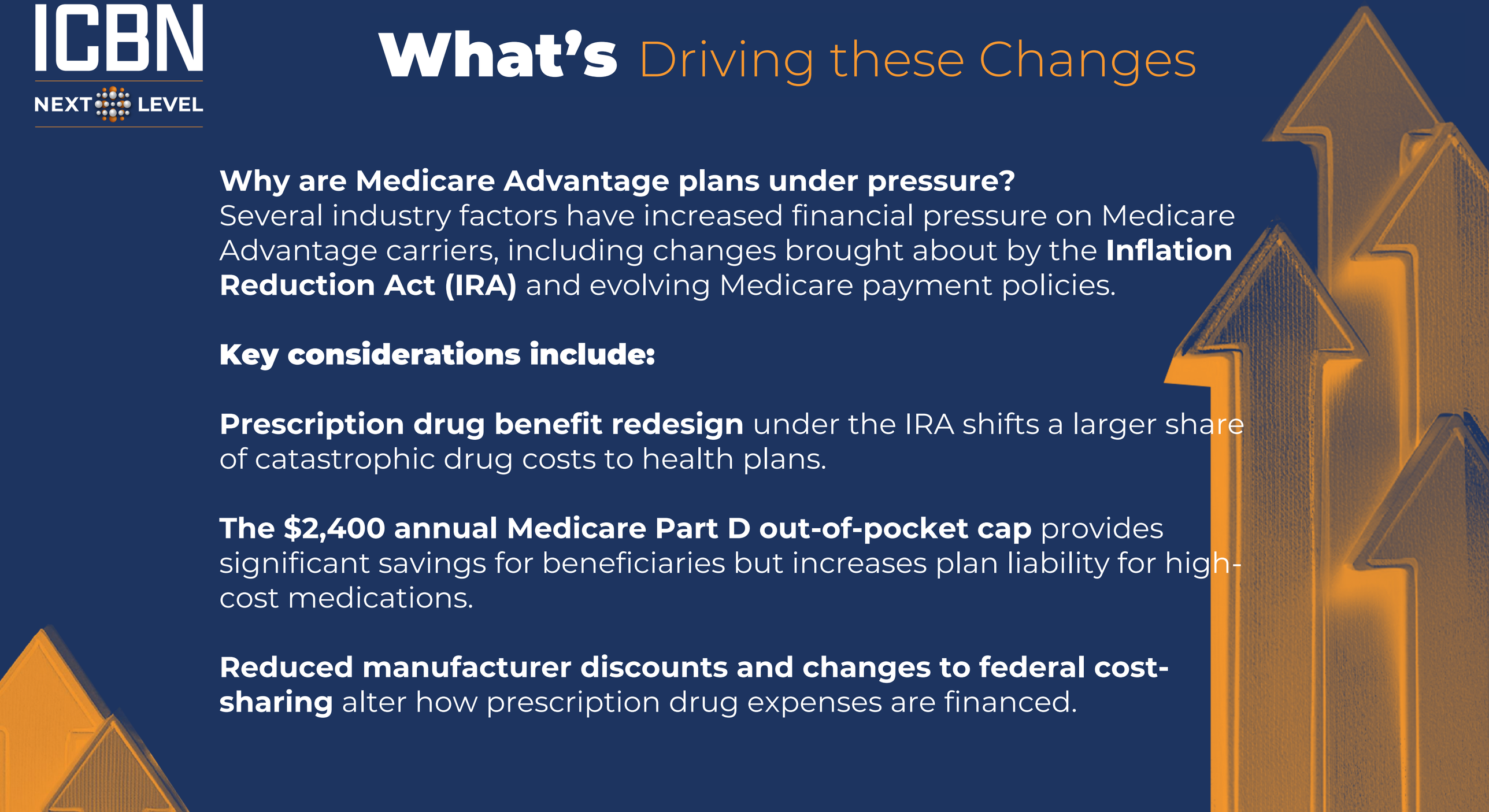
Why are Medicare Advantage plans under pressure?
Several industry factors have increased financial pressure on Medicare Advantage carriers, including changes brought about by the **Inflation Reduction Act (IRA)** and evolving Medicare payment policies.

Key considerations include:

Prescription drug benefit redesign under the IRA shifts a larger share of catastrophic drug costs to health plans.

The $2,400 annual Medicare Part D out-of-pocket cap provides significant savings for beneficiaries but increases plan liability for high-cost medications.

Reduced manufacturer discounts and changes to federal cost-sharing alter how prescription drug expenses are financed.



