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MEDICARE ADVANTAGE CONCEPT VALIDATION CHEAT SHEET





Often referred to as Part C of Medicare, Medicare Advantage is a government-approved program in the US that provides an alternative way for eligible beneficiaries to receive their Medicare benefits (see “Appendix: Medicare 101” for more).

Medicare Advantage [is projected](#) to be the line of business that drives the most profit for payers in 2026, which is why the number of Medicare Advantage Organizations (MAOs) have grown by over 90% in the past 6 years. This competitive landscape has created an opportunity for 3rd party vendors to serve these organizations with offerings that enhance their relationships with physician partners, brokers, and members.

Nonetheless, selling to MAOs presents unique challenges. As established players in the healthcare landscape, MAOs can be cautious about incorporating new solutions as they must prioritize maintaining seamless operations and member satisfaction. The decision-making processes within these organizations can be complex, involving multiple stakeholders and resulting in lengthy sales cycles.

Assessing the viability of your startup’s offering in this market demands a deep understanding of its dynamics. To help you through this process, we’ve collaborated with experts from the Medicare Advantage Organization (MAO) market and documented the right insider questions.

The paper is based on the conversation we had with Misha Golosker.

[Click on the preview to watch the full talk.](#)

In this paper, you'll find questions to better understand the following:

Potential to stand out:

evaluate your solution's ability to differentiate itself among vendors in the context of MAOs' relative priorities. Identify how your innovation addresses specific pain points or adds value to their existing services.

Barriers to adoption:

dive into the hurdles that may slow down purchasing cycles. Understand how your offering integrates into MAOs' workflows and systems without causing disruptions. Be prepared to navigate potential utilization challenges and align with purchasing timelines.

Budget sources for vendor relationships:

gain insights into the sources from which MAOs draw budgets for new vendor relationships.

Note the "chicken and the egg" phenomena that makes answering many of these questions up front very difficult. You need at least one customer to build evidence supporting some of the sources of value, and to develop data around elements such as utilization, cost savings, and retention. Additionally for risk adjustment, you need claims data. Absent that, your best option is to reference third-party studies and make the claim that your intervention is as good or better. That may or not be sufficient.

VALIDATION CHEAT SHEET

Footnote:

This cheat sheet is not meant to be a detailed sales guide but instead serves as a starting point for those actively learning about MAOs and the challenges of selling to them. We hope it will be useful in shortening the learning curve of new startups assessing entry into this market. As ex-operators and early-stage investors, we understand that you will learn more than 50 percent of this on the go. However, we are setting you up to know what you should be answering to build a great business selling into MAO. We welcome you to reach out to us to ask us questions or pitch us the next great MAO vendor company.

The following are MAO Key Performance Indicators. What is the attributable and measurable impact of your offering on those?

1. Reduction in the Total Cost of Care*:

- 1.1 How much in real dollars/percentage of [Medical Loss Ratio \(MLR\)](#) can the MAO save by implementing your offering?
- 1.2 What is the claimed economic impact of your offering on a PMPM (per member per month) basis? On a PUPM (per user per month) basis?
- 1.3 What is the assumed time to Return on Investment (ROI) of your offering?
- 1.4 What is the assumed net ROI of your offering? (while this may be hard to measure, it's useful to take into account as cost of ownership factors into your value proposition)

**Note the key levers by which you will address reduction in TCOC (total cost of care) including, but not limited to, accurate and appropriate benefit utilization across a health plan's ecosystem, utilization management (prior authorization, auditing, case management, drug formularies, site of care, etc.), and network design including partnerships with aligned PCPs (primary care physicians).*

2. Improvement of Clinical Outcomes:

- 2.1 What measurable clinical outcomes does your offering impact?

Example: What was the rate of primary-coded ((condition) ←→ (admissions, procedures, test codes)) per 1000 before you institute your program and what is the rate after?

3. Improvement of Market Positioning as it relates to Acquisition and Retention (A&R):

- 3.1 Attraction: co-pays/deductibles, in-network providers, network, premiums, PDL (prescription drug lists)
- 3.2 Retention: experience as driven by fit with your condition/needs and ability to navigate benefits
- 3.3 "Check the box" baseline expectations: vision, hearing, and dental – must have, but does not help differentiate

4. Improvement of STARs Ratings and/or [HEDIS Measures](#) and Revenue Growth:

- 4.1 Closing gaps in care
- 4.2 Diagnosis capture
- 4.3 Increasing annual wellness visits, home visits, adoption of clinical programs and interventions

5. Reduction in MAOs Administrative Burden:

- 5.1 For example, via improvements in claims processing, appeals, call center, member incentive program management, etc.

