



Medicare Supplement Trends



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Agenda

01 Current Supplement Data

02 Rate Increases

03 Regulatory Changes

04 Managing Change

05 Questions



Medicare Supplements

- 01** As of year end 2024, over 14.1 million individuals had a Medicare Supplement
- 02** This represents 21-22% of all Medicare Beneficiaries. The projections predict this to remain fairly level - 19.2% in 2033
- 03** **Market penetration of Supplements** has been decreasing since 2019; however, the increase in the size of Medicare population has kept policies over 14 million
- 04** **Urban vs Rural Areas**
Medicare Advantage tends to have higher market penetration in urban areas, and Supplements higher penetration in rural areas

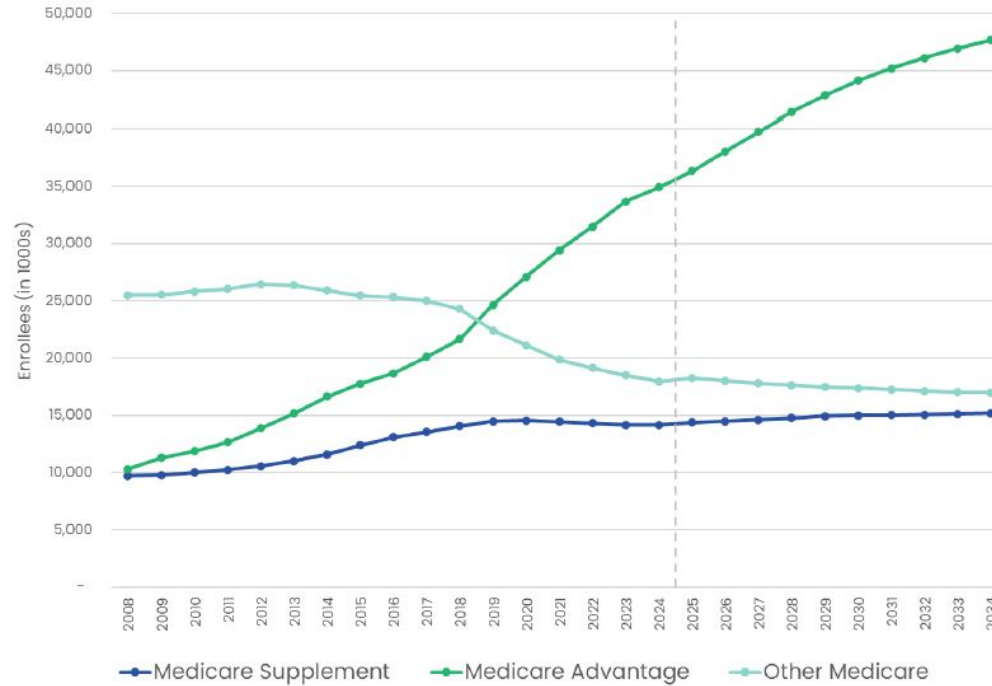


◆ Medicare Market Predictions

Sources

1. 2025 Medicare Trustees Report
2. NAIC Medicare Supplement Experience Exhibits
3. CMS.gov
4. Other Public Company Sources
5. Telos Actuarial Projections

Graph 1: Senior Insurance Enrollee Forecast to 2034 (in 1000s)





Higher rate increases in 2025-why?

Loss Ratios

Medical claims were low in 2020 due to beneficiaries delaying non-essential and elective medical services.