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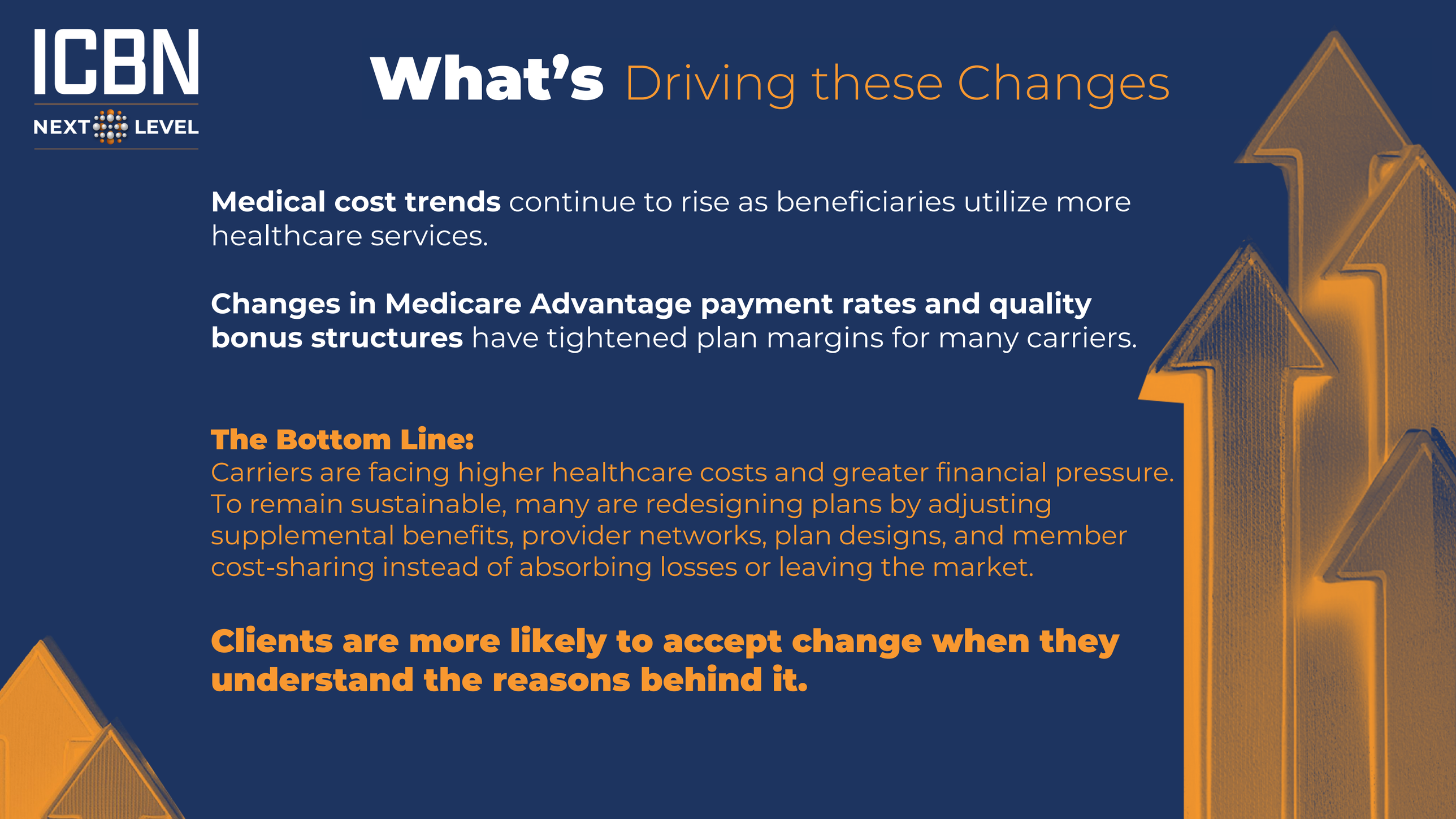
What's Driving these Changes

Medical cost trends continue to rise as beneficiaries utilize more healthcare services.

Changes in Medicare Advantage payment rates and quality bonus structures have tightened plan margins for many carriers.

The Bottom Line:
Carriers are facing higher healthcare costs and greater financial pressure. To remain sustainable, many are redesigning plans by adjusting supplemental benefits, provider networks, plan designs, and member cost-sharing instead of absorbing losses or leaving the market.

Clients are more likely to accept change when they understand the reasons behind it.



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Clients React to Loss, Not Logic

People don't evaluate change rationally.
They evaluate change emotionally.

Common thoughts:

- "I'm paying more and getting less."
- "My old plan was better."
- "There has to be another company with better benefits."

Psychology often outweighs facts.



