

Half-Time Report - The ACA Open Enrollment Period for 2019 Coverage

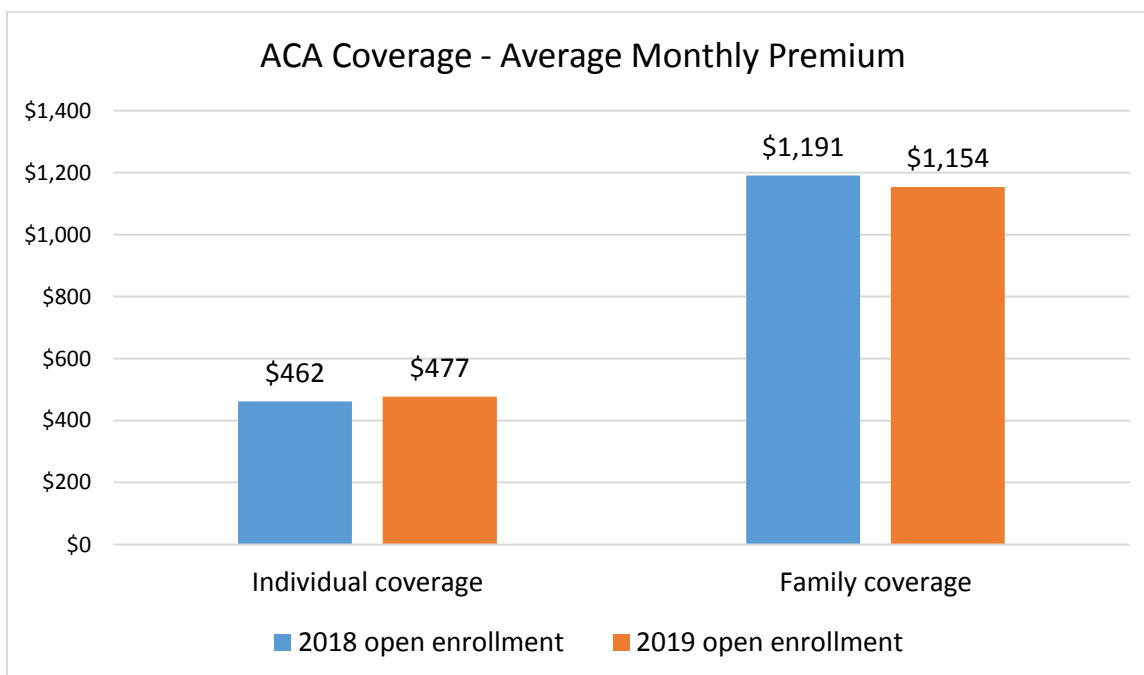
The nationwide open enrollment period for 2019 coverage under the Affordable Care Act (ACA) began November 1, 2018 and is scheduled to continue through December 15, 2018.

This analysis examines costs and trends among unsubsidized individual and family health insurance consumers who selected health insurance plans at eHealth in approximately the first half of the 2019 open enrollment period (November 1 through 25, 2018). Comparisons are drawn with trends among unsubsidized eHealth customers during the same period last year. More information about the analysis is provided in the methodology note at the end of this report.

Following a change of federal rules allowing for the sale of short-term health insurance plans with coverage periods of up to one year, this report also includes a review of costs and trends among eHealth customers purchasing short-term plans in the same periods.

ACA Plans – Average family premiums show a decrease

In the first half of the 2019 open enrollment period, the average monthly premium for ACA-compliant plans selected by individual eHealth customers who did not utilize government subsidies was \$477, while the average monthly premium for families was \$1,154.

