

# Making the Rules Work

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A BRIEFING ON MEDICARE MARKETING



1215 4th Avenue Suite 2100  
Seattle, Washington 98161-1018  
t 206.805.1500 f 206.805.1599  
<http://www.hackergroup.com>

# Making the Rules Work

## A BRIEFING ON MEDICARE MARKETING

As the American marketplace ages, marketing Medicare programs becomes a thornier prospect. Medicare providers find themselves caught between the complex marketing guidelines set out by the Centers for Medicare and Medicaid Services (CMS) and the need to effectively communicate with the older consumers who make up most of the Medicare marketplace.

If you offer Medicare and Medicare-related products, this briefing will give a preliminary picture of how to accomplish both effective communication with your marketplace and compliance with CMS rules. It will identify some of the requirements for marketing to Medicare beneficiaries while showing how some of those requirements can be achieved effectively within CMS rules.

### THE MYTH OF THE SINGLE “MATURE MARKET”

To begin with, the Medicare marketplace is not a homogeneous group of people. There is not one group of Medicare beneficiaries, but several. Because there are more Americans over 50 now than there have been in many decades, several sub-categories have emerged within that group.

Three specific age groups are predominant:

- A Active Retirees** — aged 65 to mid-70s
- B Seniors** — everyone older than Active Retirees
- C Dual Eligible** — recipients under the age of 65  
(We will be focusing on the older segments in this paper.)

Within the Active Retirees and Seniors groups, there are four significant life-stage segments which warrant consideration:

- 1 The Boomers** — the sons and daughters of the 60s, active and demanding; though not eligible now, their emergence will have a huge effect on the market, and should be taken into consideration
- 2 The Silent Generation** — the children of the 50s, conservative and self-contained
- 3 The War Generation** — committed to basic values and impatient with expedience, which may short-cut quality
- 4 The Depression Generation** — their hardships have made them especially careful, thrifty and skeptical of promises that seem too good to be true

In marketing to these diverse groups, it is important to remember that they don't fit in one generalized category of “seniors.” Beyond the obvious differences in the health risks each age segment faces, there are subtler differences in the personalities of each group, which make them more likely to respond to different kinds of messages. Courting these differences can have an important impact on marketing success — remember to consider these in the tone and emphasis of your marketing.

In addition to possibly decreasing the success of your program, using the generic term “senior” in your marketing will bring down the ire of CMS. You must refer to your potential recipient as a “Medicare beneficiary,” not a “senior.”

### THEY READ — AND THEY WRITE!

Older Americans, especially the Seniors group, are voracious readers. They read your message

thoroughly and they talk about it with their friends. It is dangerous to talk down to them — and if you promise something in a headline, they expect you to pay it off in the body copy.

Another important distinction lies between the Active Retirees and Seniors and their younger Boomer counterparts. While the older groups see direct mail materials as “informational,” the younger Boomers tend to view it as commercial advertising.

These seniors still tend to retain the habit of writing by hand. The older two groups (The War Generation and The Depression Generation) are the last people left who still love putting pen to paper.

- Put an 800 number in your response, but always include an address and a write-in coupon as well.
- Solicit letters — and be prepared to get them. Ask for testimonials from customers — they will be detailed and specific. (More on this later.)
- Remember, Boomers write too, but they prefer email.

All groups talk to their friends and families about your products and service. The older groups because they have more time and energy for social interaction; the Boomers because they have learned the power of networking. As the Internet and email make it easier to share information, the power of referrals becomes stronger.

Give your customers an incentive to refer you to their friends. If they think your services are better than others they have looked into or tried, they'll make sure others know.

## **THEY *DO* READ, SO MAKE SURE THEY *CAN* READ**

Around age 40 the human eye begins to change. It becomes more difficult to focus, adjust to glare and discriminate text. The retina of the eye begins to yellow. As a result of these changes, several things begin to happen:

- It's harder for older persons to distinguish between blues, greens and purples — reds and oranges are easier to see.
- It takes more light to see (people lose one-half of their light-gathering capabilities between ages 20 and 50) — reversed type requires higher light at any age, so avoid it for older readers.
- Glare increases — that's why night driving is more uncomfortable — it also makes reading text on high-gloss paper more difficult.

In putting your materials together, make sure you have designed it to be accessible and legible. Older readers will likely require a larger font than younger. CMS calls for a font size equivalent to Times New Roman 12 points or larger. This minimum size also applies to disclaimers, sharemarks, footnotes and even subscripts. (The rule is that disclaimers must be at least the same size as the smallest text in the commercial message. So, if your smallest commercial text is 24 points, you must print your disclaimer in 24-point text. That could mean a lot of paper!)