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Psychology Principle #1

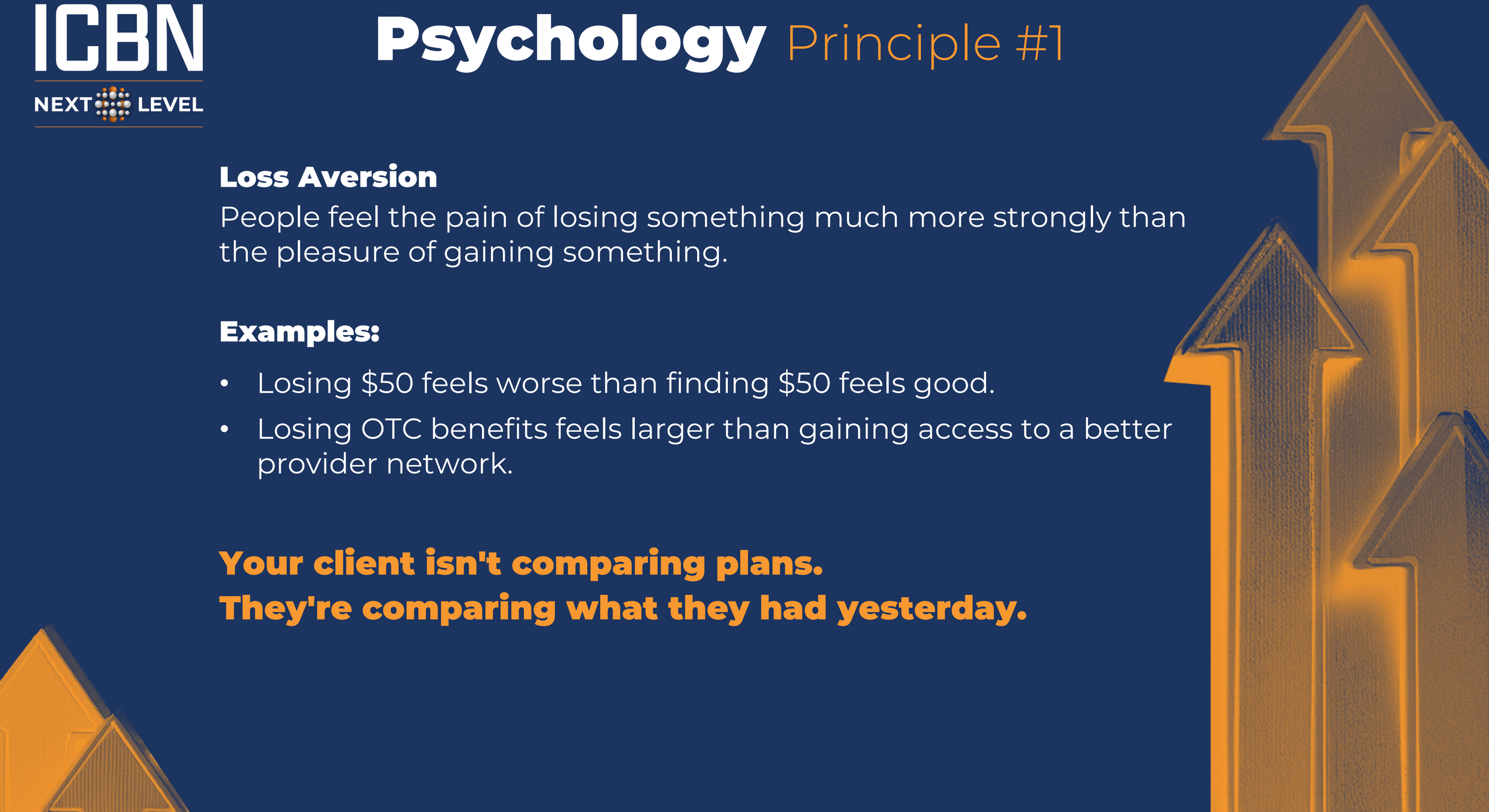
Loss Aversion

People feel the pain of losing something much more strongly than the pleasure of gaining something.

Examples:

- Losing $50 feels worse than finding $50 feels good.
- Losing OTC benefits feels larger than gaining access to a better provider network.

Your client isn't comparing plans.
They're comparing what they had yesterday.