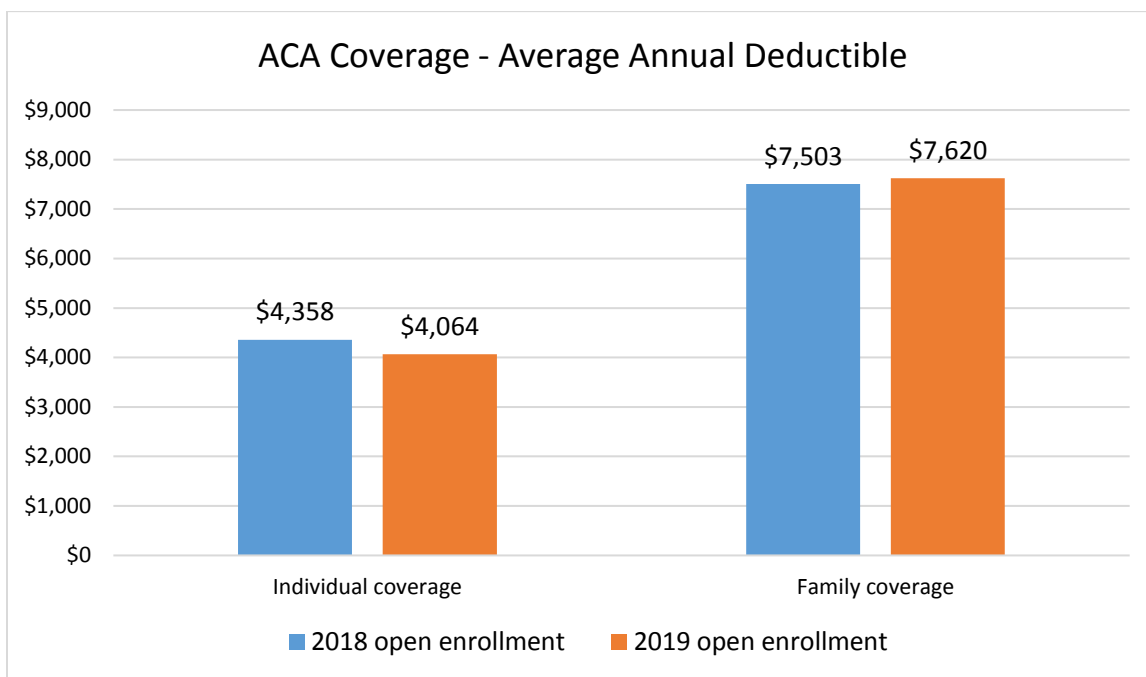


- Average individual premiums increased 3 percent between the first half of the 2018 open enrollment period (November 1-25, 2017) and the first half of the 2019 open enrollment period (November 1-25, 2018).

- The average premium for family coverage decreased 3 percent in the same period.
- These figures may be compared to figures published by eHealth showing that the average lowest-priced premium for Bronze-level coverage among all plans available at eHealth (as opposed to plans selected by customers) [decreased 2 percent](#) between the 2018 and 2019 open enrollment periods.
- The average age of an individual purchasing ACA-compliant coverage without a subsidy at eHealth was 39 years old in both periods; the average age of the primary applicant for family coverage was 45 in both periods.

ACA Plans – Average individual deductibles decreased

In the first half of the 2019 open enrollment period, the average annual deductible for ACA-compliant plans selected by individual eHealth customers who did not utilize government subsidies was \$4,064, while the average annual deductible for families was \$7,620.

