

Health Insurance Price Index Report

2018 Open Enrollment Period

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Introduction

eHealth's Health Insurance Price Index Report provides insight into major medical health plans purchased without federal subsidies through the company's online health insurance marketplace during the Affordable Care Act's (ACA's) 2018 open enrollment period, which ran from November 1 to December 15, 2017. Chief among the findings were increases in the average cost of health insurance premiums for non-subsidized ACA-compliant health plans by double-digit percentages.

The intent of this analysis is to present a nationwide snapshot of decisions made by consumers who shopped outside the government marketplaces at eHealth and who pay the full cost of health plans without the assistance of government subsidies.

The annual Price Index Report is one of the few sources of information and analysis about cost trends for health insurance consumers who do not receive government subsidies, which comprise approximately 42 percent of the ACA market.

Among the report's key findings:

- \$440 was the average monthly premium for individual health insurance plans selected by unsubsidized eHealth customers. This represents a 16 percent increase over the prior year and a 62 percent increase from the 2014 open enrollment period, the first year ACA plans were available.
- The average premium for individual Bronze plans in 2018 was higher than the average individual premium for Platinum plans in 2014 and 2015.
- \$1,168 was the average monthly premium for a family health plan, a 17 percent increase from 2017 and a 75 percent jump from 2014.
- \$1,376 was the average monthly premium for a four-person family, or about \$16,500 annually.
- Deductible costs also rose in 2018. The average individual deductible increased by 3 percent from 2017 to \$4,578, while the average family deductible increased by 7 percent from 2017 to \$8,803.
- HMO-style health insurance plans accounted for 53 percent of all individual and family policies selected by eHealth customers for 2018. By contrast, in 2013 (the year before the ACA took effect), HMO-style plans accounted for only 35 percent.

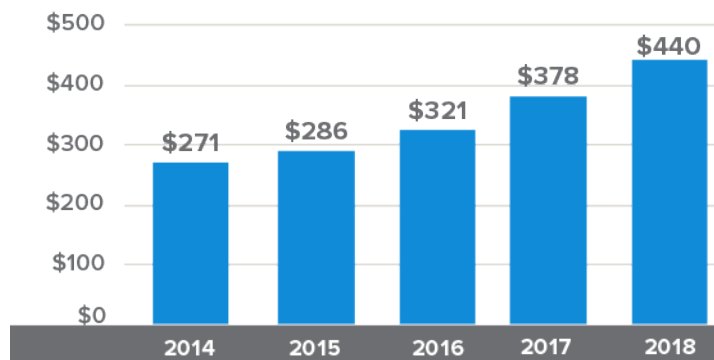
eHealth is one of the largest private online health insurance marketplaces in the U.S., providing consumers with access to thousands of health plans offered by more than 180 health insurance companies. The company serves the needs of those eligible for ACA subsidies as well as those with annual incomes too high to qualify. The Price Index Report focuses on consumers who do not utilize subsidies.

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Individual Coverage Costs

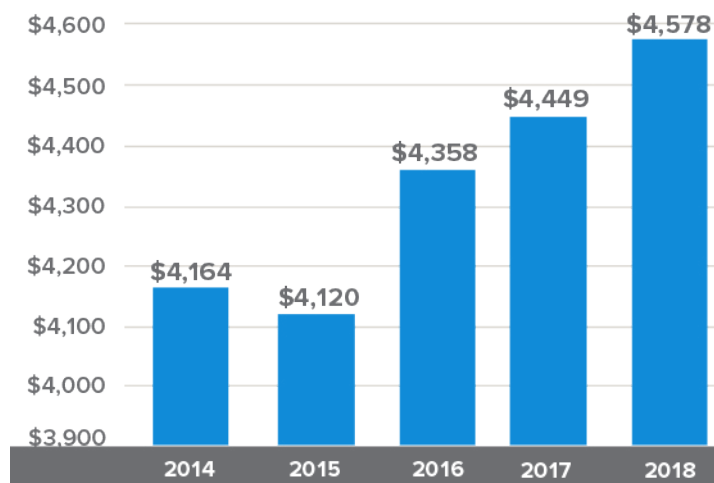
The average premium for unsubsidized individual coverage continued to rise in 2018, reaching \$440 per month, or \$5,280 annually. This monthly cost represents an increase of 16 percent from the prior open enrollment period and a 62 percent increase since the ACA's first open enrollment period for 2014 coverage*.

