

In March 2004, eHealthInsurance selected and analyzed a sample of more than 18,000 individual and family health insurance policies purchased by residents of California through www.eHealthInsurance.com, on which premiums were paid in the preceding 6 months. This new report is designed to monitor the cost and comprehensiveness of benefits included in health insurance policies purchased by consumers in California.

■ Californians Pay Moderate Premiums

Individual Major Medical Plans

The average premium of the individual policies included in this survey is approximately \$147 per month. On an annual basis, this premium amount equates to \$1,764 per-person-per-year. According to the U.S. Census Bureau, more than 66 percent of the uninsured population in California is under age 35, and in our survey of this state, that age group paid an average annual premium of less than \$1,608, or approximately \$134 per month.

Health Insurance Premiums for Single Policies by Age Bracket							
Age	<18	18-24	25-34	35-44	45-64	65+ (2)	ALL
Average monthly premium per single (1)	\$122	\$131	\$136	\$157	\$189	N/A	\$147
Average annual premium per single	\$1,464	\$1,572	\$1,632	\$1,884	\$2,268	N/A	\$1,764

(1) Source: eHealthInsurance, Inc. 2004, single policies sold in California

(2) Age 65 and older are covered under Medicare

Family Major Medical Plans

Family policies in the California sample represent an average of 2.9 family members per policy. The average premium of these policies is \$261 per month or \$3,132 per year.

Short-term Health Insurance Plans

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. Short-term coverage can be purchased to cover one-to-twelve months, and varies by health insurance policy.

Individual Californians in this sample with short-term health insurance plans paid premiums of \$60 per month on average. Families with short-term health insurance plans paid \$149 per month on average.

Health Insurance Premiums for Family and Single Policies in California by Metropolitan Statistical Area

Metropolitan Statistical Area (MSA)	Estimated Population Per MSA ⁽¹⁾	Percent of California's Total Population	Avg. Monthly Premium per Family: All Ages	Avg. Annual Premium per Family: All Ages	Avg. Age of Primary Applicant of Family	Avg. Monthly Premium per Single: All Ages	Avg. Annual Premium per Single: All Ages	Avg. Age of Single Applicant	Total Avg. Monthly Premium of All Plans Sold in CA	Total Avg. Age
Bakersfield	713,087	2.0%	\$186	\$2,232	34	\$128	\$1,536	32	\$144	33
Chico - Paradise	211,010	0.6%	\$236	\$2,832	38	\$136	\$1,632	33	\$167	35
Fresno	850,325	2.4%	\$229	\$2,748	36	\$163	\$1,956	31	\$185	32
Los Angeles - Long Beach	9,871,506	27.8%	\$266	\$3,192	37	\$148	\$1,776	31	\$170	32
Merced	231,574	0.7%	\$260	\$3,120	37	\$146	\$1,752	33	\$191	35
Modesto	492,233	1.4%	\$235	\$2,820	38	\$145	\$1,740	30	\$172	32
Oakland	2,462,166	6.9%	\$286	\$3,432	38	\$150	\$1,800	32	\$186	34
Orange County	2,957,766	8.3%	\$259	\$3,108	38	\$150	\$1,800	31	\$188	36
Redding	175,650	0.5%	\$222	\$2,664	36	\$152	\$1,824	40	\$177	39
Riverside – San Bernardino	3,642,328	10.3%	\$239	\$2,868	37	\$154	\$1,848	31	\$183	33
Sacramento	1,622,946	4.6%	\$256	\$3,072	38	\$140	\$1,608	31	\$174	33
Salinas	414,449	1.2%	\$255	\$3,060	38	\$136	\$1,632	34	\$165	35
San Diego	2,930,886	8.3%	\$262	\$3,144	38	\$143	\$1,716	31	\$170	33
San Francisco	1,449,138	4.1%	\$292	\$3,504	38	\$146	\$1,752	33	\$167	34
San Jose	1,678,421	4.7%	\$272	\$3,264	39	\$152	\$1,824	34	\$190	35
San Luis Obispo – Atascadero - Paso Robles	253,118	0.7%	\$247	\$2,964	37	\$123	\$1,476	33	\$161	34
Santa Barbara – Santa Maria – Lompoc	403,134	1.1%	\$224	\$2,688	39	\$139	\$1,668	31	\$157	33
Santa Cruz – Watsonville	251,584	0.7%	\$243	\$2,916	39	\$151	\$1,812	34	\$176	36
Santa Rosa	466,725	1.3%	\$246	\$2,952	40	\$153	\$1,836	32	\$184	35
Stockton – Lodi	632,760	1.8%	\$255	\$3,060	37	\$147	\$1,764	32	\$196	34
Vallejo – Fairfield – Napa	543,943	1.5%	\$219	\$2,628	38	\$162	\$1,944	32	\$184	35
Ventura	791,130	2.2%	\$273	\$3,276	37	\$152	\$1,824	32	\$192	33
Visalia – Tulare – Porterville	390,791	1.1%	\$284	\$3,408	39	\$151	\$1,812	31	\$183	33
Yolo	183,042	0.5%	\$258	\$3,096	38	\$163	\$1,956	37	\$165	34
Yuba City	148,135	0.4%	\$233	\$2,796	41	\$117	\$1,404	30	\$168	33
Subtotal	33,767,847	95.2%	\$261	\$3,132	38	\$147	\$1,764	32	\$176	34

All Other Areas 1,716,606 4.8%
California ⁽¹⁾ 35,484,453 100%

(1) Source: Population Division, U.S. Census Bureau - Table 3 – April 2004

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 in California. As calculated from the chart below, 62 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 37 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 (HSA) the new tax-advantaged healthcare savings strategy paired with a HSA-eligible health insurance plan. Additionally, three-quarters of policies 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	33.9%	22.2%
\$501 to \$999	4.2%	3.9%
\$1,000 to \$1,500	33.1%	36.7%
\$1,501 to \$1,999	1.0%	0.0%
\$2,000 to \$3,000	21.0%	23.4%
Over \$3,000	6.8%	13.8%
Total	100%	100%

Co-Pay	Percent of Policies Purchased		
	Individuals	Families	Average
\$0	44.5%	55.5%	47.2%
\$10	11.1%	8.1%	10.4%
\$15	2.8%	1.5%	2.5%
\$20	16.4%	11.0%	15.1%
\$25	0.7%	0.6%	0.7%
\$30	8.4%	7.1%	8.0%
\$35	5.7%	5.3%	5.6%
\$40	4.8%	3.5%	4.5%
\$45	5.6%	7.4%	6.0%
Total	100%	100%	100%

Solid and Accessible Benefits

Ninety-four percent of policies purchased by individuals, and 89 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 87% of these policies. An average of 88 percent of individuals and families purchased mainstream health insurance plan types that are relatively unencumbered with utilization restrictions (e.g., HMO access requirements.)

Benefit Levels of Policies Selected		
Benefit Coverage	% of Policies Purchased	
	Individuals	Families
Comprehensive (1)	94.0%	89.0%
Basic	6.0%	11.0%
Total	100%	100%

Product Choices by Individual Customers		
Product Type	% of Policies Purchased	
	Individuals	Families
PPO	75.0%	78.8%
HMO	14.0%	8.7%
Indemnity/Other	11.0%	12.5%
Total	100%	100%

(1) Comprehensive = Inpatient + Outpatient + Labs&Tests
(Prescription Drugs are included in 87% of these policies)

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