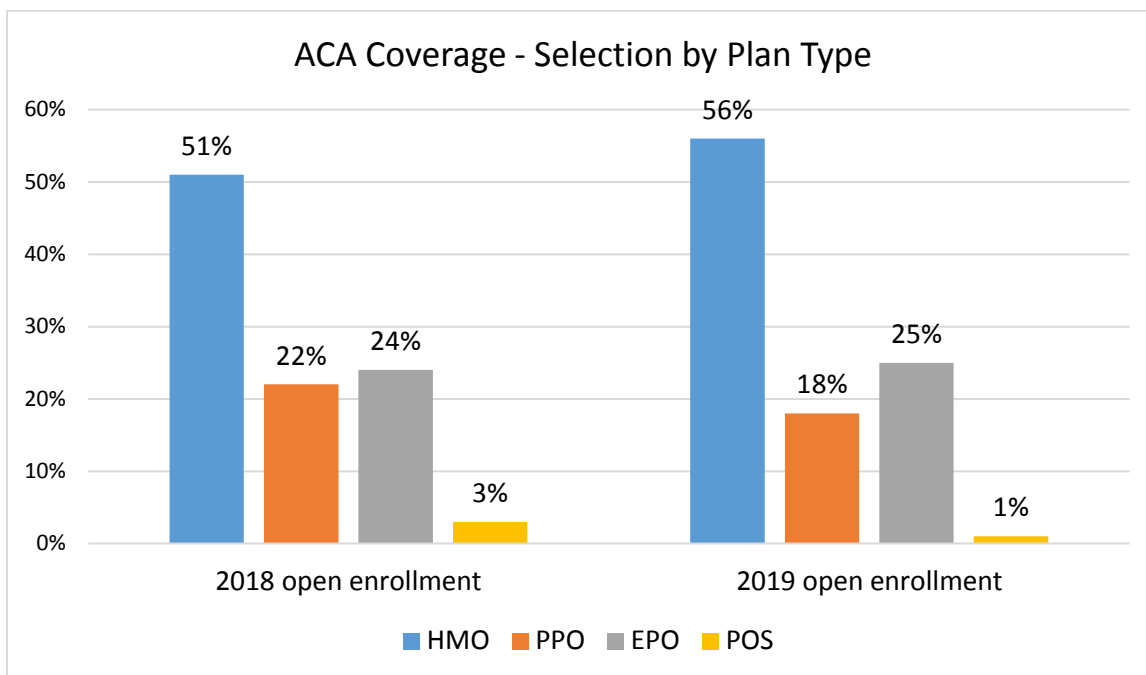


- Average individual deductibles decreased 7 percent between the first half of the 2018 open enrollment period (November 1-25, 2017) and the first half of the 2019 open enrollment period (November 1-25, 2018).
- The average annual deductible for family coverage increased 2 percent in the same period.

ACA Plans – HMOs and EPOs dominate

In the first half of the nationwide open enrollment period for 2019, Health Maintenance Organization (HMO) plans accounted for the majority (56 percent) of individual and family health insurance plans selected by unsubsidized eHealth customers. Preferred Provider Organization (PPO) plans accounted for 18 percent, while Exclusive Provider Organization

(EPO) plans, which typically limit coverage to a specific network of providers in the same way HMO plans do, accounted for 25 percent of all plans selected.

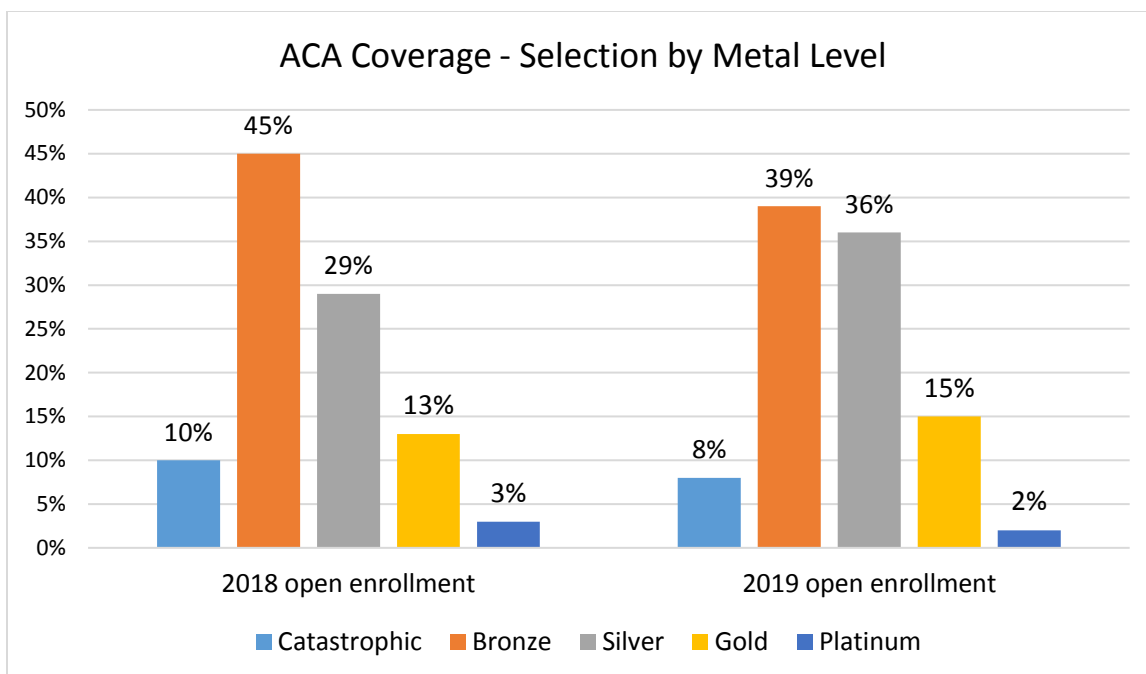


- The trend away from PPO-style plans and toward plans with more restrictive networks continues, as previously reported in eHealth’s [Index Report for the 2018 Open Enrollment Period](#).
- HMO and EPO plans account for 81 percent of all plans selected in the first half of this open enrollment period, compared to 75 percent in the prior year.

