

In September 2004, eHealthInsurance selected and analyzed a sample of about 82,000 individual and family health insurance policies purchased through www.eHealthInsurance.com on which premiums were paid since its last report, from March through August 2004. This semi-annual study is designed to monitor the cost and comprehensiveness of benefits included in health insurance policies purchased by consumers, representing the major medical policies available to 96 percent of the U.S. population.¹

According to past Cost and Benefits reports, consumers increasingly have been purchasing plans with higher deductibles to manage their health insurance premium costs. Current data shows that in the past six months, this buying pattern continues. The deductible levels in this report reflect those required for a plan to be eligible for pairing with a Health Savings Account (HSA). HSAs became available to the public in January 2004 as part of the government's Medicare drug legislation. They are tax-advantaged savings accounts, much like Individual Retirement Accounts (IRAs), available to people who purchase HSA-eligible health insurance plans with deductibles of \$1,000 or more for individuals and \$2,000 or more for families.

Premiums Stable Across Most of the Country

Individual Major Medical Plans

The average premium of the policies purchased by individuals in this survey overall is approximately \$150 per month. On an annual basis, this premium amount equates to \$1,800. According to the U.S. Census Bureau, more than 65 percent of the uninsured population is under age 35, and in our survey, that age group paid approximately \$122 per month, which is an average annual premium of less than \$1,464.

Health Insurance Premiums for Single Policies by Age Bracket							
Age	<18	18-24	25-34	35-44	45-64	65+ (4)	ALL
Average monthly premium per single (1)	\$105	\$114	\$130	\$160	\$207	N/A	\$150
Average annual premium per single	\$1,260	\$1,368	\$1,560	\$1,920	\$2,484	N/A	\$1,800
% of uninsured population by age (2)	11%	30%	26%	18%	14%	1%	100%
% of U.S. population by age (3)	26%	10%	14%	16%	22%	12%	100%

(1) Source: eHealthInsurance, Inc. 2004, single policies sold across states representing 96% of the U.S. population (See page 2)

(2) Source: Health Insurance Coverage, US Census Bureau, issued August 2004

(3) Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrices P13 and PCT12

(4) Age 65 and older are covered under Medicare

Family Major Medical Plans

Family policies in this sample represent an average of 3.1 family members per policy. The average premium of these policies is \$307 per month or \$3,684 per year.

Short-term Health Insurance Plans

Short-term coverage can be purchased to cover one-to-twelve months, and varies by health insurance policy. These plans are intended for people who are without health insurance coverage due to job loss, college graduation, leave of absence from work or other life changes. Short-term health insurance often can fill the gap at a low cost.

Individuals in this sample with short-term health insurance plans paid premiums of \$72 per month on average. Families with short-term health insurance plans paid \$174 per month on average.

¹ Includes all U.S. states except MA, WV, ME, NH, HI, ND, VT. See page 2 for information.

Health Insurance Premiums for Single Policies by State

State	Population	% of U.S. Population	Avg. monthly premium per single: all ages	Avg. annual premium per single: all ages	Avg. age	Guaranteed Issue (1)	Community Rating (2)
California	34,705,060	12.4%	\$140	\$1,680	32		
Texas	21,266,000	7.6%	\$133	\$1,596	33		
New York	19,027,190	6.8%	\$295	\$3,540	40	Yes	Yes
Florida	16,349,150	5.8%	\$148	\$1,776	34		
Illinois	12,406,690	4.4%	\$140	\$1,680	33		
Pennsylvania	12,139,190	4.3%	\$138	\$1,656	31		
Ohio	11,220,060	4.0%	\$132	\$1,584	34		
Michigan	9,898,680	3.5%	\$112	\$1,344	33		
New Jersey	8,521,890	3.0%	\$340	\$4,080	38	Yes	Yes
Georgia	8,332,840	3.0%	\$159	\$1,908	31		
North Carolina	8,071,000	2.9%	\$130	\$1,560	32		
Virginia	7,022,090	2.5%	\$154	\$1,848	34		
Indiana	6,060,210	2.2%	\$125	\$1,500	34		
Washington	5,953,980	2.1%	\$169	\$2,028	35		
Tennessee	5,662,530	2.0%	\$127	\$1,524	33		
Missouri	5,552,640	2.0%	\$139	\$1,668	32		
Wisconsin	5,402,080	1.9%	\$126	\$1,512	36		
Maryland	5,377,260	1.9%	\$166	\$1,992	32		
Arizona	5,349,660	1.9%	\$153	\$1,836	34		
Minnesota	4,983,580	1.8%	\$143	\$1,716	33		
Colorado	4,409,790	1.6%	\$120	\$1,440	33		
Alabama	4,408,280	1.6%	\$173	\$2,076	28		
Louisiana	4,391,090	1.6%	\$135	\$1,620	30		
South Carolina	3,997,220	1.4%	\$138	\$1,656	35		
Kentucky	3,996,680	1.4%	\$125	\$1,500	33		
Oregon	3,477,490	1.2%	\$145	\$1,740	31		
Oklahoma	3,404,120	1.2%	\$134	\$1,608	35		
Connecticut	3,378,790	1.2%	\$174	\$2,088	35		
Iowa	2,878,650	1.0%	\$103	\$1,236	35		
Mississippi	2,781,560	1.0%	\$131	\$1,572	34		
Arkansas	2,657,680	0.9%	\$209	\$2,496	37		
Kansas	2,641,180	0.9%	\$128	\$1,536	30		
Utah	2,283,860	0.8%	\$114	\$1,368	31		
Nevada	2,125,890	0.8%	\$155	\$1,860	33		
New Mexico	1,820,030	0.6%	\$121	\$1,452	32		
Nebraska	1,685,440	0.6%	\$129	\$1,548	32		
Idaho	1,304,910	0.5%	\$162	\$1,944	36		
Rhode Island	1,047,970	0.4%	\$116	\$1,392	33		
Montana	893,600	0.3%	\$145	\$1,740	31		
Delaware	790,930	0.3%	\$131	\$1,572	34		
South Dakota	740,970	0.3%	\$124	\$1,488	32		
Alaska	621,520	0.2%	\$157	\$1,884	36		
Dist. Columbia	561,370	0.2%	\$193	\$2,316	32		
Wyoming	485,510	0.2%	\$107	\$1,284	28		
Subtotal	270,086,310	96.3%	\$150	\$1,800	33		