6. Improvement in Regulatory Compliance

- 6.1 Examples include network adequacy rates, marketing regulations, documentation, and audits, etc.
- 6.2 Payment integrity and cash flow – Fraud Waste and Abuse (FWA)

7. Improvement in appeal to provider network

- 7.1 Examples include streamlined credentialing and contracting, efficient prior authorization processes and prompt payments

8. Other not listed above

Given the above - which Medicare Advantage plans may most benefit from your value proposition?

- Group Medicare Advantage (EGWP)
- Individual Medicare Advantage
- Special Needs Plans / Dual Medicare Advantage (D-SNPs)

Are you prepared for the associated timelines of contracting and implementation?

1. Contracting and capabilities requirements:

- 1.1 For which plan year are you currently targeting to partner with MAOs to include your offering?
- 1.2 Will your solution be subject to the MA bid planning process?
- 1.3 What 3rd party studies, exist or will be done that prove the ROI of your or similar offering for the population that you support?
- 1.4 What is needed to expand your reach across multiple geographies? (If you are offering a clinical capability - have you mapped out timelines of applying for an NPI and of the state-by-state and payer-by-payer credentialing process)
- 1.5 Anticipating MAO's needs prior to the contract:
 - 1.5.1 Are you HIPAA certified?
 - 1.5.2 Do you have HITRUST Certification?
 - 1.5.3 Customer support capabilities

 - Can you provide customer support onshore and in line with existing hours?
 - What are the languages you do or can support?
 - Can you provide support tailored to specific cultural competencies? (for example geriatric specific training)
 - Do you provide digital and in-person (telephonic) support, enrollment, offboarding, etc.?
 - 1.5.4 What does your current reporting package look like?

 - What KPIs can you measure and report upon?
 - What predictive analytics do you offer?

2. Financial and operational data requirements:

- 2.1 What data sources do you need to integrate to prove clear causation and attribution with regard to your offering's economic impact and/or impact on clinical measurements?

Ex - PMPM utilization and unit costs for your clinical area of interest, eligibility files, claims files, enrollment data, quality data, utilization data

- 2.2 What services do you need to integrate or embed your offering into for usability and to promote utilization? In what ways?

3. Utilization strategy:

- 3.1 Who is the end-user of your offering (member, caregiver, care management team, clinical team, other?)
- 3.2 What is the success metric for utilization of your offering and how is it measured?
- 3.3 Is the MAO willing to auto-assign members to your offering? Can they?
- 3.4 What outreach channels will be used pre-launch and post-launch? In what ways have you tested your targeting criteria, creative, copy, and campaign strategies to ensure they convert?
- 3.5 Will the MAO provide you with support from a dedicated "internal marketing team"? Can they provide access to internal distribution channels (Ex - call center, text, email, mailers) to promote this within their membership base?
- 3.6 Is it possible for you to support proactive outreach? *Ex - by scanning claims for imaging and labs data, HIE ADT records, etc.*
- If so, have you verified that these data sources' level of detail and timeliness will fit your required timelines?

4. Partnerships strategy:

- 4.1 Have you mapped out who your competition is within the MA Space, both direct and indirect? (Include status quo and internal solutions)
- 4.2 How do you differentiate your offering from that of your competitors?
More cost-effective, faster to implement, higher or faster ROI, higher adoption, etc.
- 4.3 What channel partnerships will you prioritize?
 - 4.3.1 What other vendors offer complimentary benefits to your offering that you can co-market with and integrate into?
 - 4.3.2 Have you engaged any consultants in project-based studies to validate your data so they have their own proof points to sell to MAO clients?
 - 4.3.3 How much effort will it be for a front-line salesperson to fully explain your offering and to make a sale on your behalf?
 - 4.3.4 In which ways are you strengthening their position as trusted advisors to their clients?
 - 4.3.5 What impact will you have on their revenues?

Who pays and how?