There has been an increase in loss ratios since then and continues to rise

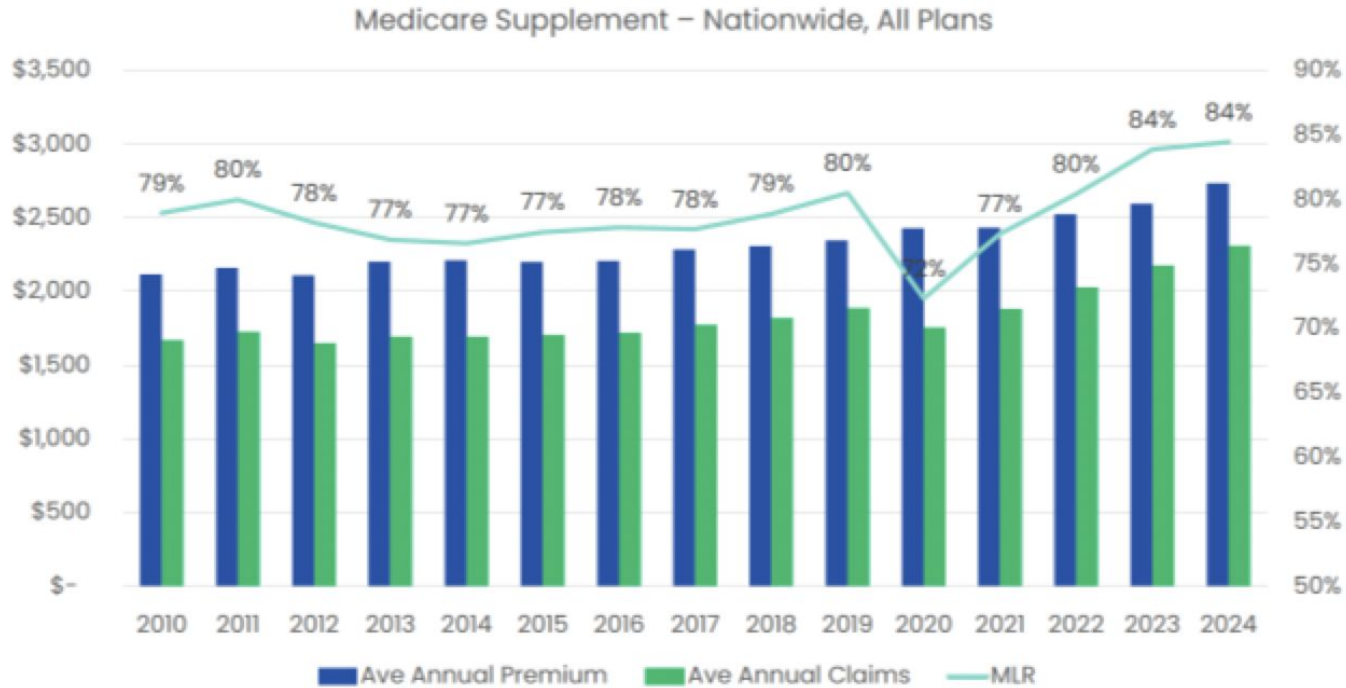
Rising Health Care Costs

Increase in medical costs has been outpacing increases in revenue.

