

## Costs and Consequences in the ACA Market: A Survey of Individual and Family Health Insurance Consumers

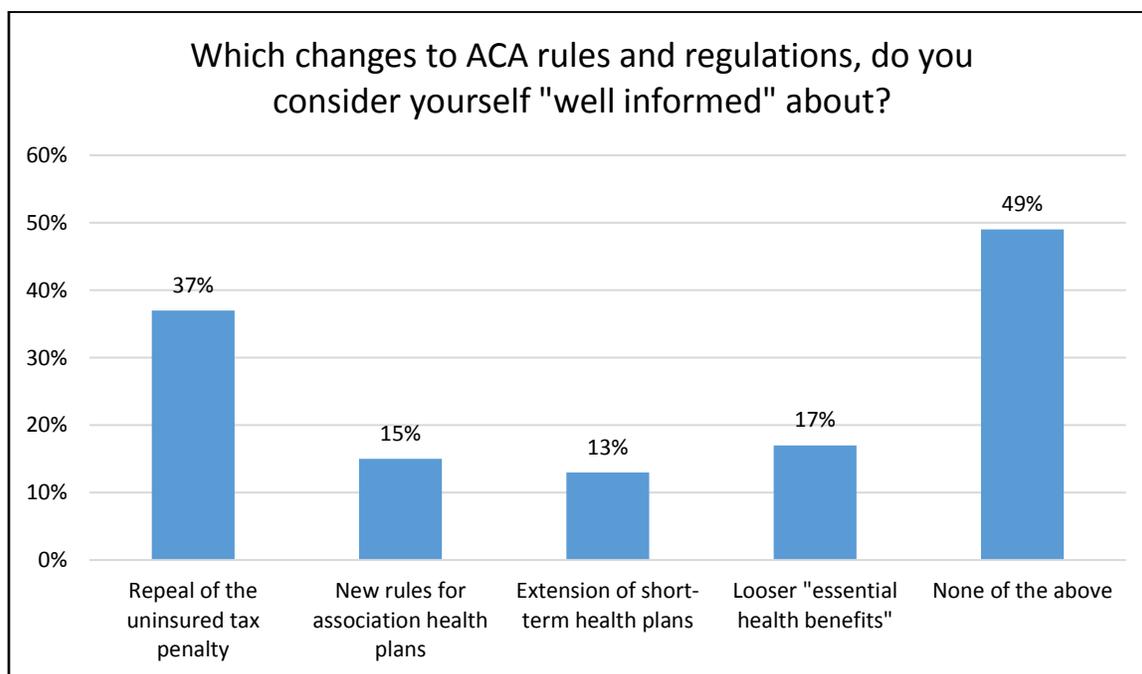
Individual and family health insurance consumers are cost-stressed. They are confused about the state of the Affordable Care Act (ACA) and they worry about the future. They believe that all health plans should provide rich benefits, but they're unwilling to shoulder the costs often associated with those benefits. They're bringing their frustrations over the state of health care to the ballot box in 2018.

These are among the findings of eHealth's new nationwide survey of more than 1,700 consumers who purchased their ACA-compliant individual and family health insurance at eHealth.com. Special analysis is provided to identify variations in responses among men vs. women, younger adults vs. older adults, and subsidized consumers vs. the unsubsidized consumers who bear the burden of premium increases and who comprised 60 percent of survey respondents.

### Health insurance consumers are poorly informed about new rule changes

As a result of the 2017 tax reform bill, the ACA's tax penalty for going uninsured will disappear in 2019. The Trump administration has also proposed rules that would expand the creation of association health plans, extend the maximum duration for short-term policies, and offer states more flexibility in defining "essential health benefits" under the ACA.

About half of survey respondents said they were not well informed about any of these changes. The repeal of the tax penalty was the most familiar issue, with 37 percent of respondents saying they were well informed about it. Fewer than 2 in 10 considered themselves well informed about new rules for association plans (15 percent), the extension of short-term coverage periods (13 percent) or looser rules for "essential health benefits" (17 percent).

