



## Group Medicare Insights: The Humana difference

# Group Medicare Advantage: Unlocking cost savings for plan sponsors and members

Group Medicare Advantage (GMA) is known for delivering better outcomes for patients. But it can also lead to significant savings for plan sponsors and the healthcare ecosystem as a whole.



### Value-based care that incentivizes cost control

Humana has long been a leader in value-based care (VBC). In contrast to traditional fee-for-service models in which healthcare providers are rewarded for volume of care regardless of outcome, VBC compensates providers based on overall patient wellness. The VBC approach discourages unnecessary tests and, by treating patients holistically, helps reduce hospitalizations and emergency visits that drive up costs.

#### Highlights

- **25.8% savings** in medical costs for members affiliated with physicians in Medicare Advantage (MA) value-based agreements.<sup>1</sup>
- **\$11 billion** in estimated savings for plan-covered medical costs that would have been incurred by value-based members during 2023, if enrolled in Original Medicare.<sup>1</sup>



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### Senior primary care that reduces costly hospital stays and ER visits

Senior-focused CenterWell Senior Primary Care® clinics deliver personalized, unrushed appointments where doctors and care teams take the time to answer questions and address concerns.

#### Highlights

- At CenterWell, patients spend 50% more one-on-one time with a doctor who takes the time to listen to their health concerns.<sup>1</sup>
  - ▶ This approach means CenterWell primary care facilities are better equipped to discover and manage health issues before they escalate into chronic disease or require costly hospitalizations.
- [CenterWell Senior Primary Care](#) offers virtual visits, improving access to care while reducing transportation costs.



### Lower out-of-pocket costs and copays for medication

The rising cost of drugs can feel overwhelming. In fact, approximately 4% of those aged 65 and older can't afford their prescription medications, and more than 3% of them reported skipped doses.<sup>2</sup> Fortunately for Humana members, [CenterWell Pharmacy](#) can help lower medication costs for retirees and keep refills on track.

#### Highlights

- CenterWell Pharmacy provides a secure and convenient mail-delivery service that ships prescription drug medications directly to a member's home.
  - ▶ Proper medication adherence is a key factor in maintaining wellness and preventing acute medical emergencies.
- CenterWell Pharmacy may also offer lower copays on medication.



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### Member support that helps to prevent costly errors

Misunderstanding a plan's key features and benefits can lead to inappropriate care or duplicate services. Humana is committed to helping members effectively manage their care, understand benefits, enroll correctly and avoid duplication.

#### Highlights

- Humana's Custom Connect™ is a one-call resolution platform that provides proactive and customized member support. One-call resolution keeps a member with a single agent throughout their call.
  - ▶ Streamlining customer service helps keep the experience more time- and cost-efficient on all sides.
- [MyHumana](#) is a self-service online account that allows members to independently manage their premium payments, find a doctor, refill prescriptions and view their drug costs to see if less expensive options are available.



### Wellness and prevention for long-term savings

GMA plans provide retirees with enhanced offerings that emphasize supplemental benefits like dental and vision care, and preventive actions such as diagnostic screenings. Prevention is a cost-effective alternative to acute care, which often requires patients to undergo high-cost procedures and tests.

#### Highlights

- Supplemental benefits can help close wellness gaps that might cause bigger problems down the road.
- Early detection and preventive screenings help catch health issues before they develop into costly chronic conditions.
- Wellness programs, such as [SilverSneakers](#)®, keep seniors active, engaged and encourage a healthier lifestyle.





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## See how VBC can lead to savings

**Q** If a brand-name prescription drug costs \$100, what might a generic version cost an MA plan member?

**Answer: \$15–\$20**

Generic medications on average are 80–85% less expensive than brand-name medications, making generics a substantial source of savings for MA members and the U.S. healthcare system.<sup>3</sup> Humana can help members look for less expensive options for high-cost medicines, like generics.

**Q** With a value-based care model, there are 12.7% fewer emergency room visits than non-VBC. What is the average cost of an ER visit for a patient?

**Answer: \$2,715**

An analysis of self-reported emergency room bills indicates that an ER visit costs an average of \$2,715 per patient as of 2025, with costs sometimes exceeding \$3,000 just for the visit alone and before taking tests and treatment into account.<sup>4</sup>

**Q** By prioritizing preventive care, improving chronic disease management and coordinating care across multidisciplinary teams, VBC plans saw 7.1% fewer hospital admissions than non-VBC Medicare Advantage. What is the average cost of a one-day hospital stay?

**Answer: \$3,025**

Although hospital costs vary depending on hospital and location, in 2022, the average cost of a one-day hospital stay in the U.S. was estimated at \$3,025. VBC can lead to a savings of 50,000 admissions or 353,000 inpatient days, amounting to a staggering \$1.068 billion.

What's more, with fewer admissions, plan sponsors can offer retiree plans with lower premiums and richer benefits. Case in point: in 2022, Humana Medicare Advantage value-based care arrangements saved an average of 23.2% in medical costs compared to fee-for-service Medicare, resulting in an average increase of \$527 in benefits for members with value-based care providers.<sup>5</sup>



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1. <https://www.centerwellprimarycare.com/>
  2. <https://www.cdc.gov/nchs/data/nhsr/nhsr209.pdf>
  3. “[2020 Report: Generic Drug and Biosimilars Access and Savings in the U.S.](#),” Association for Accessible Medicines, last accessed October 1, 2025.
  4. Brianne Smith, “[Emergency Room Visit Cost With and Without Insurance \(2025 Update\)](#),” Mira, last accessed October 1, 2025.
  5. “A New Age of Senior Care,” [Politico Focus Sponsored Content Humana](#), last accessed October 1, 2025.

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