Average monthly premiums for individual coverage



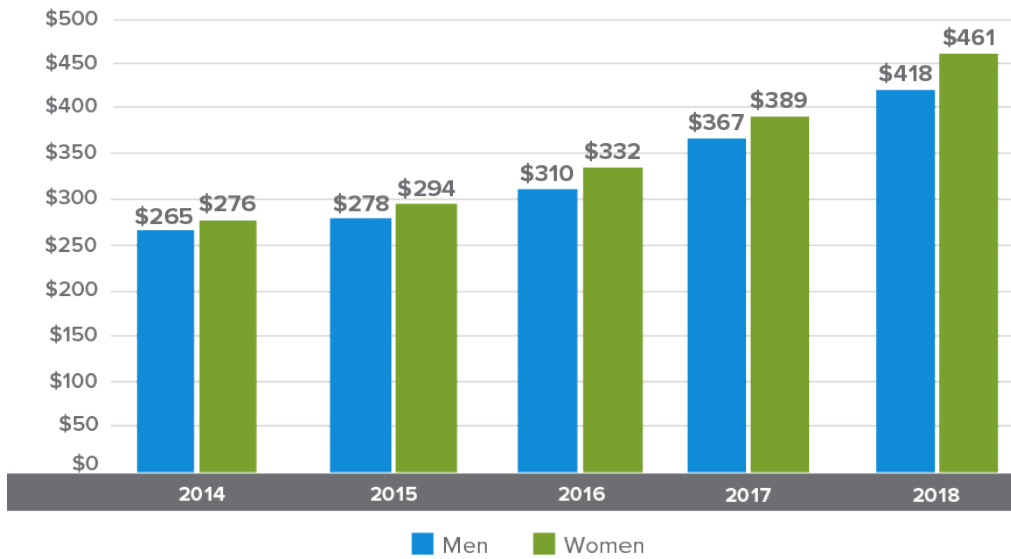
The average annual deductible for individual plans was \$4,578 in 2018, an increase of 3 percent from the prior year. Individual deductibles have risen by 10 percent since the ACA's inception in 2014.

Average annual deductibles for individual coverage



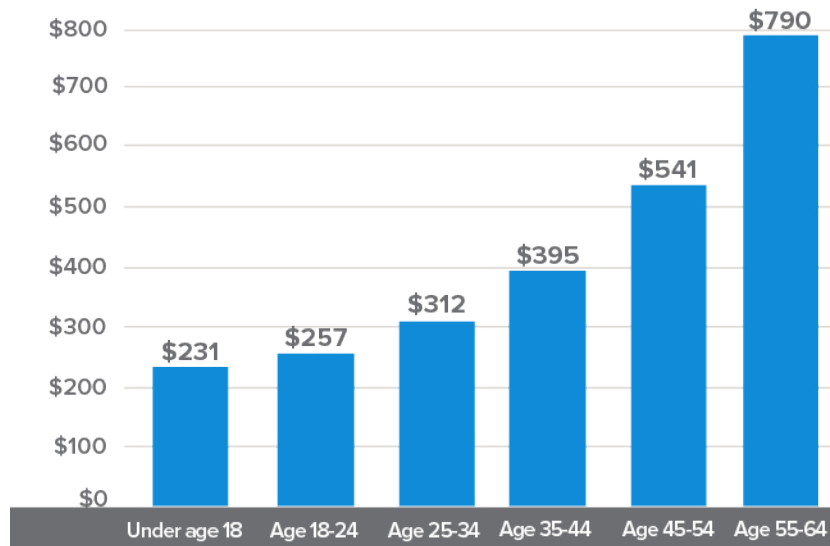
eHealth data show women typically choose plans with slightly higher premiums than men, presumably to reduce the commensurate cost of annual deductibles.

Average premiums for individuals by gender



Compared to 2017, average individual premiums for 2018 increased by double digit percentages for people age 18 to 24 (18 percent), age 25 to 34 (10 percent), age 45 to 54 (13 percent) and age 55 to 64 (14 percent).