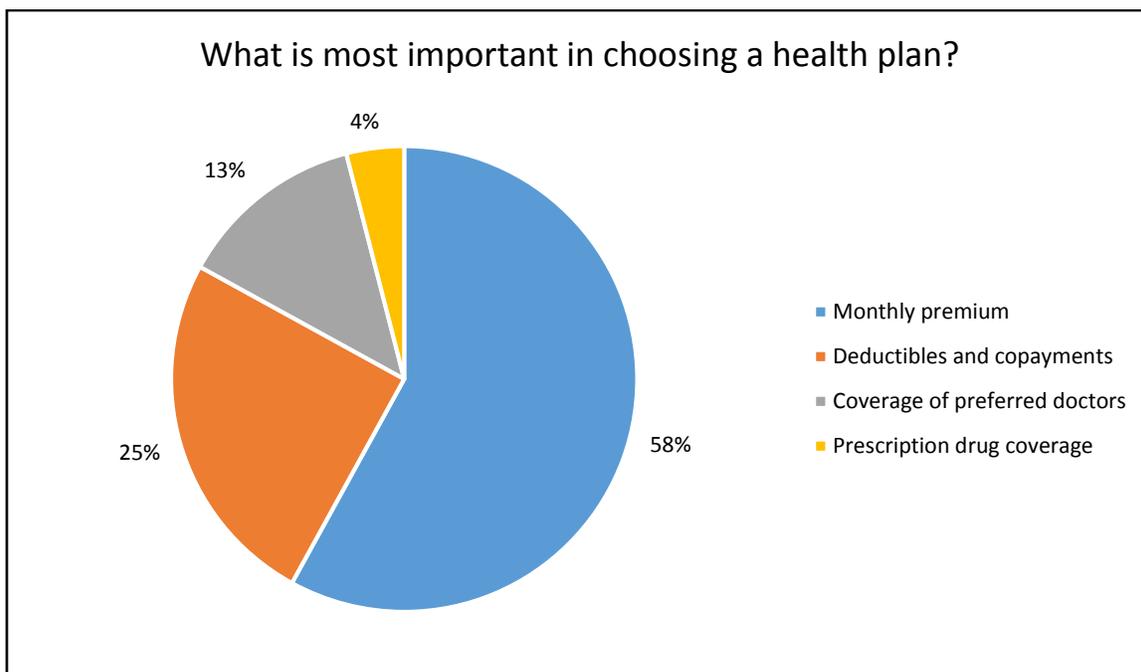


Younger respondents were less well informed than older adults:

- More than half (53 percent) of those age 18-34 said they were unfamiliar with any of these proposed changes, compared to 43 percent of people age 45-64.

**Premium is most important when choosing a health insurance plan**

When it comes to choosing a health insurance plan, most respondents (58 percent) said their first consideration is an affordable monthly premium. One-quarter (25 percent) cited affordable deductibles and copayments, while 13 percent said access to their preferred doctors or hospitals was the top priority. Just 4 percent identified prescription drug coverage as most important when considering which plan to choose.

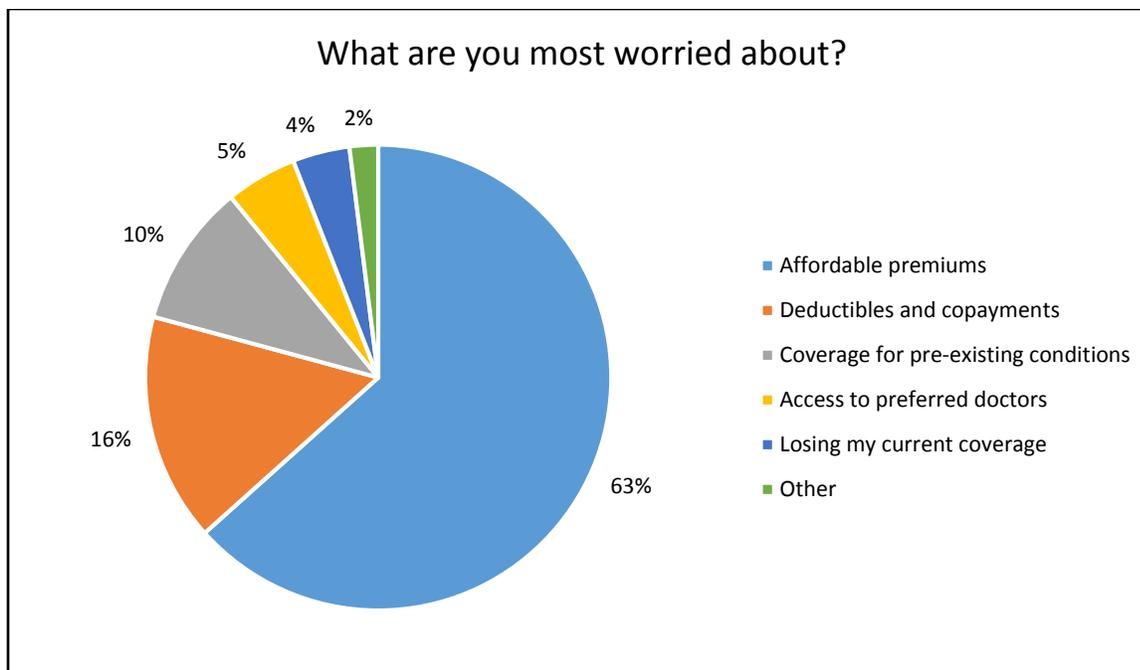


Older consumers were more likely to say they were concerned about access to their preferred doctors and hospitals:

- Nineteen percent of adults age 45-64 said that access to their preferred medical providers was of prime importance when choosing a health plan; 10 percent of people age 18-34 said the same.

