

*In March 2004, eHealthInsurance selected and analyzed a sample of more than 62,000 individual and family health insurance policies purchased through www.eHealthInsurance.com, on which premiums were paid in the preceding months since its last report in August 2003. This semi-annual study is designed to monitor the cost and comprehensiveness of benefits included in health insurance policies purchased by consumers, representing what is available to 94 percent of the U.S. population.<sup>1</sup>*

*In this report, we revised the categories in our chart on deductible levels (see page 3) from previous reports to reflect the deductible levels required for a plan to be Health Savings Account (HSA) eligible. 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. 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 remains consistent.*

**■ Premiums Stable or Down Slightly Across Most of the Country**

**Individual Major Medical Plans**

The average premium of the individual policies included in this survey is approximately \$151 per month. On an annual basis, this premium amount equates to \$1,812 per-person-per-year. According to the U.S. Census Bureau, more than 60 percent of the uninsured population is under age 35, and in our survey, that age group paid an average annual premium of less than \$1,572, or approximately \$131 per month.

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)	\$104	\$125	\$138	\$160	\$204	N/A	\$151
Average annual premium per single	\$1,248	\$1,500	\$1,656	\$1,920	\$2,448	N/A	\$1,812
% of uninsured population by age (2)	20%	19%	22%	17%	21%	1%	100%
% of U.S. population by age (3)	26%	10%	14%	15%	23%	12%	100%

(1) Source: eHealthInsurance, Inc. 2004, single policies sold across states representing 94% of the U.S. population  
 (2) Source: Health Insurance Coverage, US Census Bureau, issued Sept 2003  
 (3) Source: U.S. Census Bureau, Census 2001, with extrapolation  
 (4) Age 65 and older are covered under Medicare

**Family Major Medical Plans**

Family policies in this sample represent an average of 2.9 family members per policy. The average premium of these policies is \$288 per month or \$3,456 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.

Individuals in this sample with short-term health insurance plans paid premiums of \$57 per month on average. Families with short-term health insurance plans paid \$153 per month on average.

<sup>1</sup> Includes all U.S. states except MA, KY, 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	34,501,130	12.1%	\$147	\$1,764	32		
Texas	21,325,018	7.5%	\$136	\$1,632	33		
New York	19,011,378	6.7%	\$333	\$3,996	37	Yes	Yes
Florida	16,396,515	5.8%	\$134	\$1,608	34		
Illinois	12,482,301	4.4%	\$141	\$1,692	34		
Pennsylvania	12,287,150	4.3%	\$124	\$1,488	31		
Ohio	11,373,541	4.0%	\$118	\$1,416	35		
Michigan	9,990,817	3.5%	\$104	\$1,248	34		
New Jersey	8,484,431	3.0%	\$337	\$4,044	37	Yes	Yes
Georgia	8,383,915	2.9%	\$148	\$1,776	31		
North Carolina	8,186,268	2.9%	\$109	\$1,308	32		
Virginia	7,187,734	2.5%	\$143	\$1,716	32		
Indiana	6,114,745	2.2%	\$110	\$1,320	37		
Washington	5,987,973	2.1%	\$152	\$1,824	36		
Tennessee	5,740,021	2.0%	\$121	\$1,452	35		
Missouri	5,629,707	2.0%	\$133	\$1,596	31		
Wisconsin	5,401,906	1.9%	\$119	\$1,428	38		
Maryland	5,375,156	1.9%	\$156	\$1,872	32		
Arizona	5,307,331	1.9%	\$133	\$1,596	36		
Minnesota	4,972,294	1.8%	\$140	\$1,680	33		
Louisiana	4,465,430	1.6%	\$120	\$1,440	31		
Alabama	4,464,356	1.6%	\$147	\$1,764	30		
Colorado	4,417,714	1.6%	\$114	\$1,368	33		
South Carolina	4,063,011	1.4%	\$141	\$1,692	32		
Oregon	3,472,867	1.2%	\$137	\$1,644	31		
Oklahoma	3,460,097	1.2%	\$127	\$1,524	37		
Connecticut	3,425,074	1.2%	\$170	\$2,040	34		
Iowa	2,923,179	1.0%	\$ 99	\$1,188	36		
Mississippi	2,858,029	1.0%	\$111	\$1,332	34		
Kansas	2,694,641	0.9%	\$121	\$1,452	29		
Arkansas	2,692,090	0.9%	\$120	\$1,440	38		
Utah	2,269,789	0.8%	\$113	\$1,356	32		
Nevada	2,106,074	0.7%	\$157	\$1,884	33		
New Mexico	1,829,146	0.6%	\$107	\$1,284	33		
Nebraska	1,713,235	0.6%	\$117	\$1,404	31		
Idaho	1,321,006	0.5%	\$128	\$1,536	37		
Rhode Island	1,058,920	0.4%	\$107	\$1,284	33		
Montana	904,433	0.3%	\$126	\$1,512	32		
Delaware	796,165	0.3%	\$113	\$1,356	34		
South Dakota	756,600	0.3%	\$109	\$1,308	33		
Alaska	634,892	0.2%	\$136	\$1,632	30		
Dist. Columbia	571,822	0.2%	\$177	\$2,124	32		
Wyoming	494,423	0.2%	\$ 99	\$1,188	28		
<b>Subtotal</b>	<b>267,532,324</b>	<b>94.1%</b>	<b>\$151</b>	<b>\$1,812</b>	<b>33</b>		

**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	6,379,304	2.2%	N/A	N/A	N/A	Yes		
Kentucky	4,065,556	1.4%	N/A	N/A	N/A	Yes		
West Virginia	1,801,916	0.6%	N/A	N/A	N/A			Yes
Maine	1,286,670	0.5%	N/A	N/A	N/A	Yes	Yes	
New Hampshire	1,259,181	0.4%	N/A	N/A	N/A	Yes	Yes	
Hawaii	1,224,398	0.4%	N/A	N/A	N/A			Yes
North Dakota	634,448	0.2%	N/A	N/A	N/A			Yes
Vermont	613,090	0.2%	N/A	N/A	N/A	Yes	Yes	
<b>Subtotal</b>	<b>17,264,563</b>	<b>5.9%</b>						
<b>Total US</b>	<b>284,796,887</b>							

(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.

**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, 57 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 40 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, 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	39.1%	24.9%
\$501 to \$999	4.1%	4.5%
\$1,000 to \$1,500	28.0%	31.4%
\$1,501 to \$1,999	0.7%	0.0%
\$2,000 to \$3,000	18.4%	22.0%
Over \$3,000	9.7%	17.2%
Total	100%	100%

Co-Pay	Percent of Policies Purchased		
	Individuals	Families	Average
\$0	38.9%	45.3%	<b>40.8%</b>
\$10	11.6%	8.0%	<b>10.5%</b>
\$15	6.0%	7.5%	<b>6.4%</b>
\$20	18.4%	14.7%	<b>17.3%</b>
\$25	8.7%	6.6%	<b>8.2%</b>
\$30	8.8%	9.2%	<b>8.9%</b>
\$35	3.3%	3.5%	<b>3.3%</b>
\$40	2.3%	3.2%	<b>2.6%</b>
\$45	2.0%	2.0%	<b>2.0%</b>
Total	100%	100%	<b>100%</b>

**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 76% of these plans. 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%	79.0%
HMO	14.0%	9.0%
Indemnity/Other	11.0%	12.0%
Total	100%	100%

(1) Comprehensive = Inpatient + Outpatient + Labs&Tests  
(Prescription Drugs are included in 76% of these policies)

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