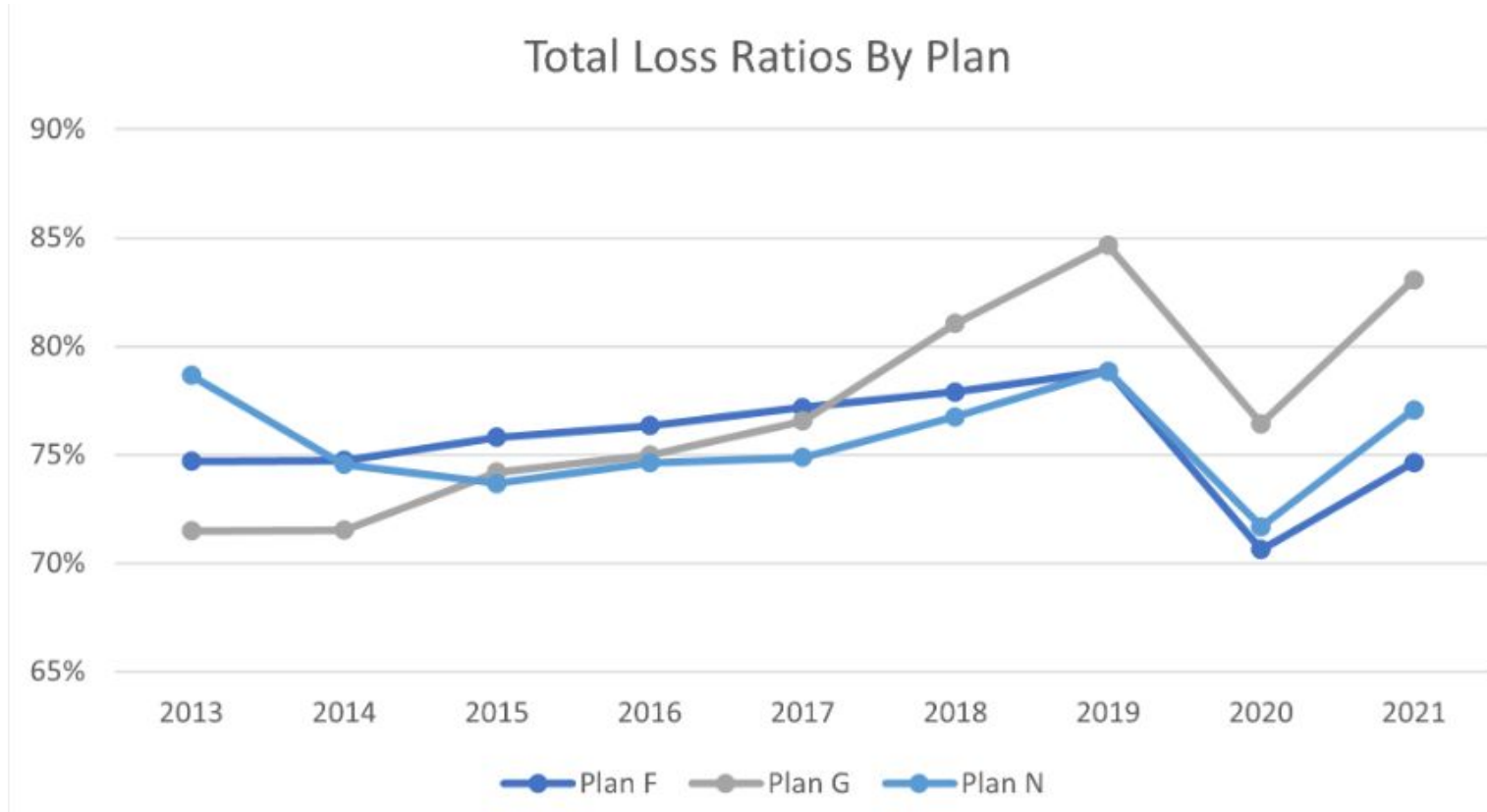
Increasing age of policyholders

Many Medicare beneficiaries are choosing Medicare Advantage plans over Medicare Supplement Plans. Typically people use more healthcare services as they age.

◆ Revenue and Claims

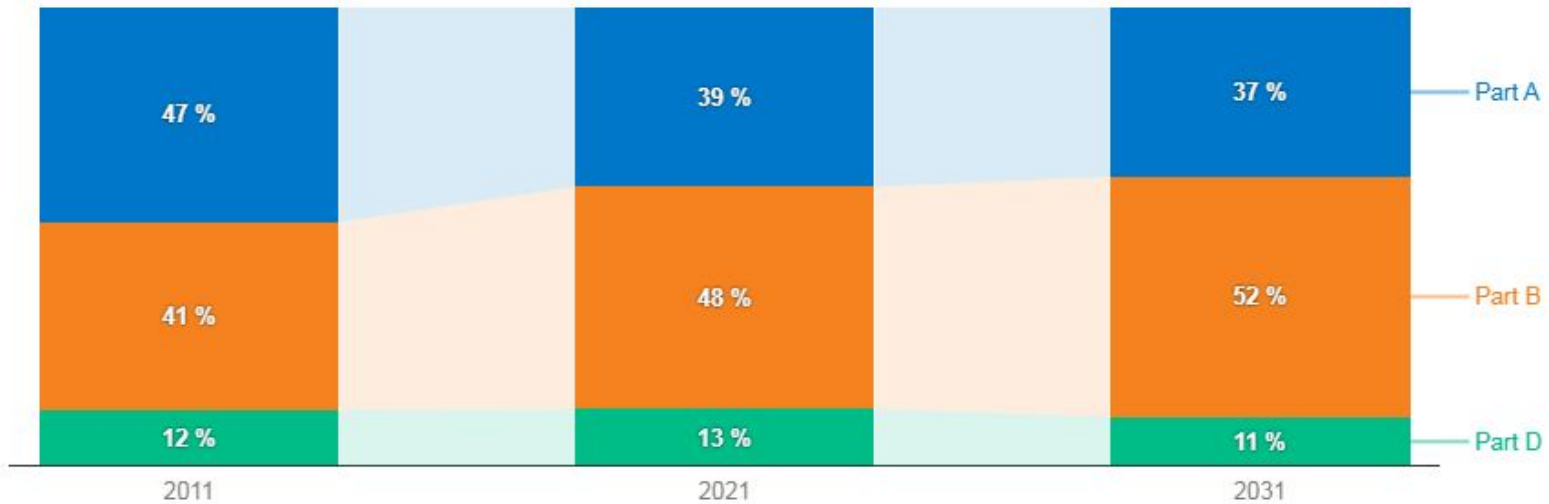


◆ Loss Ratio



✦ Rising Health Care Costs

Spending on Physician Services and Other Medicare Part B Services Now Accounts for the Largest Share of Total Medicare Benefits Spending