**The threat of rising premiums is among policyholders' leading concerns**

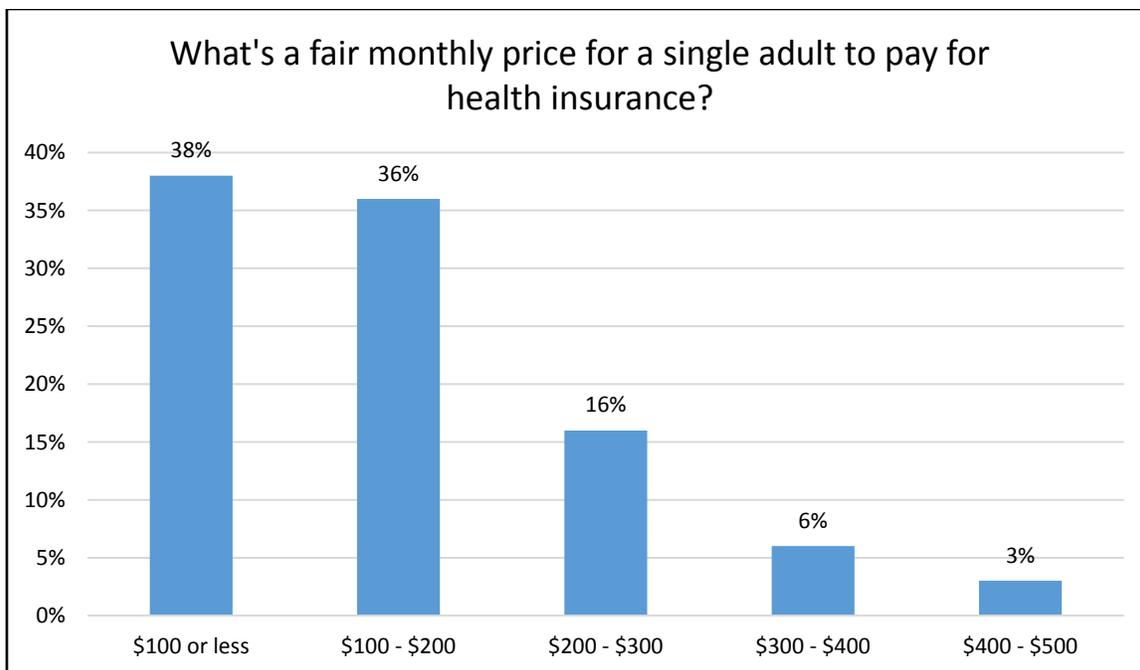
When asked what they worry about most when it comes to health insurance, nearly two thirds of respondents (63 percent) said having access to a health plan with affordable monthly premiums was of greatest concern. Sixteen percent report that they worry most about being able to pay their deductibles and copayments, while 10 percent cite the threat of losing coverage for pre-existing medical conditions in the future.



**Consumers’ idea of a “fair price” for health insurance conflicts with today’s market**

The national average monthly health insurance premium for unsubsidized individuals who purchased their coverage through eHealth during the ACA’s last nationwide open enrollment period was \$440. Only 3 percent of respondents said this fell within the range of a “fair” price.

More than a third of respondents (38 percent) said they would not consider a monthly premium of more than \$100 per month to be a fair price. Nearly three quarters (74 percent) agreed that a monthly premium over \$200 would be unfair.



Notable variations in responses were found by subsidy status and age.

**Age differences:**

- Nearly half (46 percent) of young adults age 18-34 said that a fair price could be no more than \$100 per month, but only 24 percent of adults age 45-64 agreed. These older adults were most likely (29 percent) to consider \$100-\$200 fair.