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Psychology Principle #2

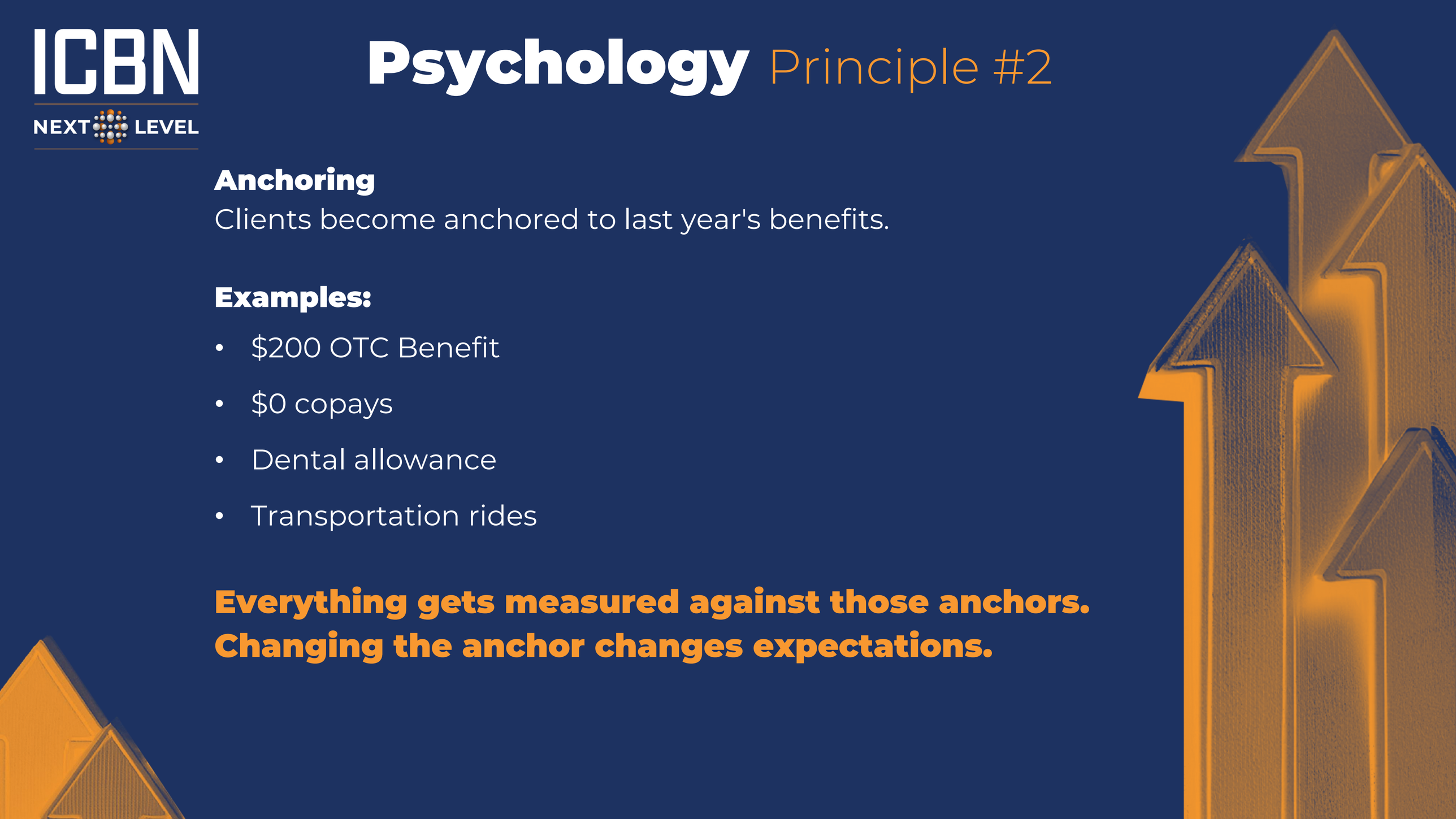
Anchoring

Clients become anchored to last year's benefits.

Examples:

- $200 OTC Benefit
- $0 copays
- Dental allowance
- Transportation rides

Everything gets measured against those anchors.
Changing the anchor changes expectations.