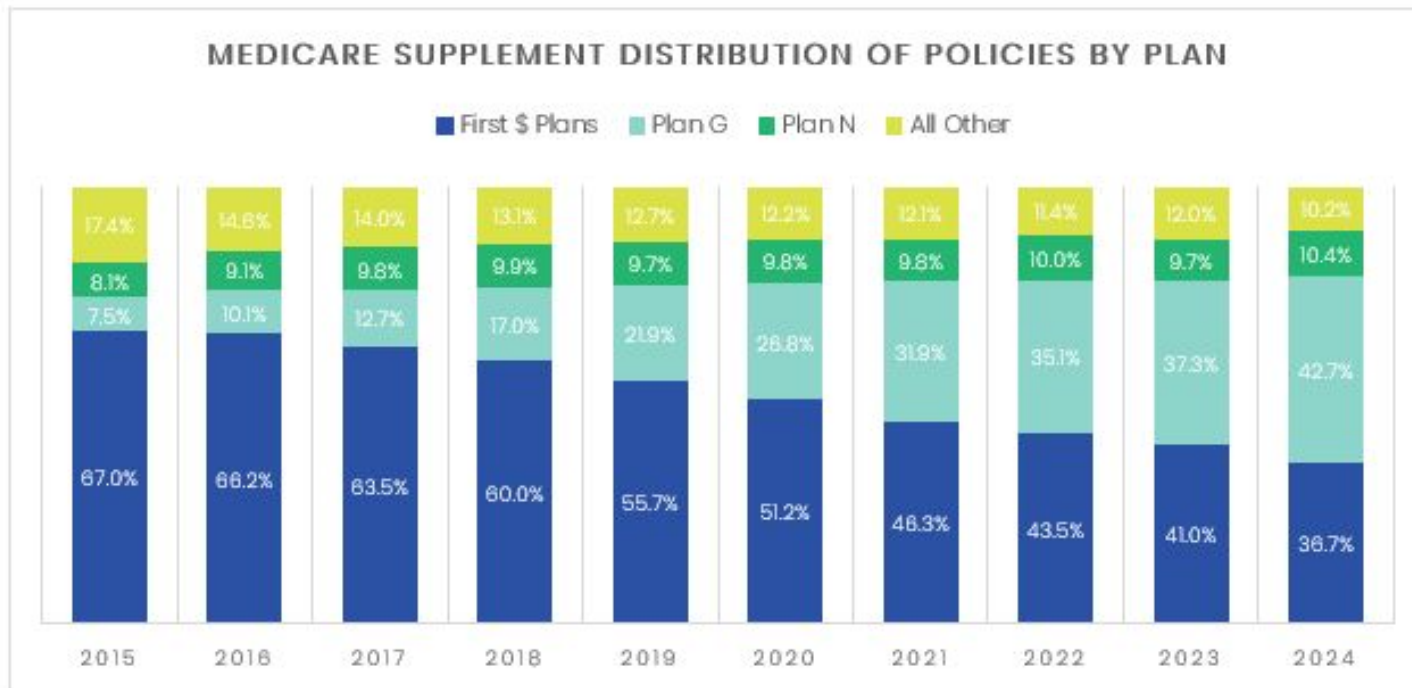
NOTE: Amounts in billions. Amounts include spending on both traditional Medicare and Medicare Advantage.

SOURCE: KFF analysis of Medicare spending data from the 2022 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. • [PNG](#)





Plan G Continues Its Dominance





Original Medicare Spending

The Dollars behind Original Medicare

In 2023, Medicare was the largest purchaser of personal health care in the United States. Part A and Part B (paid under Original Medicare) accounted for \$436 billion of our country's \$4.8 trillion healthcare spending, providing benefits to over 65 million Americans.

Rising Costs

Over the period from 2010-2023, the level of Medicare program spending has increased faster than the rate of growth in beneficiaries.

Spending per beneficiary

2010- Medicare was spending \$9,721 per beneficiary
2015-that amount had grown to \$10,176 per beneficiary
2021-amount was at \$11,964 per beneficiary
2023- Continuing to grow faster at \$15,700 per beneficiary

Information courtesy of Telos Actuary



Plans

Plan G



Seeing the highest loss ratio of all Supplements

- 2023 claim run higher than expected: 17.3% vs. 16% expected
- Four year average is 9.8%

Plan F



Loss ratios increasing due to population

- Beneficiaries turning 65 after 1/1/2020 not eligible for Plan F or C
- 2023 claim run: 10.8%
- Four year average is 8.3%