**Subsidized consumers:**

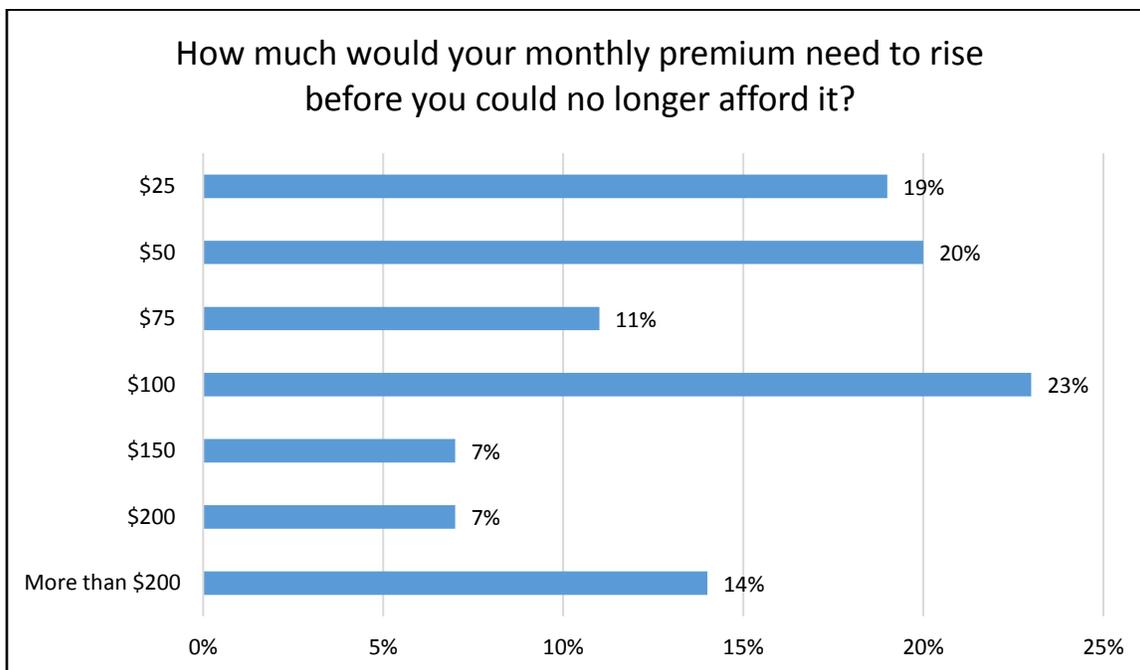
- Fifty-four percent said \$100 or less per month was a fair price for health insurance.
- Thirty-four percent cited \$100-\$200 per month as a fair price.

**Unsubsidized consumers:**

- Twenty-seven percent said \$100 or less is fair.
- Thirty-nine percent said premiums ranging between \$100 and \$200 were fair.
- Twenty-one percent identified \$200-\$300 per month as a fair price.

**Modest premium increases threaten affordability**

Nearly 20 percent of respondents said that an increase of \$25 per month to their health insurance premium would make their current plan unaffordable. At \$50, a total of 39 percent would no longer be able to afford their plan. With a \$75 spike in monthly premium, that figure increased to 50 percent of respondents.



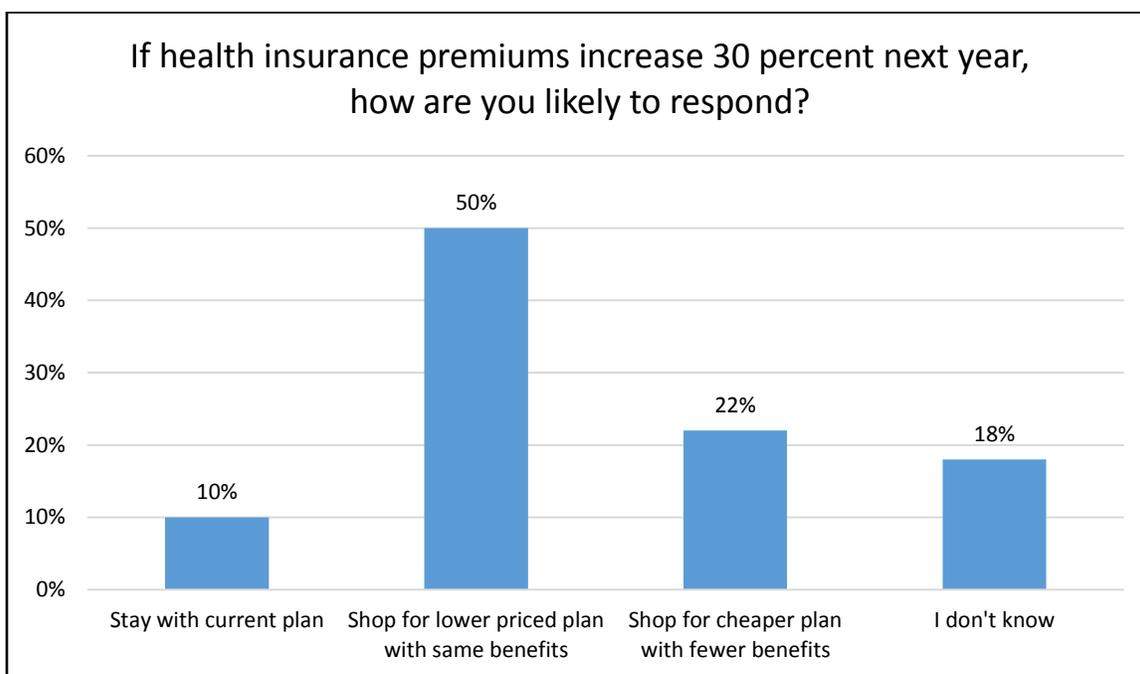
Younger people were more sensitive to modest premium increases than older people:

- Forty-two percent of adults age 18-34 said that a \$50 increase in their monthly premium would make their coverage unaffordable, but only 33 percent of adults age 45-64 said the same.