Average 2018 individual premiums by age band



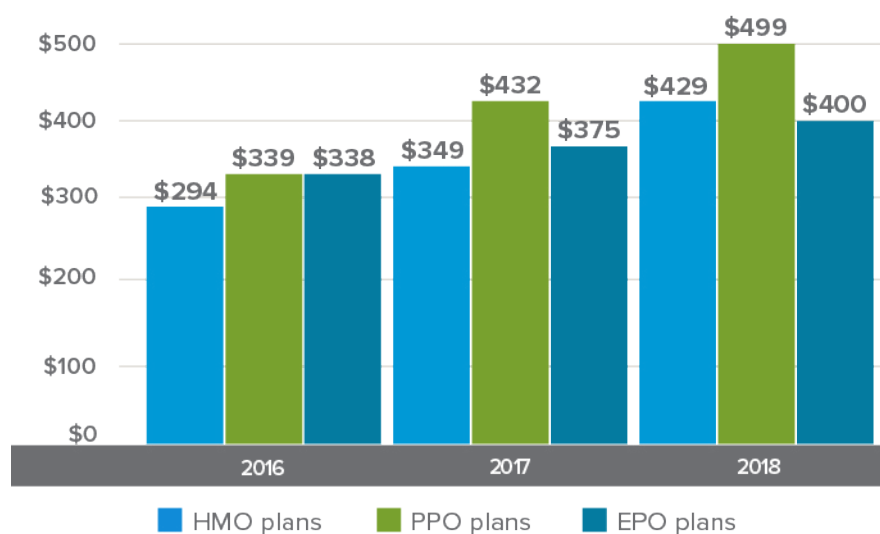
The ACA's four "metal" levels represent tiered benefit and cost combinations. In 2018, the average premium for Platinum plans was 63 percent higher than the lowest-level Bronze plan and 23 percent above the average cost of a Platinum plan in 2017. The average cost of a Bronze plan was up 16 percent from 2017 to 2018 and is now greater than the average cost of Platinum plans in 2014 and 2015. Of the four metal plans, Platinum premiums have increased the most since the inception of the ACA in 2014, at 73 percent, while the average Silver premium has increased the least, at 52 percent.

Average individual premiums by metal level 2014-2018

	2014	2015	2016	2017	2018
Platinum	\$411	\$425	\$498	\$575	\$709
Gold	\$353	\$366	\$420	\$502	\$587
Silver	\$328	\$323	\$362	\$418	\$498
Bronze	\$259	\$275	\$315	\$374	\$434
Catastrophic	\$134	\$145	\$153	\$173	\$206

Of the three most-popular plan types, average premiums for health maintenance organization (HMO) plans rose the most between 2017 and 2018, at 23 percent, while exclusive provider organization (EPO) plan premiums rose the least, at 7 percent. HMOs typically require members to coordinate care through a primary care doctor and limit coverage to a specific network. Preferred provider organization (PPO) plans offer additional freedom to manage your care and may allow more extensive out-of-network coverage. EPOs represent a blend of the two primary plan types: members are typically restricted to a specific provider network but can often self-refer within that network. (See page 10 for additional data on the changing mix of these products in the market).

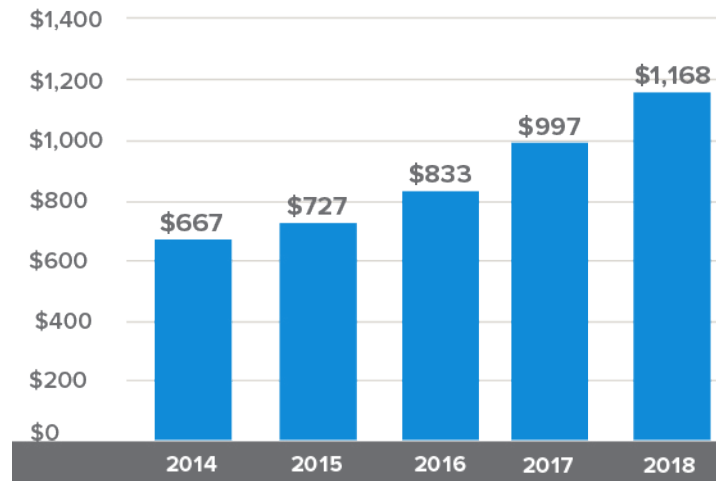
Average individual premiums among popular plan types