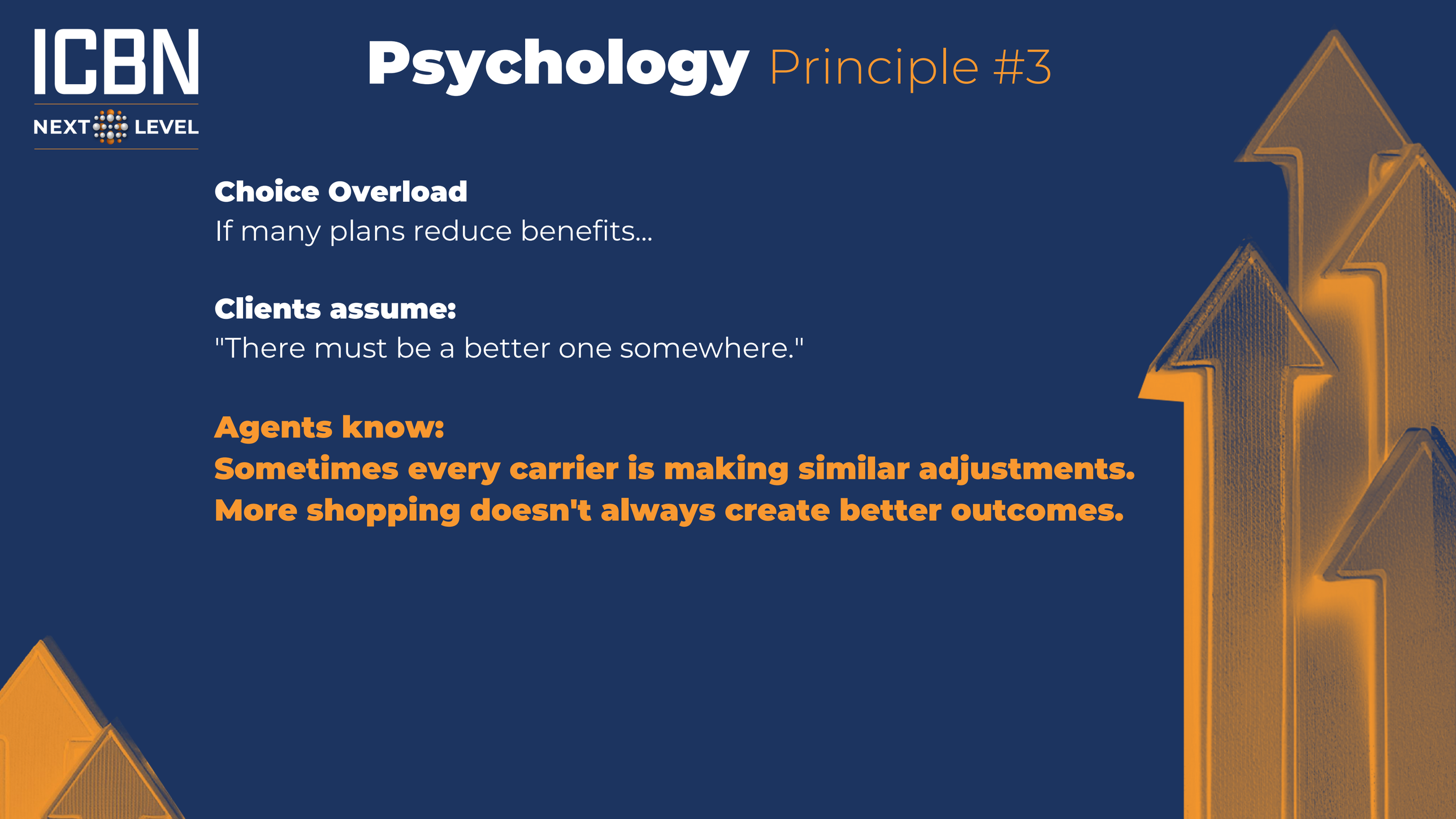
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Psychology Principle #3

Choice Overload
If many plans reduce benefits...

Clients assume:
"There must be a better one somewhere."

Agents know:
Sometimes every carrier is making similar adjustments.
More shopping doesn't always create better outcomes.



Prepare Clients Before the Calls Begin

After enrollment, many clients will receive phone calls, mailers, texts, and emails encouraging them to switch plans for "better" extra benefits.

Tell your clients:

- Don't change plans because of one advertised benefit.
- Verify that your doctors, hospitals, medications, and pharmacy are still covered.
- Compare total healthcare costs—not just OTC, dental, or grocery allowances.
- **Call me** before making any changes.

Key Message:

One benefit can be gained.

An entire healthcare strategy can be lost.

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Your Role has Changed

Old mindset:
"I'm here to find the richest benefits."

New mindset:
"I'm here to protect your healthcare."

That's a major difference.





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Reframe the Conversation

Instead of asking:
"What extra benefits do you want?"

Let’s Ensure that:

- Your doctors are in network.
- Your medications are covered.
- Your pharmacies are in-network.
- You can afford your maximum out-of-pocket.
- This carrier financially stable in your market.





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This Year's Goal:
Find the Most Stable Plan

This year isn't about finding the "perfect" plan.
It's about **FINDING THE STRONGEST PLAN IN AN IMPERFECT MARKET.**

Look for plans that:
- Cover the client's essential healthcare needs first.
- Come from a financially strong, stable carrier.
- Are less likely to require another plan change next year.
- Offer long-term value—not just the biggest extra benefits.

For Agents:
- Remember that some PPOs may be suppressed or non-commissionable.
- Evaluate each plan based on its overall value and long-term fit.
- When two plans truly serve the client equally well, commissionability is a legitimate business consideration.

Key Message:
Recommend the plan clients can confidently stay in—
not the one with the loudest advertisement.



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Healthcare 1st. Extras 2nd.

Think of Medicare Advantage like building a house.

Foundation:

- Doctors
- Hospitals
- Prescription coverage
- Network
- Cost protection

Paint:

- OTC
- Dental allowance
- Transportation
- Fitness
- Grocery cards

Paint is nice.
The foundation keeps the house standing.





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Preparing Clients Before AEP

Don't wait until October.

Start now.

Tell clients:
"We're expecting some changes across the industry next year."

Avoid:
"I heard your benefits are going away."

Instead:
"The market is changing, let’s review your options together."

Setting Expectations

Helpful language:

- "You may notice some benefits look different this year."
- "Most carriers are making adjustments."
- "Our goal isn't finding the most benefits."
- "Our goal is finding the best healthcare protection."