### **Anticipated premium increases pose threat to coverage**

Due to rule changes and regulations taking effect next year, it has been [estimated](#) that health insurance premiums may increase by more than 30 percent in 2019. When asked how they would respond to a price increase of this size, just 10 percent of survey respondents said they would stick with their current health plan.

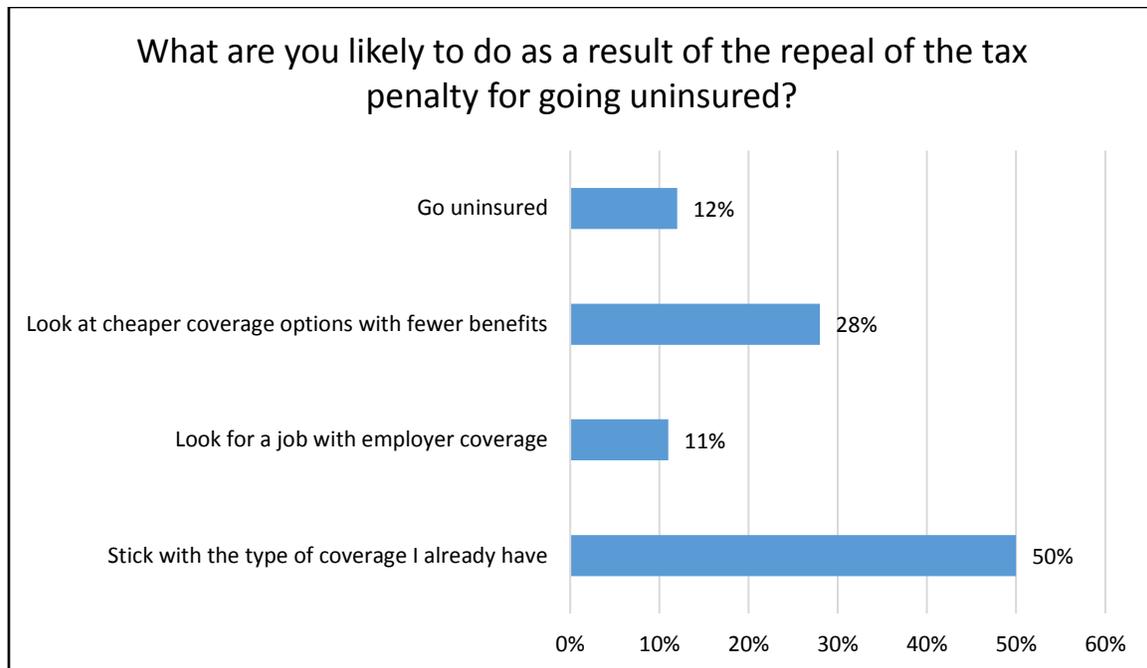
Fifty percent said they would look for another ACA-compliant plan with lower premiums. Twenty-two percent said they would look for cheaper coverage options (such as short-term health insurance plans or other ACA alternatives) requiring them to forego the same level of benefits offered by their current health insurance plan.



### **Will the repeal of the tax penalty change consumer behavior?**

When asked how the repeal of the ACA's tax penalty for going uninsured may change their health insurance purchasing decisions, half of respondents said they were most likely to stay enrolled in the kind of ACA-compliant coverage they already have. More than a quarter (28 percent) said they would probably consider less costly options with fewer benefits, such as short-term health plans and other ACA alternatives. Twelve percent said they would likely go uninsured.

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Notable variations in responses were found by age and subsidy status.

#### **Age differences:**

- Fifty-eight percent of adults age 45-64 said they would continue to choose ACA-compliant coverage after the penalty expires.
- Forty-five percent of adults age 18-34 said the same.

#### **Subsidized consumers:**

- Fourteen percent said they would likely go uninsured, while 21 percent said they would seek out cheaper coverage options with fewer benefits; 54 percent said they would continue to choose ACA-compliant coverage.

#### **Unsubsidized consumers:**

- Ten percent said they would likely go uninsured, while 31 percent said they would consider cheaper coverage options with fewer benefits; 48 percent said they would continue to choose ACA-compliant coverage.