Plan N

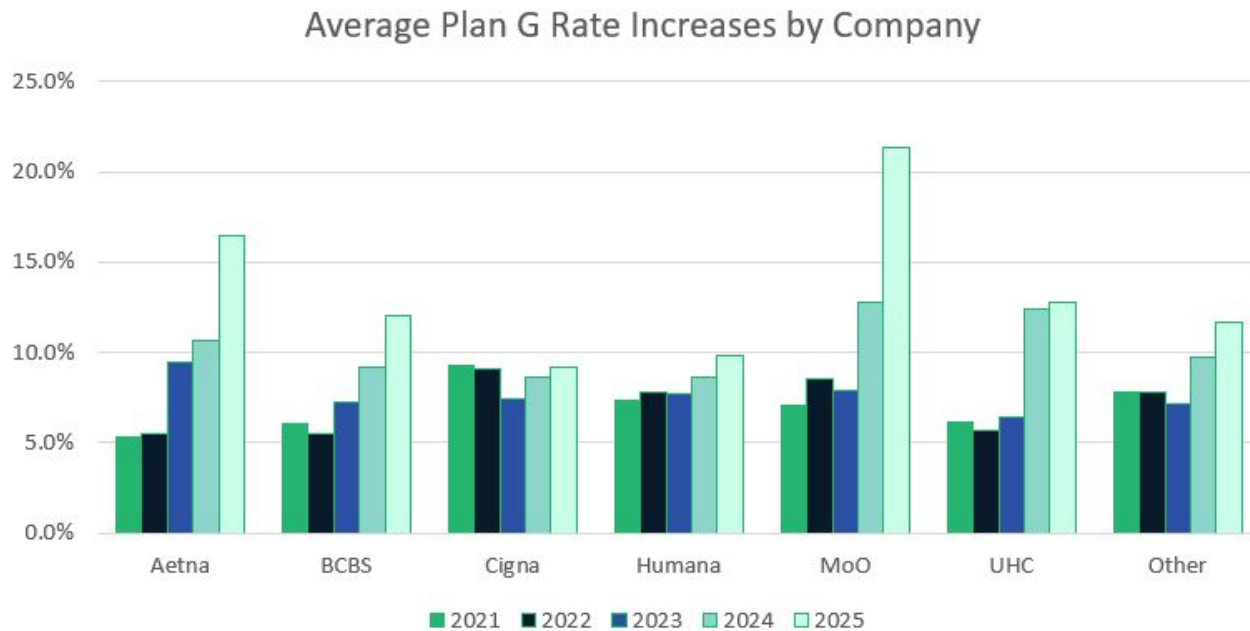


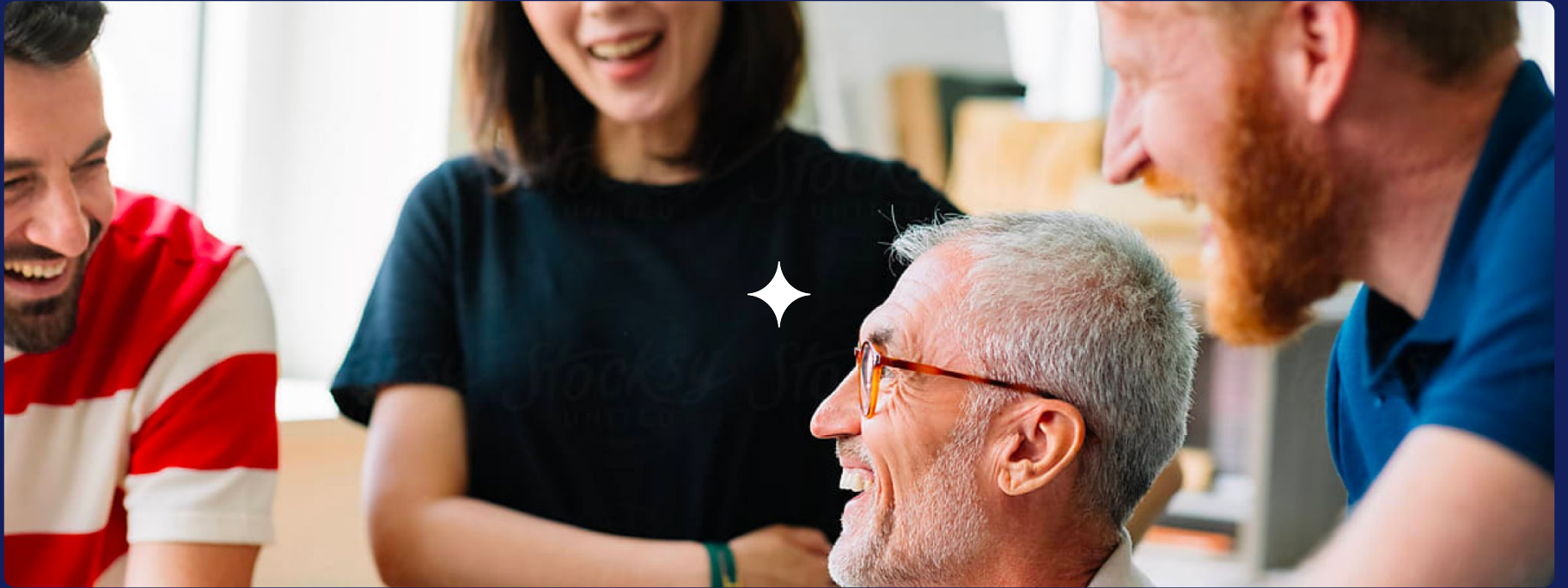
Lower loss ratios overall

- Healthier individuals willing to take on cost sharing
- The “pool” is healthier overall, which translates into lower loss ratios



