

# Medicare Advantage Over-the-Counter (OTC) Medicines Program as a Consumer Engagement Tool

The Medicare Advantage market is an opportunity for consumer healthcare and OTC medicines.

Health plans use OTC benefits as a member acquisition tool, and increasingly, as a strategy to retain enrollees, improve customer satisfaction, and identify new care management strategies.



## BIG MARKET

Nearly  
**8 out of 10**



Medicare Advantage (MA) plans provide OTC supplemental benefits to enrollees



**\$400**  
is the average OTC allowance per enrollee

**\$7.1 billion**  
in total allowances for OTC Medicines and other covered products



**18 million**  
consumers have access to health plans with OTC benefits

**70%**  
of OTC benefits are unused each year



**\$5 billion** in total unused OTC allowances per year

## UNIQUE POPULATION

- The enrollees who use the OTC programs are typically those with greater healthcare needs and are the same enrollees whom health plans seek to engage for other clinical and care management programs
- OTC benefits users are higher utilizers of healthcare services in general
- Nearly half of all allowances are allocated to enrollees in Special Needs Plans (SNPs), including Medicare-Medicaid Dual eligible, which underscores socio-economic focus of the program and opportunity address social determinants of health (SDoH)



**Reduced medical costs and utilization, and/or improved outcomes for many enrollees who use the OTC programs, especially:**

	Lower Medical Costs per month per member (PMPM)	Lower Rx Costs PMPM	Lower Inpatient Admissions per 1,000 Enrollees
<b>Product Categories</b>			
Eye & Ear Care	●		●
Cough, Cold & Allergy	●		●
Leg & Foot Care	●		●
Orthopedic Supports	●		●
Pain & Fever Relief			●
Skin Health	●		
Vitamins & Supplements			●
<b>Conditions</b>			
Arthritis			●
Breast/Prostate Cancer		●	
Depression			●
Mobility			●
Obesity	●		
Respiratory			●
Stroke		●	●
Substance Abuse	●		

## GREAT OPPORTUNITY

OTC benefits programs create an opportunity for consumer health organizations, OTC manufacturers, health plans, and policymakers to collaborate to take full advantage of all that OTC programs provide.


 Download the full report, visit [www.chpa.org/medicareadvantage](http://www.chpa.org/medicareadvantage)