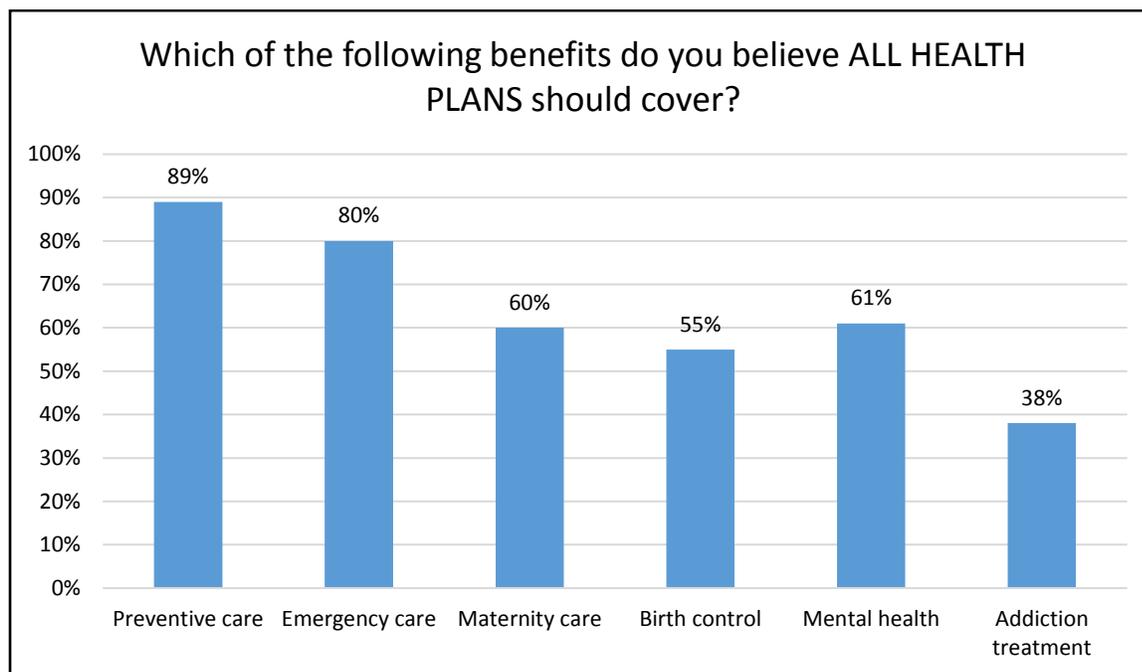
#### **The gap between the benefits people want vs. those they're willing to pay for**

The Affordable Care Act requires all major medical health insurance plans to provide coverage for a broad range of benefits. In light of anticipated rule changes that would allow states greater flexibility to define essential health benefits and extend the duration of short-term policies, eHealth asked survey participants to identify the importance of a subset of benefits commonly omitted from non-group coverage prior to the ACA becoming law, in addition to those that have been particularly controversial. Participants were asked whether they agreed that ALL health insurance plans should be required to

cover these benefits. eHealth then asked for which of these benefits they would be willing to pay a higher premium.

Majorities of respondents said that all health plans should cover maternity care (60 percent), mental health care (61 percent) and birth control (55 percent). Thirty-eight percent said that coverage for drug and alcohol addiction treatment should be a required benefit.

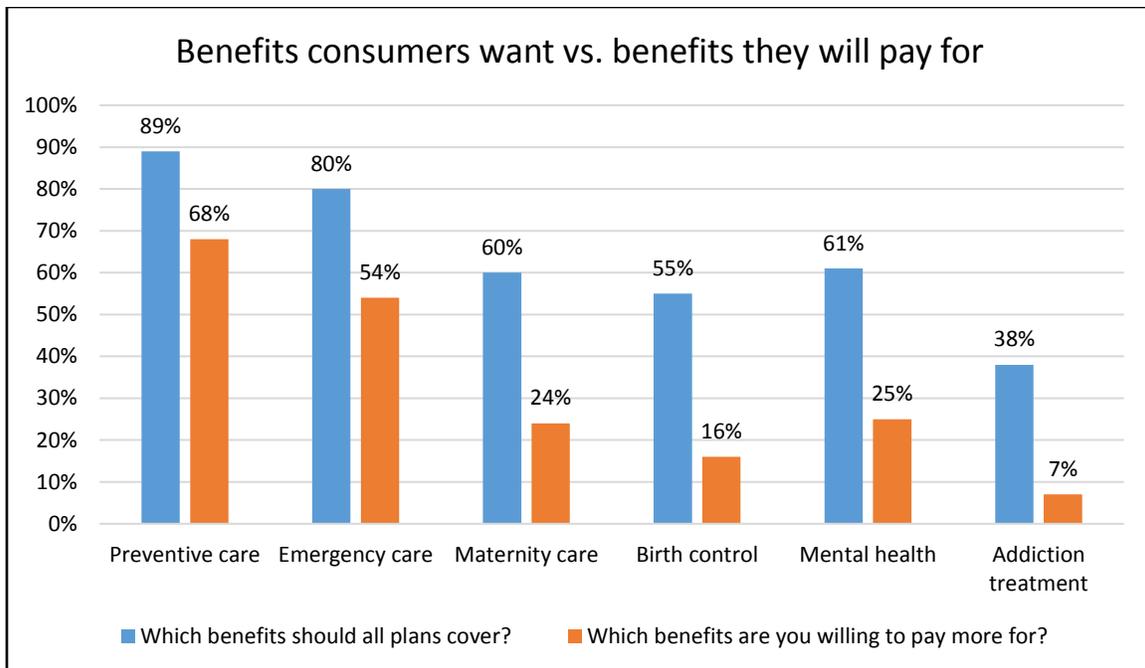
In addition, eHealth found that among the list of essential health benefits, two types of coverage – preventive care and emergency care – were overwhelmingly cited as benefits all health plans should cover (89 percent and 80 percent, respectively).