Here are a few additional type tips for older readers:

- Use sans serif fonts (easier to read for any age group).
- Avoid type faces that are too dense or too fine.
- Stay away from type that runs over photos or other busy backgrounds.
- Choose matte papers for large blocks of text.

And pay attention to the order form! It's one of most older consumers' biggest gripes:

- Leave enough room — most older buyers have some vision challenges and many have at least a minor degree of arthritis, which makes writing in cramped spaces difficult.
- Keep it simple — if the older buyer gets frustrated when trying to fill out an order form, the order will be discarded.
- Give them choices — keep the 800 number, but remember that the older half of the mature market still prefers to fill out a form rather than pick up a phone.
- Include TDD numbers and your plan hours of operation where member services are provided — CMS rules require it.

## WHO AND WHAT THEY RESPOND TO

If asked, most older consumers (especially Seniors and Active Retirees) insist that they are not influenced by the use of celebrity spokespersons in advertising. However, despite what they say, response reports consistently show that they do respond to celebrity endorsements, as long as . . .

- The celebrity is credible.
- They speak in a natural and believable manner about your product.
- It makes sense and seems likely that the spokesperson would actually have used your product and benefited from it.

While they will listen to a well-chosen celebrity, they don't like to be put into a category themselves. Present the product which will appeal to the target age group, but let them make the association for themselves. You don't need to tell them they need something because they're older — just tell them everything it can do for them. They prefer to figure out why they need it for themselves.

In choosing the kind of testimonials you will include in your materials, it's important to keep in mind that CMS forbids non-members from stating that they are members. Using actors is allowed, but they cannot say that they belong to your health plan or Medicare organization.

## OPTIMISM BREEDS SUCCESS

Most mature customers tend to be optimistic as far as health, wealth and outlook are concerned.

They consistently rate these characteristics very positively for themselves despite a reality that may be different. They may not be young, but they want to act and feel young — and they want you to reinforce this perception in your marketing and advertising. Some ways to do that are:

- Always include single women when focusing on older ages — much of the market is female and widowed.
- Feature models somewhat younger than your target age group, but not drastically so.
- Make sure any couples you show are age-compatible.

In short, respect them. Don't pander to them and don't patronize them. They are savvy, educated and decisive. Most important, establish a relationship with a 50-plus consumer if at all possible. The key to long-term success in this market segment is a long-term relationship. Most people in this market, even the youngest groups, grew up when service, manners and respect were the community norm. Show them that your company still embraces those values, deliver a good product with excellent service, and they'll stick with you — and tell their friends.

## WARNINGS ABOUT “FREE”

Everyone loves free things. It is well established that all age groups will respond better if you can give them free things of value. But there are a couple of caveats you must remember in Medicare marketing.

First, if you are making a free offer of any kind, whether it's a free health screening, a free book or a free gift, you must make sure the actual value of your gift is under \$15. Do not proceed unless you are sure that the fair market value of what you are offering falls below that limit.

Second, in describing the benefits of your plan, you cannot refer to them as “free.” You may use “at no extra cost to you” if there is no copayment. You cannot use the word free for any benefits of a paid service.

## ADDITIONAL POINTS ON WORD USAGE

**Superlatives** — Unless they can be substantiated by proof submitted to CMS, superlatives like “best” and “most” are not allowed in Medicare marketing materials.

**“No premium” offers** — The phrases “no premium” and “no premium deductible” are not allowed because there is still the overall Medicare premium. You can use the phrase “at no extra cost to you” or “no health plan organization premium.”

**Medicare** — If you are referring to a specific Medicare plan, you cannot shorten it to “Medicare” alone. It could be misleading the reader to think you're describing the original Medicare plan and not Medicare.

**Partner** — CMS has a specific legal meaning for the term “partner,” so you cannot use it to describe relationships.

## CONCLUSION

In order to make the rules work, you need to know them. CMS rules for marketing Medicare change each year, so — of course — it's essential to keep up with them.

The Medicare-eligible senior audience changes, too. Each year a new group ages into the target market. They've grown up in a different cohort and their tastes will differ from those you've engaged in the past.

Even the rules we've outlined in this briefing will change over time. It's important to continue to test what works in the marketplace.

For more information about what's working now in Medicare marketing, please contact Jürgen Stephan, [jstephan@hackergroup.com](mailto:jstephan@hackergroup.com).