ACA Plans – The increasing popularity of Silver plans

In the first half of the nationwide open enrollment period for 2019, the most popular metal level plan selected by individual and family eHealth customers was Bronze (39 percent). Silver plans were the second most popular metal level selected, at 36 percent of plans.

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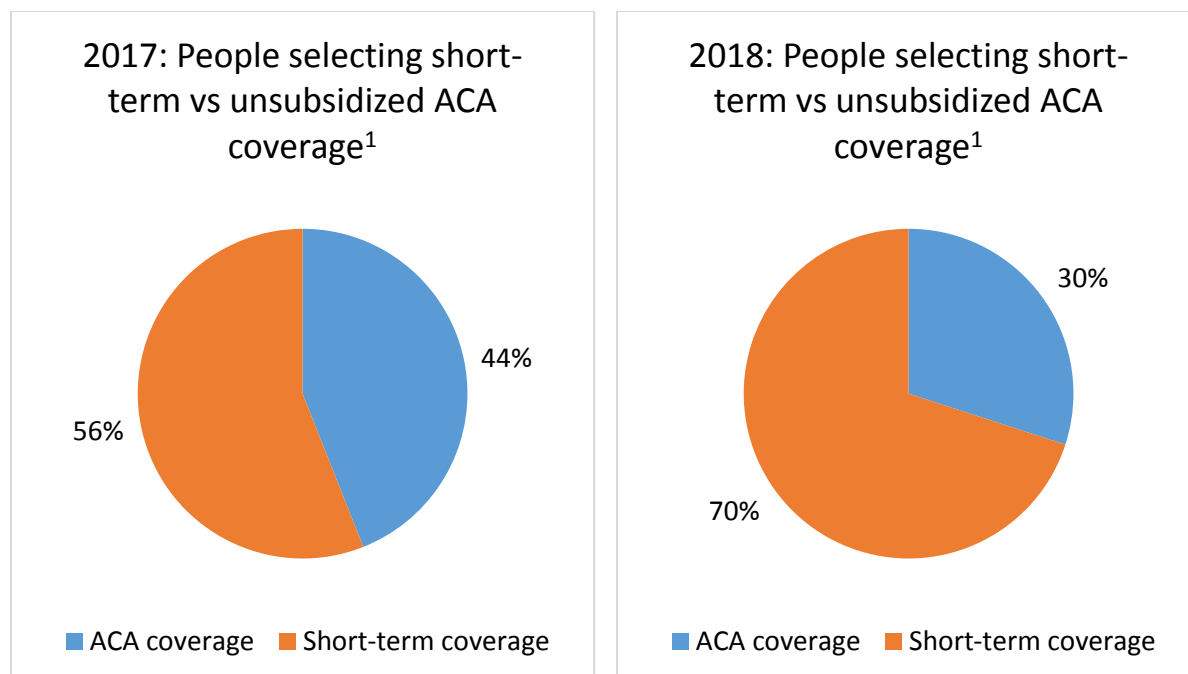
- Bronze plans accounted for 45 percent of all plans selected in the first half of the 2018 open enrollment period but 39 percent in the first half of the 2019 open enrollment period.
- Silver plans accounted for 29 percent of all plans selected in the first half of the 2018 open enrollment period but 36 percent of all plans selected in the first half of the 2019 open enrollment period.

Short-Term Plans – Unsubsidized customers turning to short-term coverage

No open enrollment period is required for consumers to purchase short-term health insurance plans. However, these products merit special attention due to a new federal rule extending the maximum-available coverage period from 90 days to one year, and to the repeal of the tax penalty for going without qualifying ACA coverage.

In the period from November 1 through November 25, 2018, 70 percent of all combined short-term customers and ACA customers not receiving government subsidies chose short-term plans, a significant increase over last year¹.