Average Rate Increases





Regulatory Changes



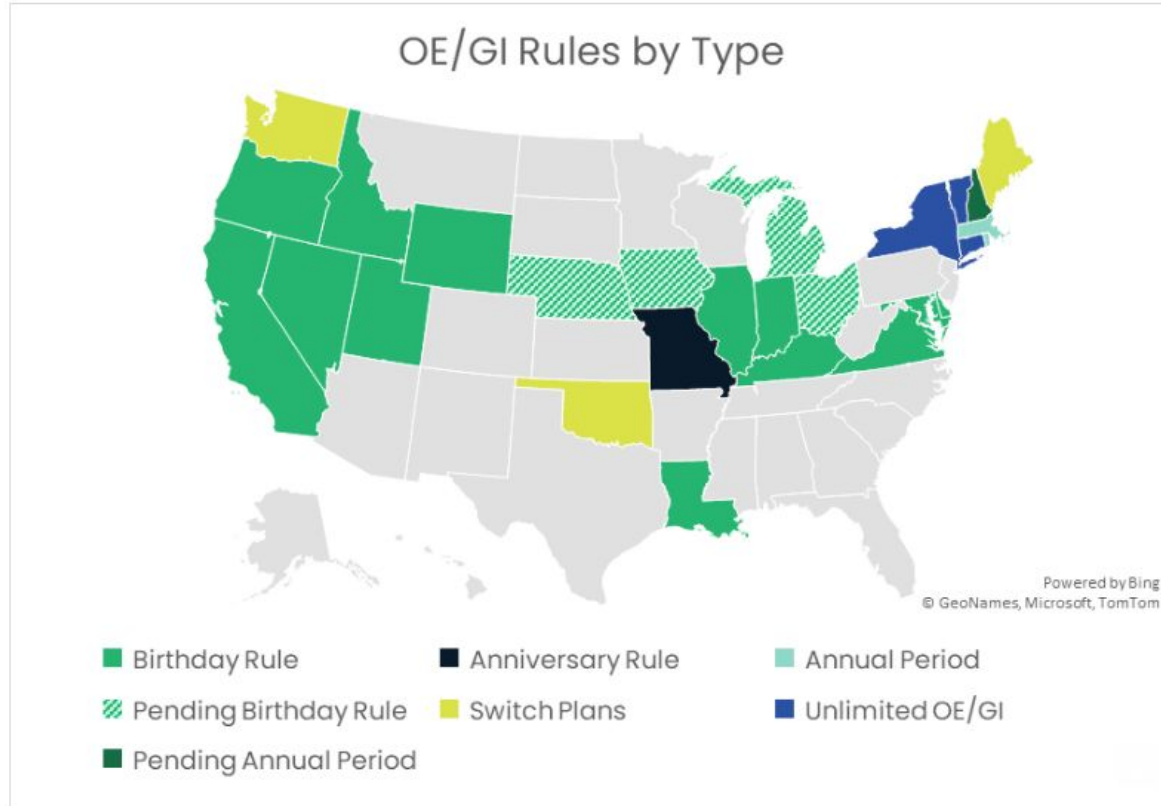
Open Enrollment & Guaranteed Issue

Open Enrollment - states that offer year-round guaranteed issue (GI)

Expanded GI Rules - states that offer guaranteed issue rights that go above and beyond the federal government GI [rights](#)

- *Year-Round OEP(With & Without Existing Medigap)*
- *Annual GI periods*
- *Anniversary Rule*
- *Birthday Rule*

◆ OE/GI Rules by Type & State



✦ Proposed new Birthday Rules

State	New Plan Carrier	New Plan Letter	Proposed Effective Date	Annual Window
IA	Any Carrier	Equal or lesser benefits	1/1/2026	30 days
IN	Any Carrier	Same Plan Only	1/1/2026	60 days
NE	Any Carrier	Any Plan	1/1/2026	30 days
NM	Any Carrier	Any Plan	Unknown	60 days
OH	Any Carrier	Same Plan Only	Unknown	60 days
RI	Any Carrier	Any Plan	1/1/2026	30 days
UT	Same Issuer	Equal or lesser benefits	5/7/2025	60 days
VA	Any Carrier	Equal or lesser benefits	Unknown	60 days

The 8 states and their recently proposed birthday rules are summarized in the table.