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The Danger of Chasing Benefits

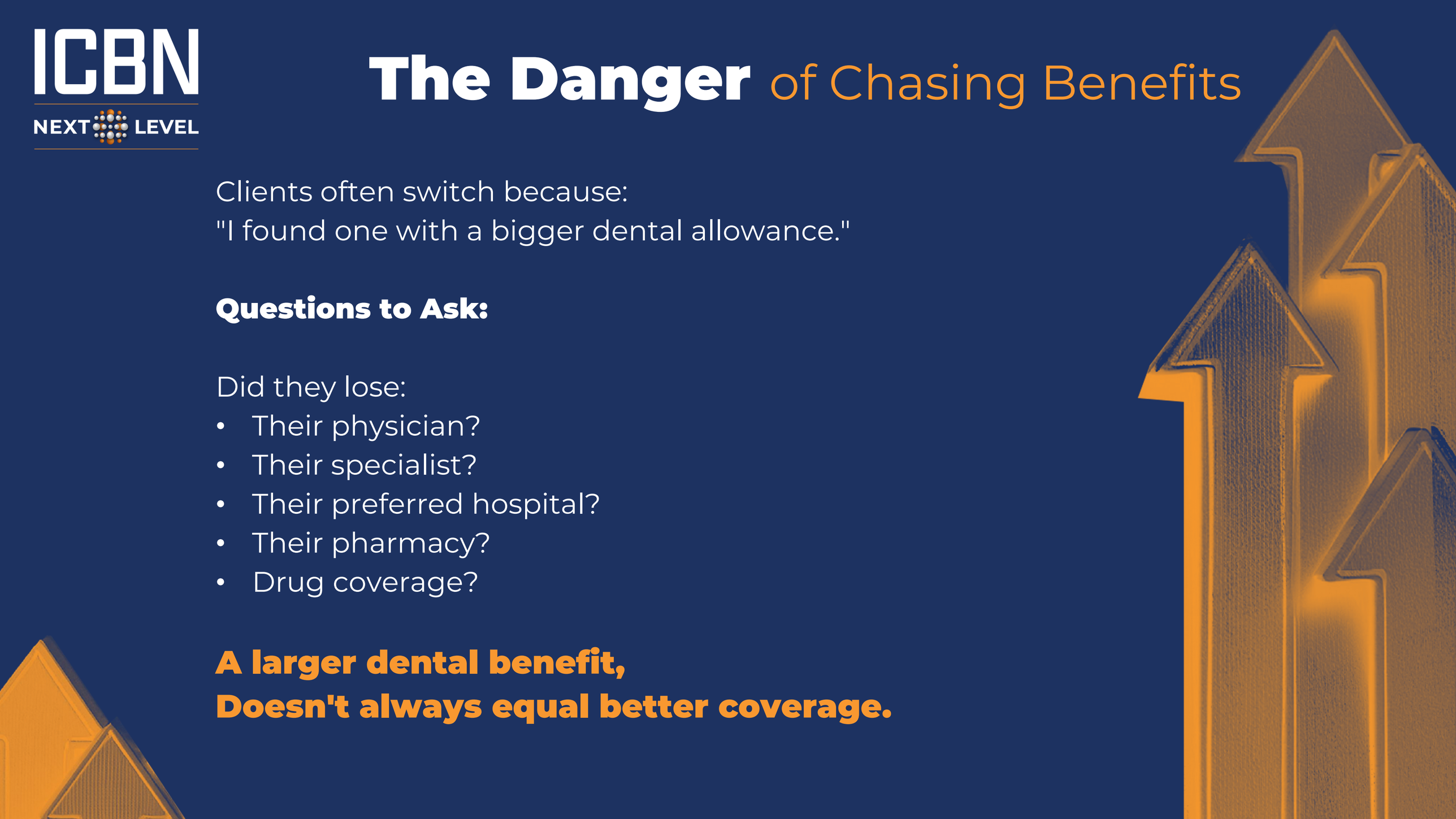
Clients often switch because:
"I found one with a bigger dental allowance."

Questions to Ask:

Did they lose:

- Their physician?
- Their specialist?
- Their preferred hospital?
- Their pharmacy?
- Drug coverage?

A larger dental benefit,
Doesn't always equal better coverage.



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Trust is Built during Difficult Years

Anyone can deliver good news.
Trusted advisors explain difficult news honestly.

Clients remember:

- Who PREPARED them
- Who EDUCATED them
- Who STAYED CALM
- Who PROTECTED them



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Conversation Framework

Step 1
Prepare them.

Step 2
Normalize the market.

Step 3
Review healthcare fundamentals.

Step 4
Compare plans carefully.

Step 5
Recommend what best fits their healthcare—not the flashiest benefits.



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Sample Client Conversation

"You may notice some plans have fewer extra benefits this year. That's happening across much of the Medicare market."

"Rather than chasing the biggest dental or OTC allowance, let's first make sure your doctors, prescriptions, hospitals, and overall healthcare needs are covered."

"If we can keep those protected, we've accomplished the most important part of your Medicare coverage."