When asked which of these benefits they considered imperative, even if it added to the cost of health insurance, only preventive care (68 percent) and emergency care (54 percent) were selected by a majority of respondents.

Though 60 percent said all plans should cover maternity care, only 24 percent of survey respondents said they were willing to pay more for it. Sixty-one percent said all plans should include coverage for mental health services, but just 25 percent said they would willingly pay more for it. And while 55 percent said coverage for birth control should be mandatory, only 16 percent were willing to pay a higher premium for it. Seven percent said they were willing to pay more for coverage of drug and alcohol treatment.

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Notable variations in response to these questions were found by gender and age.

#### Gender differences:

- Sixty-six percent of women said that all plans should cover maternity care, but that number dropped to 28 percent when asked whether they were willing to pay more for it. Just 16 percent of men were willing to pay more for a plan that offered maternity care.
- Sixty-four percent of women cited birth control as a benefit that should be covered by all health plans, but only 21 percent said they were willing to pay more for the benefit. Only eight percent of men said they were willing to pay more for a plan that offered coverage for birth control.

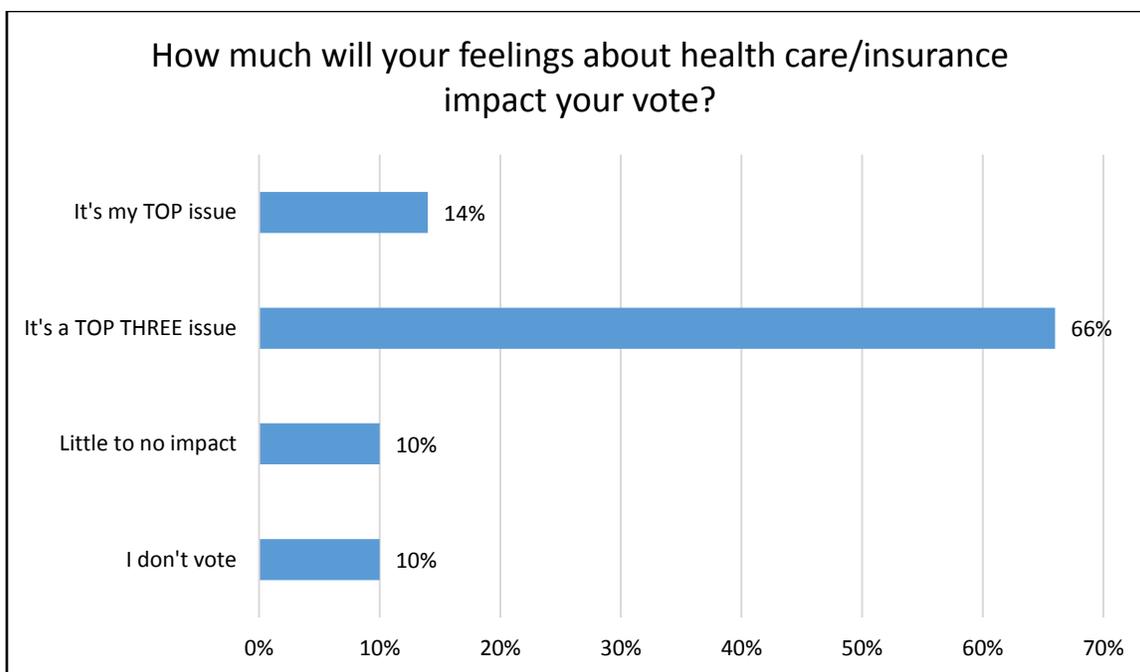
#### Age differences:

- Sixty-nine percent of adults age 18-34 said that all plans should cover maternity care, though just 38 percent said they were willing to pay more for the benefit. Among respondents age 45-64, only 4 percent cited a willingness to pay more for maternity coverage.
- Twenty-seven percent of adults age 18-34 were willing to pay more for birth control coverage, but only 4 percent of those age 45-64 were willing to do the same.