Premium Range Examples

State	Guaranteed Issue Rules	Premium Range Female, age 65 NS, Plan G	Number of Plan G offered in state
NY	Year Round Open Enrollment (Guaranteed Issue)	\$141-\$529	30
MO	Anniversary Rule	\$171-\$385	27
CA	Birthday Rule	\$142-\$284	24
TN	Same as Federal Rules	\$98-\$493	41



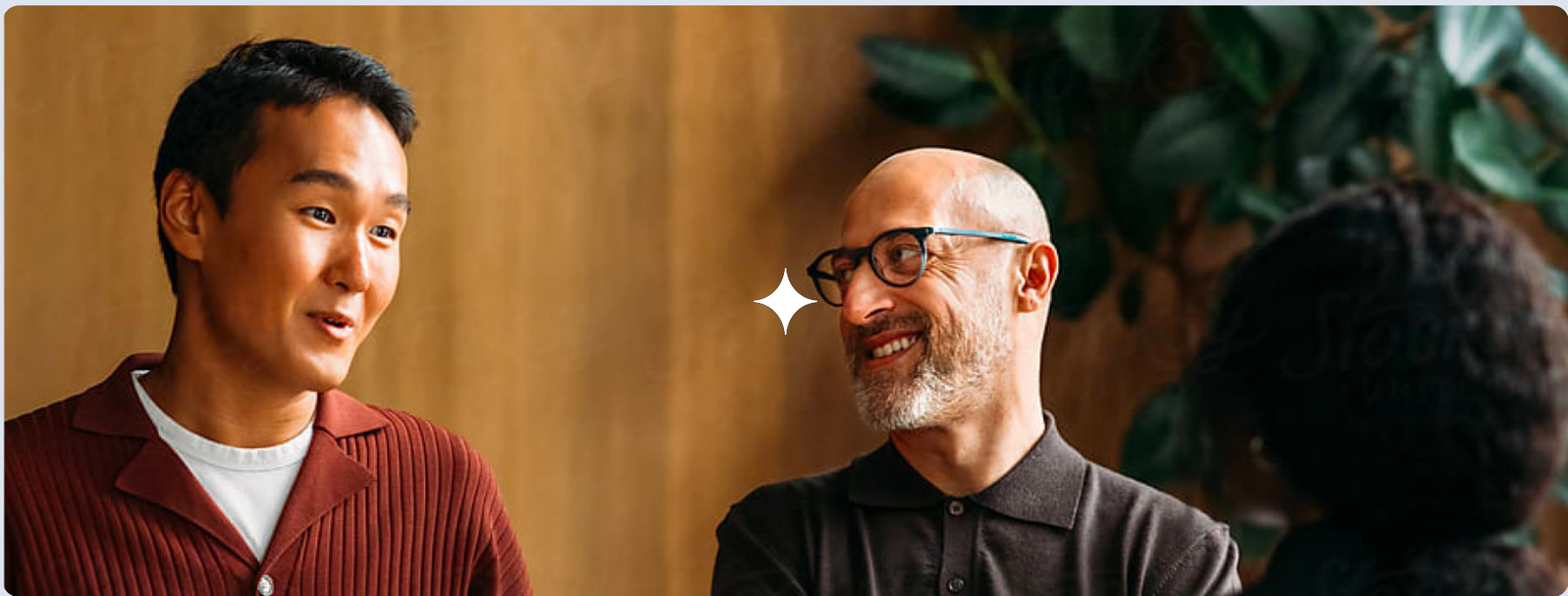
Medicare Supplement in the future

Medicare will continue to have growth. Over the next 10 years, a 20% increase is expected in Medicare beneficiaries.

While there has been a slight decrease in Supplement enrollments the last few years:

- It is anticipated that the percentage of Medicare beneficiaries with a Supplement will hover around 19-20% mark for the foreseeable future. *
- Supplement Plans offer consistent benefits year over year.

*Assuming average premiums will experience moderate increases over the next 10 year.



What Agents can do to help clients



What you can do

01

Stay Positive!