States not included:

State	Population	% of U.S. Population	Avg. monthly premium per single: all ages	Avg. annual premium per single: all ages	Avg. age	Guaranteed Issue (1)	Community Rating (2)	Other (3)
Massachusetts	3,679,620	1.3%	N/A	N/A	N/A	Yes		
West Virginia	1,760,310	0.6%	N/A	N/A	N/A			Yes
Maine	1,270,120	0.5%	N/A	N/A	N/A	Yes	Yes	
New Hampshire	1,259,120	0.4%	N/A	N/A	N/A	Yes	Yes	
Hawaii	1,198,920	0.4%	N/A	N/A	N/A			Yes
North Dakota(4)	619,280	0.2%	N/A	N/A	N/A			Yes
Vermont	611,540	0.2%	N/A	N/A	N/A	Yes	Yes	
Subtotal	10,398,910	3.7%						
Total US	280,485,220							

(1) Law requires all applicants to be issued a policy regardless of health
(2) Law requires policies to be priced independent of age and/or health
(3) State Department of Insurance and/or state-based carriers limits on non-residential broker sales.
(4) Recently added to www.ehealthinsurance.com, average premium and age data not available to date.

Consumers Choose Higher Deductibles and Lower Co-payments

Data from this sample shows that there is a clear consumer purchasing preference for higher deductible plans. As shown in the chart below, 61 percent of all plans purchased by individuals have a deductible of \$1,000 or higher. Families purchased plans with deductibles of \$2,000 or higher nearly 47 percent of the time. These are the deductible levels a health insurance plan must have to be eligible for pairing with a Health Savings Account (see page 1). Additionally, more than two thirds of all policies sold to individuals and families have office visit co-payments of \$20 or less.

Deductible Levels for Policies Purchased by eHealthInsurance Individual and Family Coverage Customers		
Deductible	Percentage of Policies Purchased	
	Individuals	Families
\$500 or less	35.7%	21.1%
\$501 to \$999	3.5%	3.2%
\$1,000 to \$1,500	26.9%	28.8%
\$1,501 to \$1,999	0.7%	0.1%
\$2,000 to \$3,000	23.6%	28.6%
Over \$3,000	9.6%	18.2%
Total	100%	100%

Co-Pay	Percent of Policies Purchased		
	Individuals	Families	Average
\$0	37.5%	44.9%	39.9%
\$10	8.3%	5.1%	7.3%
\$15	5.7%	6.2%	5.8%
\$20	15.5%	11.9%	14.3%
\$25	8.6%	6.1%	7.8%
\$30	16.1%	17.7%	16.7%
\$35	3.3%	3.3%	3.3%
\$40	3.2%	3.1%	3.2%
\$45	1.8%	1.7%	1.7%
Total	100%	100%	100%

Solid and Accessible Benefits

Ninety percent of policies purchased by individuals, and 87 percent of policies purchased by families, can be considered “comprehensive” in coverage, where comprehensiveness is defined to include: Inpatient, Outpatient, Lab and Test benefits. Prescription drug benefits are included in 81 percent of these plans. An average of 91 percent of individuals and families purchased mainstream health insurance plan types that are relatively unencumbered with utilization restrictions (e.g., HMO access requirements.) By leveraging choice of plans in their market, most consumers in this sample have been able to maintain very good benefit levels and choose the doctors they want while holding down policy costs.

Benefit Levels of Policies Selected		
Benefit Coverage	% of Policies Purchased	
	Individuals	Families
Comprehensive (1)	90.2%	86.6%
Basic	9.8%	13.4%
Total	100%	100%

Product Choices by Individual Customers		
Product Type	% of Policies Purchased	
	Individuals	Families
PPO	79.8%	84.3%
HMO	11.9%	7.0%
Indemnity/Other	8.3%	8.7%
Total	100%	100%

(1) Comprehensive = Inpatient + Outpatient + Lab and Tests
(Prescription Drugs are included in 81% of these policies)

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