Avoid the “Grass is Greener” Thinking

Before recommending a switch, ask:

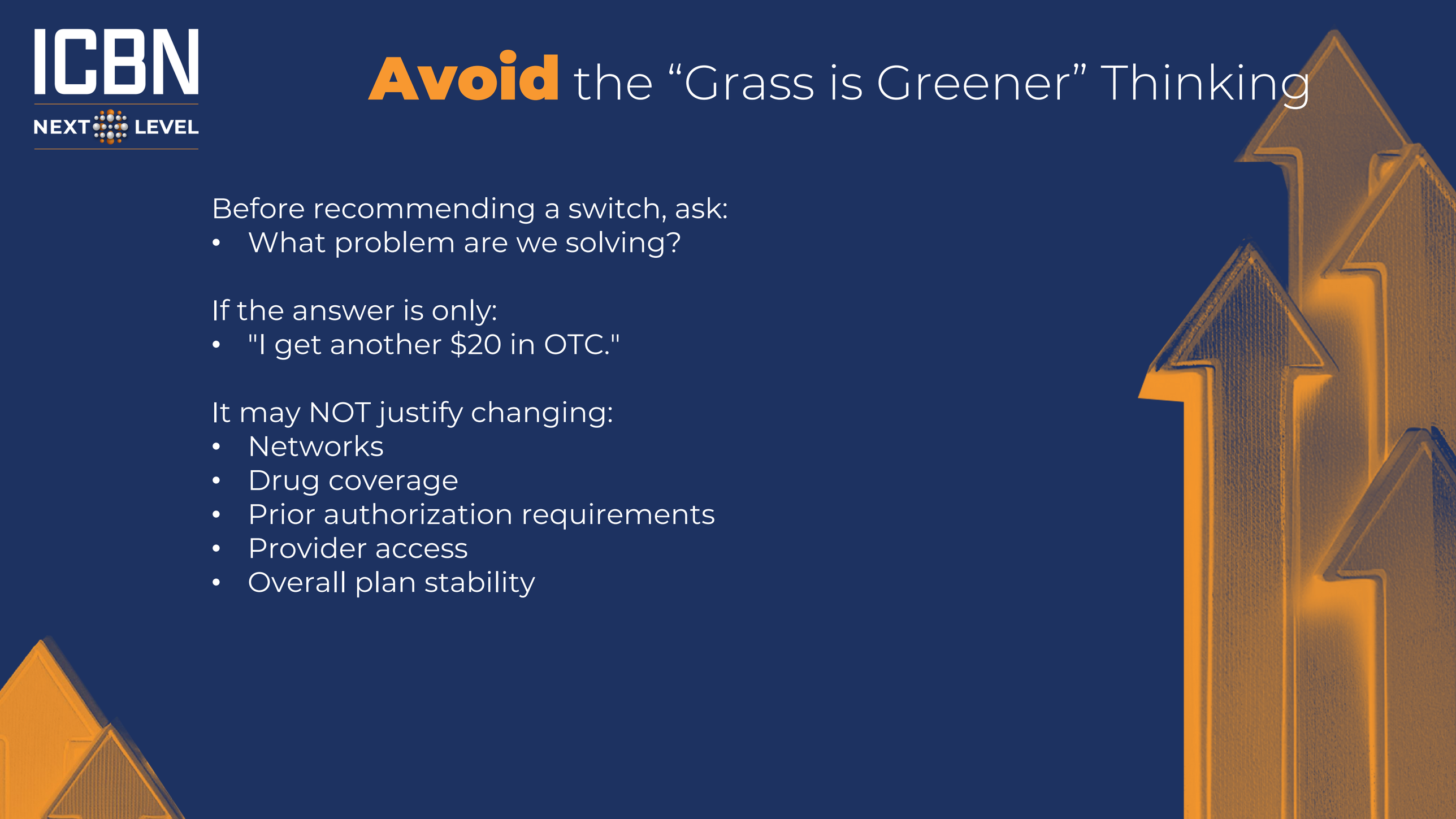
- What problem are we solving?

If the answer is only:

- "I get another $20 in OTC."

It may NOT justify changing:

- Networks
- Drug coverage
- Prior authorization requirements
- Provider access
- Overall plan stability



The Trusted Advisor Mindset

People Don't Buy Plans—They Buy Confidence

When the market changes, clients aren't just evaluating benefits. They're asking themselves:

- Can I trust this recommendation?
- Will my healthcare still be protected?
- Is my agent looking out for my best interests?

Your job isn't to eliminate uncertainty.
Your job is to replace fear with confidence.

When clients trust **you**, they're less likely to chase the next "better" plan.