#### How consumers' health care concerns may shape the 2018 mid-term elections

The 2018 mid-term elections may have repercussions for the future of federal health policy. When asked how their feelings about health care and health insurance might influence their vote, two-thirds identified it as one of their top three issues.

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Notable variations in response to these questions were found by age and gender.

**Age differences:**

- Seventy percent of adults age 45-64 identified health care/insurance as a top-three issue, compared to 63 percent of adults age 25-34.

**Gender differences:**

- Sixty-nine percent of women identified health care/insurance as a top-three issue, compared to 61 percent of men.

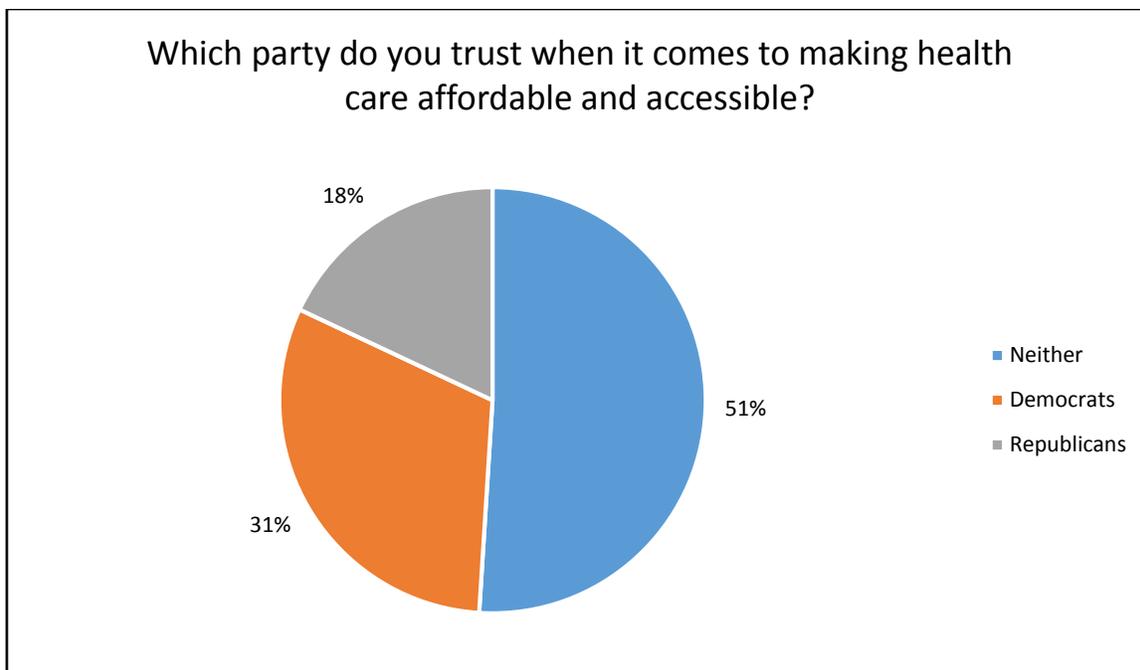
There was no significant difference in responses between people receiving subsidies and those not receiving subsidies.

**Few consumers trust either political party with the future of health care**

When asked which of the major political parties they trust most when it comes to making health care affordable and accessible, a majority (51 percent) answered “Neither.” However, Democrats fared somewhat better than Republicans:

- Thirty-one percent of respondents said they have greater trust in Democrats to fix health care.
- Eighteen percent cited Republicans as the more trustworthy party.

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Younger adults were somewhat more likely to trust Democrats and less likely to trust Republicans than older adults:

- Fifty-three percent of adults age 45-64 said they trusted neither party, while 26 percent sided with Democrats and 22 percent selected Republicans.
- Half (50 percent) of adults age 18-34, said they trusted neither party; 35 percent said they trusted Democrats on the issue while 15 percent selected Republicans.

There was no significant difference in responses between people receiving subsidies and those not receiving subsidies.

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**Survey Methodology**

eHealth's survey was conducted online in April 2018 and a total of 1,705 responses were collected. Consumers who purchased ACA-compliant major medical health insurance coverage at eHealth with coverage still in effect were invited by email to voluntarily participate in the survey. Among the questions included in the survey, participants were asked to voluntarily indicate whether they were recipients of government premium subsidies.

**About eHealth**

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