



Group Medicare Insights: Plan sponsor experience

When following doctor's orders is good for business



Taking the correct dosage, ensuring timely refills and attending follow-up appointments with a health practitioner are small measures that can have a huge impact on a retiree's overall health. But the benefits of medication adherence extend beyond preventive care and positive health outcomes for individuals. Plan sponsors can achieve competitive advantages when Group Medicare Advantage (GMA) plan members follow doctor's orders.



How a healthy membership base can lead to greater value

Medication adherence is defined as consistently taking medications as prescribed and correctly following guidelines on dosages, timing and frequency. By encouraging medication adherence, plan sponsors can contribute to significant economic improvements in today's healthcare system. Approximately 125,000 American lives are lost annually to poor medication adherence, and cost estimates of non-adherence range from \$100 billion to \$300 billion a year in additional emergency visits, hospitalizations and other complications.¹

"A big risk of medication non-adherence is a return to the emergency department or [hospital] readmissions," warns Suzanne Johnson, a distinguished research professor at the Florida State University College of Medicine. "If you're not following a treatment plan, you're probably not going to get better."

Raising adherence rates among retirees can also deliver business benefits by impacting quality metrics, such as those associated with the U.S. Centers for Medicare & Medicaid Services (CMS) Star Ratings system. Higher ratings for an organization's GMA carrier can translate into lower premium costs and better care for retirees.

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"Star ratings and CMS quality metrics are adherence-based," says Dr. Colin Banas, chief medical officer at DrFirst, a healthcare technology company. He adds that even a modest uptick in adherence can have a positive effect on a plan's rating.

For plan sponsors, the net effect of higher Star Ratings are better quality healthcare services, greater member trust, cost-saving opportunities, coordinated care and enhanced customer support, all of which can help increase a member's likelihood to continue following doctor's orders.



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5 signs plan sponsors have the right insurance partner

How can plan sponsors improve medication adherence in ways that will deliver business benefits? The answer is simple: by working with a carrier that supports and encourages retirees to take their medications as prescribed. Here are some signs that a plan sponsor has partnered with the right carrier:

1. They offer refill reminders and assistance for retirees who might not be filling their medications on time.

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“The question plan sponsors must ask themselves is, ‘Do members have the resources to access a prescription drug if, for example, they don’t drive?’” says Johnson. “If not, how are they going to get this medication to their home?”

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2. They send retirees educational materials about the importance of adherence and recommendations to overcome potential barriers.

There is no denying medication adherence's positive impact on a retiree's health. But there are also key business benefits, such as enhanced plan options, potential cost savings and a healthier membership base, when plan sponsors partner with carriers that help retirees follow doctor's orders.

3. They provide access to a retail or mail-order pharmacy.

4. They offer wellness programs that encourage retirees to maintain a healthy lifestyle.

Humana's SilverSneakers®, for example, is a health and fitness program that's included at no additional cost for most Humana Group Medicare Advantage members.

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Even if participation in a health and fitness program is only 25%, “that's still 25% of your overall population that's now more active,” says Banas. “It's an excellent benefit that's been introduced into plans in recent years.”

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5. They recognize the role medication adherence plays in achieving value-based care (VBC) goals.

Unlike traditional fee-for-service (FFS) models, VBC shifts the focus of healthcare from volume to outcomes, such as preventive care and keeping patients healthy.

1. American Heart Association. “Medication Adherence: Taking Your Meds as Directed.” *American Heart Association*, n.d., accessed March 13, 2025, <https://www.heart.org/en/health-topics/consumer-healthcare/medication-information/medication-adherence-taking-your-meds-as-directed>