1. What budget are you tapping into?

- 1.1 How will your offering be brought to market? (As a supplemental benefit? Clinical program (example Transition of Care (TOC) program)? Through Special Supplemental Benefits for Chronically Ill (SSBCI)? Through Value-Based Insurance Design (VBID)? Other?)
- 1.2 How will your product/offering be priced? (PMPM, PMPM w/ risk corridors, engaged case rate, FFS, other?)
Are you able and willing to put any fees at-risk?
- 1.3 From which budget will MAOs pay for your product offering?
MLR Dollars, CMS Rebate Dollars, Innovation Dollars, Rewards and Incentives (STARs) Dollars, member cost sharing, Other?
- 1.4 What programs, and offerings will you likely be taking dollars (budget) away from?

2. Who pays?

- 2.1 Who is/are your user/users?
- 2.2 Who ultimately cuts the check for your solution?
- 2.3 Who in an organization can prevent your product from being implemented, or slow the purchasing process (e.g., security, actuarial teams, compliance, legal)?
- 2.4 Who, if anyone, is otherwise positively or negatively incentivized to see your solution implemented?
- 2.5 Do patients experience value from your product?
How does it improve their life?
- 2.6 Does the P&L sponsor experience value from your product?
How does it improve their life?
- 2.7 Does the program sponsor experience value from your product?
How does it improve their life?

- 2.8 What problem does your product solve for the user (the person who literally uses the product to accomplish a task/process/job)?
- 2.9 What problem does your product solve for the economic sponsor (the person who cuts the check)?
- 2.10 How long does it take the user to experience the value of the product?
- 2.11 How long does it take the economic sponsor to experience the value of the product?
- 2.12 What are the characteristics of your ideal customer? How can you determine a priori if an organization has these characteristics?

Appendix

Creating a Target list

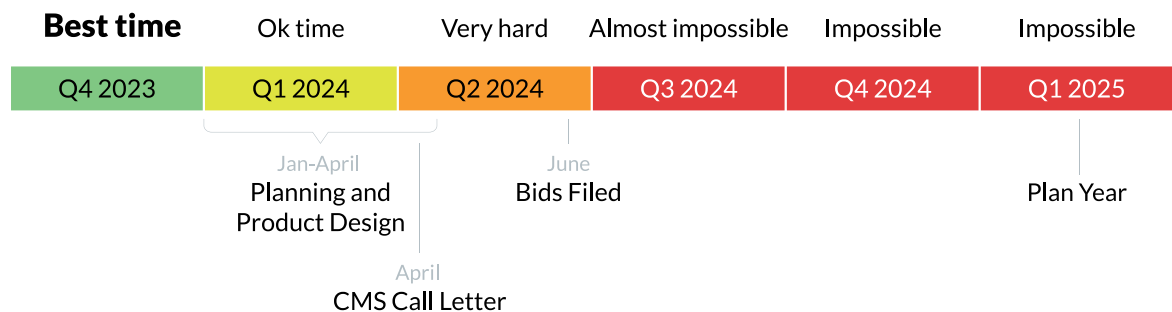
The Medicare Advantage (MA) Enrollment Data section of CMS's website serves as a centralized repository for publicly available data on contracts and plans, enrollment numbers, service area data, and contact information for MAOs.

[The MA Plan Directory list](#) is updated monthly and includes:

- Directory contact first name, last name, title, phone and email
- CMS region responsible
- Plan type
- Organization marketing name

When to sell for 2025?

The purchasing cycle for MAOs is usually lengthy and follows a standardized timeline, as outlined below. Missing the buying window can mean delaying sales by an entire year, so it is important to plan for them in advance.



Recommended Resources

UHC Virtual Education Site

If you get selected by a MAO as a beneficiary facing vendor what would this look like for the member?

The below pages from UHC are not authenticated and provide a good view into how they are positioning benefits and products for their retirees. Look to understand what they are highlighting and download the flyers & benefits brochure to better understand the language of the plan and how much space you have prior to speaking to them.