Try not to get frustrated with rate increases and regulatory changes

02

Stay on top of changes in your state

State DOI sites, other news outlets, Social Media

03

Be proactive, know your Supplements

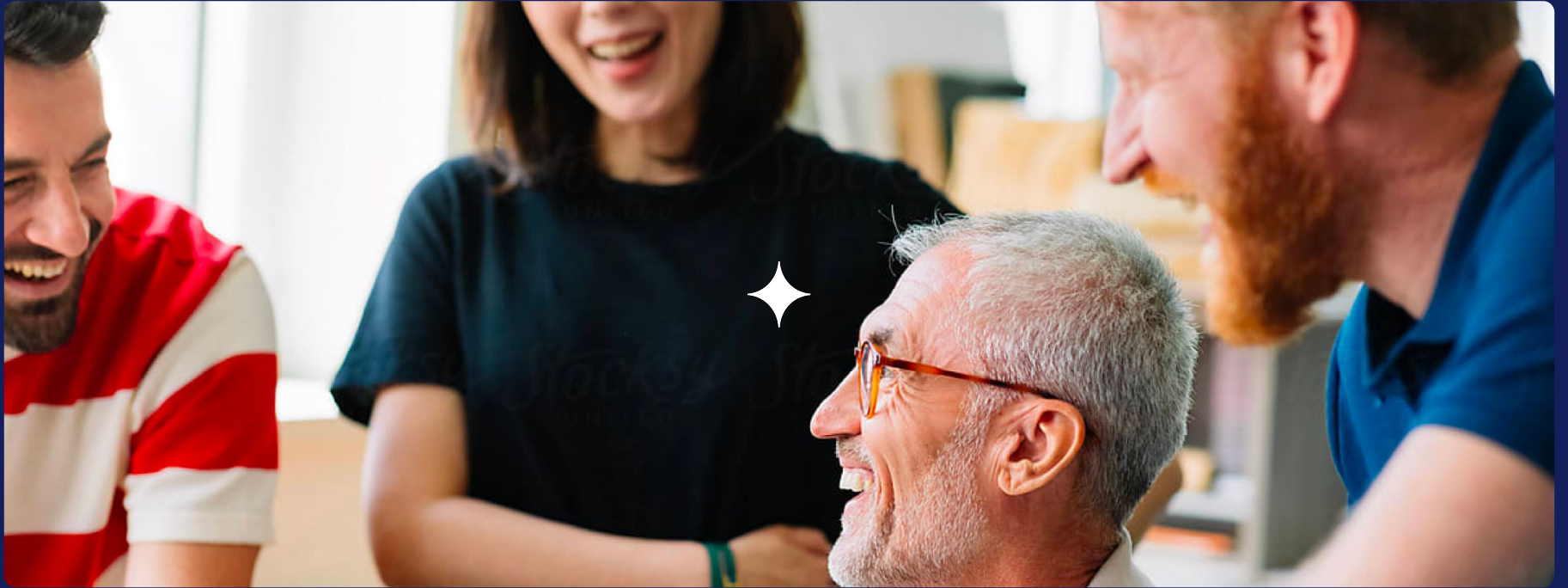
Know your carriers, know the competition. Discounts, Underwriting, company rating, when rates change

04

Contract with a variety of carriers

Contracting with smaller carriers will give you flexibility if regulations change





Plan Comparison



Medicare.gov Demo

Medicare.gov

Health & Drug Plans

Find a Medicare Supplement policy

Enter zip code

Click on View Policies next to Plan Letter to see all the carriers in the state that offer that plan.

Can sort by a variety of factors

Can see the rating model - attained age, community, issue age(may depend on state rules)

If there is a carrier in your state that you don't currently contract with, reach out to support@sparkadvisors.com to see if you can contract through Spark.



Quoting Medicare Supplements

SunFire

SunFire also allows you to quote Medicare Supplements. Currently, about 6 carriers have integrated enrollment options.

CSG quoting tool

Comprehensive way to quote and compare Medicare Supplements, including with other product types.

*Carrier portals

We recommend submitting Medicare Supplement enrollments directly through your agent carrier portals.

The image shows a screenshot of the Spark dashboard. The top navigation bar is dark blue with the Spark logo (a red star) and the word 'Spark' in white. To the right of the logo is a 'Dashboard' dropdown menu. Below the navigation bar, the main content area is light gray and displays 'Welcome back, Spark!'. On the left side, there is a sidebar menu with a 'Dashboard' button and a list of categories: Medicare Supplement, Medicare Advantage / PDP, Final Expense Life, Hospital Indemnity, and Dental. In the center of the dashboard, there is a red 'Tools' header above a circular icon containing a wrench and a document, labeled 'Medicare Supplement'. A white pop-up window titled 'Quote & enroll' is overlaid on the right side of the dashboard. It shows 'SOA sent 7/17/2024' and a blue button labeled 'Launch SunFire'. Below the button is a link that says 'View MedSup options →'.



SunFire vs. CSG

SunFire

- SunFire currently has several carriers integrated for Medicare Supplement enrollment
- Contact information is integrated with SunFire, resulting in less double or triple entry
- Keep track of enrollment applications submitted through the Spark platform via SunFire

CSG

- Comprehensive quoting options with plan details
- Universal Compare allows you to compare MS plans with PDPs and MA/MAPDs
- Quoting tool - ONLY
- Enrollments must be submitted via agent carrier portals or another enrollment tool of your choice

Quote & Enroll Resource Guide

*NEW – SunFire Med Supp & DVH capabilities updated



Q & A



Meet Jesse



Jesse Hendon is our Head of Ancillary Products. He joined Spark in July, and brings many years of industry experience!

jesse.hendon@sparkadvisors.com



Need help?

- Access our Help Center 24/7 through the footer of any page in your Spark platform.
Or reach out to us at support@sparkadvisors.com.
- Check out our previously recorded webinars that include in-depth training videos in the [Spark Help Center](#)
- Stay up to date on upcoming trainings in our [Training Calendar](#).
- [AEP 2026 Help Center page](#) - Resources for AEP Prep!



Thank You

CONTACT

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