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Your PY2027 AEP Playbook

Before AEP:

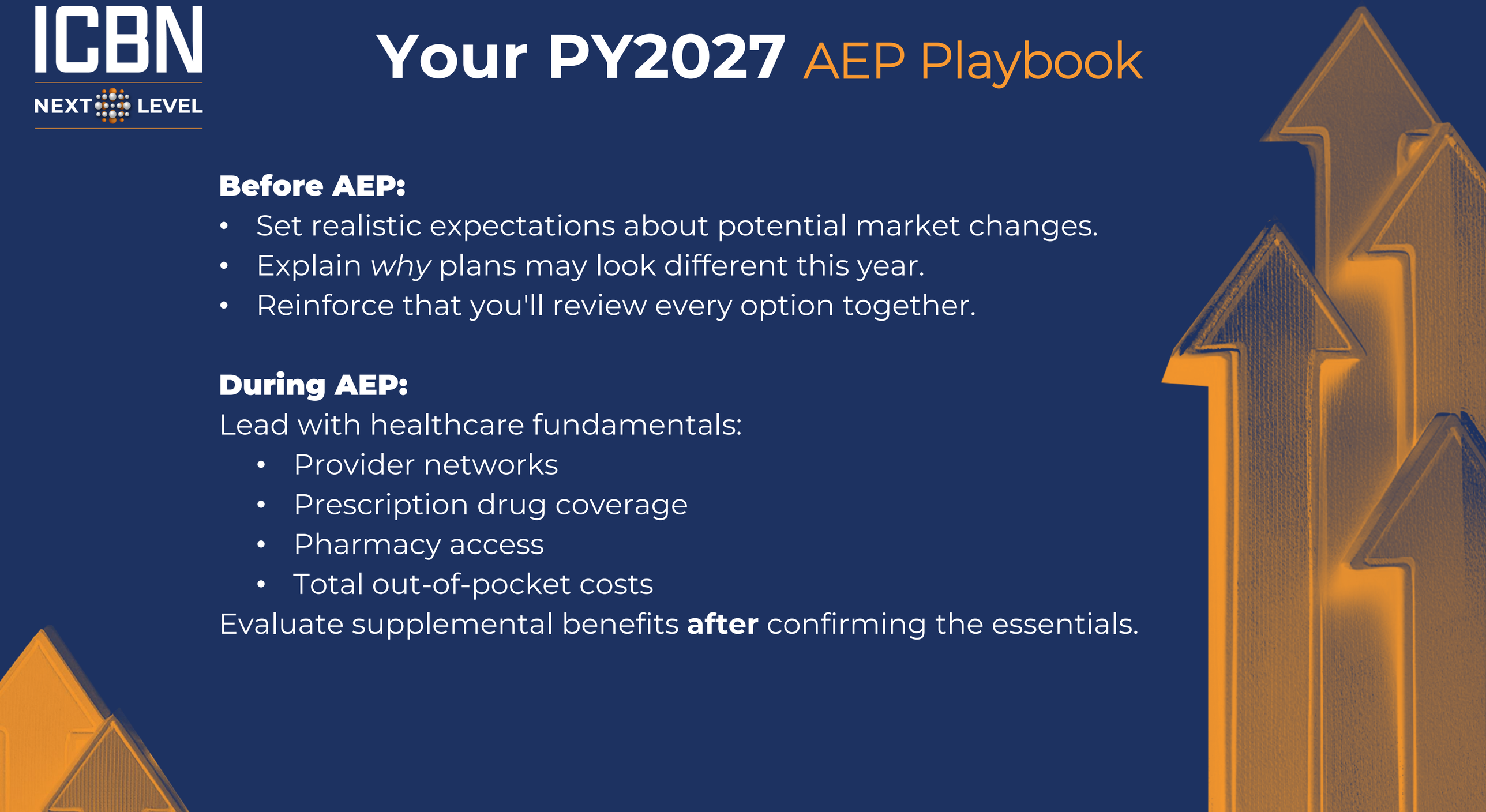
- Set realistic expectations about potential market changes.
- Explain *why* plans may look different this year.
- Reinforce that you'll review every option together.

During AEP:

Lead with healthcare fundamentals:

- Provider networks
- Prescription drug coverage
- Pharmacy access
- Total out-of-pocket costs

Evaluate supplemental benefits **after** confirming the essentials.



Your PY2027 AEP Playbook

After Enrollment:

- Reinforce the reasons behind the recommendation.
- Help clients understand their new coverage.
- Continue to be their trusted Medicare resource throughout the year.

Remember: The best plan isn't always the one with the most benefits—it's the one that best supports your client's healthcare needs and long-term financial well-being.

Trust isn't built in one appointment—
it's built throughout the client relationship.

Final Thoughts

✓ Prepare clients early.
- Plans will change.
- Benefits will come and go.
- Regulations will evolve.

✓ Set realistic expectations.

✓ Focus on healthcare fundamentals.
- Prepare. Educate. Guide. Advocate.

✓ Explain why benefits are changing.
- Defend against client's chasing every new plan or second-guess their decision

✓ Protect trust over transactions.

✓ **Help clients make informed—not emotional—decisions.**

Clients don't expect you to control the market.
They expect you to help them navigate it.

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Thank You!