[UHC Virtual Education Site](#)

[How UHC describes Wellness Programs](#)

Client-Specific Sites:

Teachers' Retirement System of the State of Kentucky	Retiree Program	Virtual Education Center
University of California	Retiree Program	Virtual Education Center
New Mexico Retiree Health Care Authority	Retiree Program	Virtual Education Center

Other useful links

Medicare 101

- [link](#) Easy to read background on Medicare Advantage including how risk adjustment and payments work -
- [link](#) An intro to Medicare, and how digital health companies can impact the nation's biggest payer -
- [video](#) Traditional Medicare vs Medicare Advantage vs Medicare Part D vs Medicare Supplement Explained

Medicare Advantage

- [link](#) Medicare Advantage latest trend overview 2023 (usually published in August / September)

On Supplemental Benefits in Medicare Advantage

- [link](#) 2023 Supplemental Benefit Trends
- [link](#) Prevalence of supplemental benefits in the general enrollment Medicare Advantage marketplace: 2019 to 2023
- [link](#) Implementing Supplemental Benefits for Chronically Ill Enrollees

Overview of the file types that MAOs receive from CMS and what they can be used for including bid development, financial reporting, and managing plan performance

- [link](#) Medicare Advantage: Piles of files, transmittals, and reports

Networking

Organizations that focus on supporting Medicare Advantage. These groups meet regularly and there is major opportunity to network at their events.

Better Medicare Alliance:

A coalition of providers, plans, advocates, and beneficiaries dedicated to supporting and strengthening Medicare Advantage. They focus on advocating for policies promoting high-quality care and innovation within the Medicare Advantage program.

bettermedicarealliance.org

[Events page](#)

[List of “allies”](#)

Association for Community Affiliated Plans:

List of plans that are local and community based – a different entry point to the market vs chasing the national carriers as they tend to require less complex decision making and face competitive pressures from the big plans that necessitate investment in innovation.

communityplans.net

[List of MAOs that are members](#)

[Preferred vendor program](#)

The Public Sector HealthCare Roundtable

is a non-partisan, member-directed coalition that exists to give public sector healthcare purchasers and State and local health plan administrators a voice in the design, development, and implementation of national healthcare policy.

healthcareroundtable.us

The State and Local Government Benefits Association (SALGBA)

is the only organization to focus solely on public sector benefits professionals! SALGBA provides educational opportunities with sessions focused on topics specific to public sector employee benefits professionals. SALGBA educational events include national conference, regional conferences, roundtables and webinars.

salgba.org

[Sample events](#)

Authors



Misha (Mike) Golosker

With over 20 years of experience in Medicare, employer group benefits, provider network strategies, product development, and management, as well as pharmacy benefit management, Misha's expertise spans various facets of the healthcare landscape.

Previously, he served as Vice President of Product Strategy at UnitedHealth Group Inc., where he played a pivotal role in maintaining the #1 market share for one of UHG's fastest-growing and most successful lines of business. Through his strategic planning and execution, Misha developed a robust product portfolio that not only drove growth and retention but also enhanced competitiveness and offered unique value to 1.8 million members, contributing to over \$24 billion in annual revenue.

In that role, Misha was accountable for internal and external vendor relationships with over \$100M in annual spend. He oversaw the development and implementation of 6 new product offerings and 5 product redesigns, delivering accuracy and sustainability of core offerings, and leveraged the power of their membership base to negotiate exclusivity with national vendors, bringing unique solutions to the market.

Now at Palette Consulting LLC, he specializes in helping clients understand the payer and carrier space, and member needs by product and segment, and creates tailored product strategies for each unique opportunity. He helps clients move from concept to contract, providing invaluable insights and expertise in the healthcare industry.

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Jonathan Friedman

Jonathan is a Partner at LionBird, leading new investments in companies in the healthcare delivery segment and serving as a board member in Heyday Health, Laguna Health, OneStep, Mellie and others.

Prior to co-founding LionBird, he previously worked for the CEO of Azzorti, a multi-national consumer products company, managing new product launches, sales operations and other cross-functional projects.

He is a member of The Kauffman Fellows Program (class 24), has been frequently featured in technology publications such as TechCrunch and VentureBeat, and also compiles the popular LionBird Bites newsletter, which is read by most of the VC industry in Israel.

About Lionbird

LionBird is a venture capital firm investing in pre-scale digital health companies with operations in Tel Aviv and the U.S. Founded in 2012 by veteran entrepreneurs and Fortune 100 executives in the software and healthcare industries, LionBird provides pre-scale capital and assistance to mission-driven teams re-engineering the health status quo. Since its inception, the firm has invested in more than 35 founding teams and over \$150 million in AUM.

To learn more about LionBird or to contact the team, visit www.lionbird.com.