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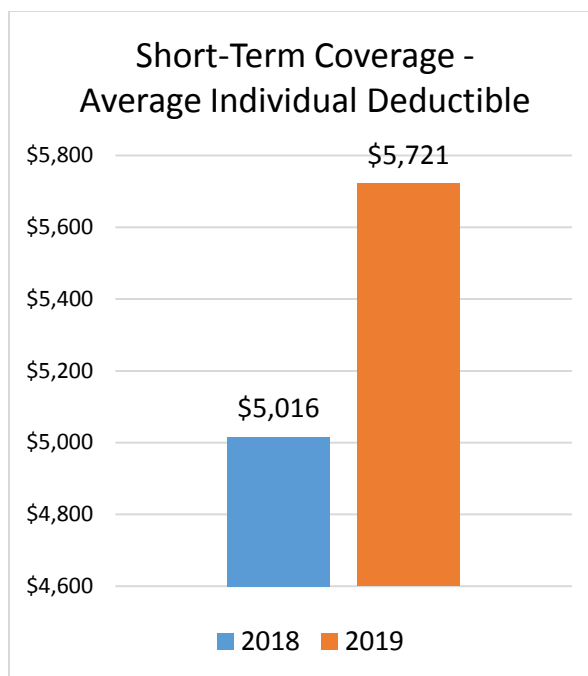
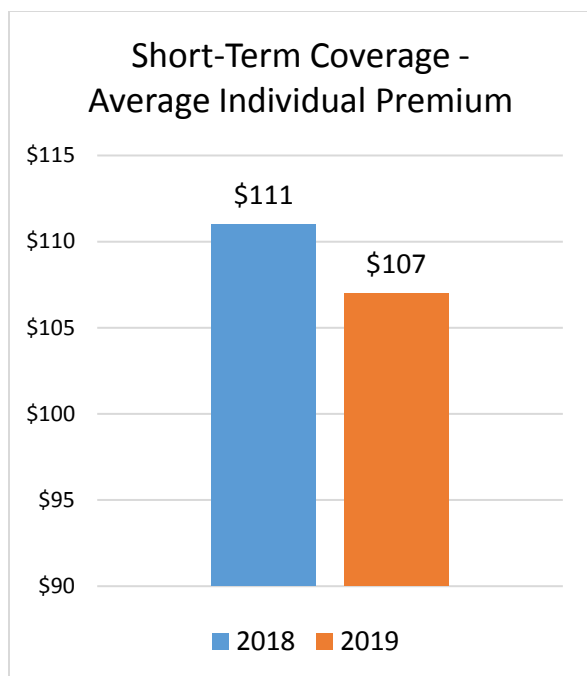


- Between November 1 and November 25, 2017, people selecting short-term plans at eHealth accounted for 56 percent of all combined short-term and ACA plan selections among people not receiving government subsidies for ACA plans.
- In the same period this year, people selecting short-term plans at eHealth accounted for 70 percent of all combined short-term and ACA plan selections among people not receiving government subsidies for ACA plans.
- The average age of an individual buying short-term coverage in the 2018 period was 36, up from 35 in the same period the prior year. However, the percentage of people between the ages of 18 and 34 selecting short-term plans increased from 53 percent in the 2017 period to 56 percent in the 2018 period.

Short-Term Plans – Premiums are stable while deductibles increase

The cost of short-term coverage has remained fairly stable year to year. \$107 was the average monthly premium for individual short-term plans selected by customers at eHealth in the period from November 1-25, 2018, compared to \$111 for the same period a year before. The average individual deductible has increased significantly from \$5,016 to \$5,721.

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- The average monthly premium for short-term plans is down by four percent for November 1-25, 2018 compared to the same period a year ago.
- In the same period, the average annual deductible for short-term plans has increased 14 percent.

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Notes

¹ The increased interest in short-term plans relative to ACA plans among people not receiving subsidies may be due to several factors including regulatory changes, changes in available policy duration, and the marketing choices of eHealth in the periods under review.

Methodology: The data presented in this report are based solely on health insurance plans selected by customers at eHealth in the time periods described. In order to provide a more representative snapshot of costs and trends, data from the state of Ohio have been excluded from this report due to the exceptional nature of products sold in that state by eHealth during the 2019 open enrollment period. Data on ACA-compliant major medical health insurance plans are based on plans selected only by consumers who are not utilizing government subsidies (advance premium tax credits). Changes in average costs year over year may be explained by a number of factors, including premium increases, the introduction of new products and discontinuation of old one, changes in the states in which eHealth offers products, and changes in the average age of individuals purchasing coverage through eHealth, and changes in the metal levels of plans selected by eHealth customers in the defined time period. All dollar figures have been rounded to the nearest full dollar. All percentages have been rounded to the nearest full percent. The actual premiums, deductibles, or other features of specific plans vary from the average numbers shown.

About eHealth

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