Family Coverage and Costs

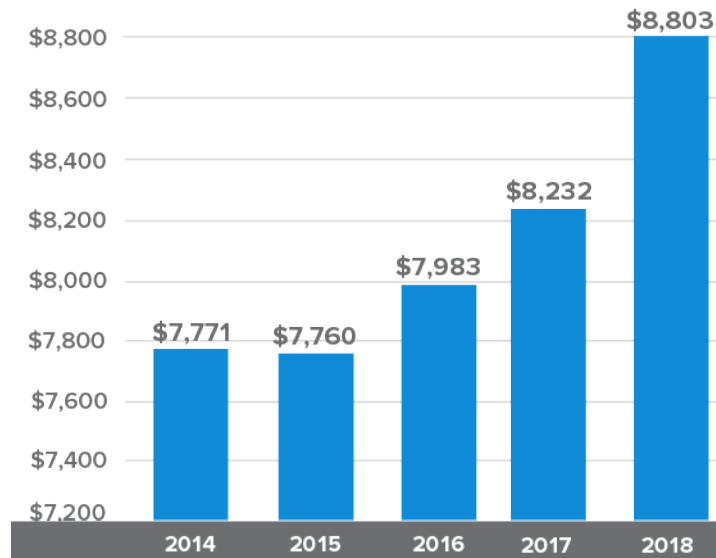
The cost of family plans, which include any policy providing coverage for two or more people, continued their rise in 2018, climbing 17 percent from the previous year and up 75 percent since 2014*.

Average monthly premiums for family coverage



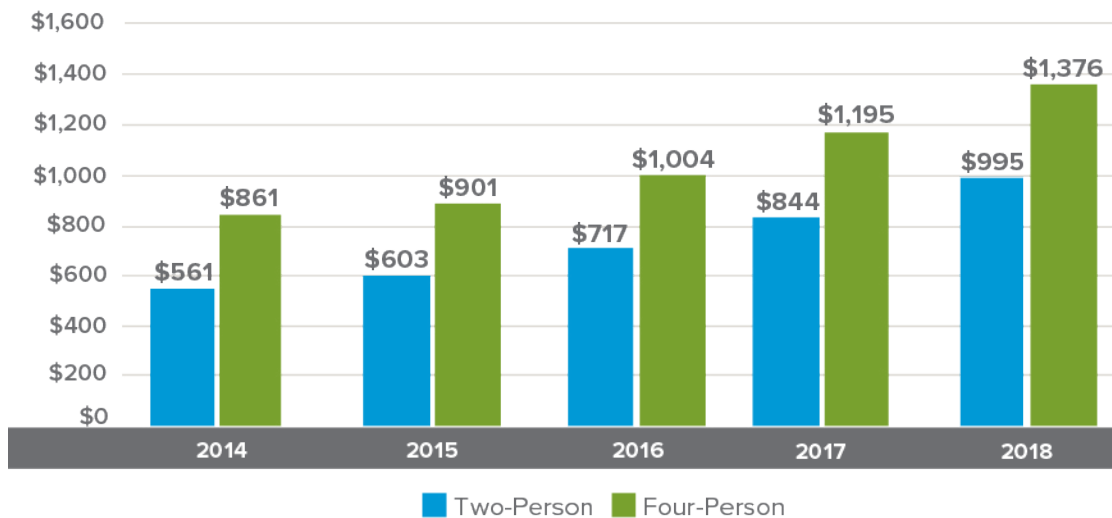
The average family deductible rose by 7 percent last year, more than twice the rate of increase for individual policy deductibles, which climbed by 3 percent over the same period.

Average deductibles for family coverage



The average cost of insuring a family of four was \$1,376 in 2018, a 15 percent increase from the prior year and 38 percent more than the cost of covering a family of two. By way of comparison, the average monthly mortgage payment in the U.S. was \$1,029¹ in 2018, nearly \$350 less than health coverage for a family of four. Since the ACA rolled out in 2014, the cost of four-member family coverage has increased by 60 percent.

Average premiums by family size: two-person families and four-person families



The ACA's four "metal" health plan levels represent tiered benefit and cost combinations. In 2018, the average premium for Platinum plans was 62 percent higher than the lowest-level Bronze family plan and 16 percent above the average cost of a Platinum plan in 2017. The average cost of a Bronze family plan in 2018 rose 17 percent from 2017. Bronze plans are the most commonly purchased among families. Premiums for these plans have risen the most since the ACA's inception in 2014, up 87 percent, while the average Silver premiums for family plans have increased the least, at 65 percent.

Average family premium by metal level 2014-2018

	2014	2015	2016	2017	2018
Platinum	\$997	\$1,082	\$1,268	\$1,472	\$1,707
Gold	\$864	\$910	\$1,061	\$1,252	\$1,435
Silver	\$762	\$779	\$882	\$1,061	\$1,257
Bronze	\$565	\$628	\$739	\$903	\$1,056

¹National Average Monthly Mortgage Payment, lendingtree.com, July 11, 2018

Overall Plan Selection Data

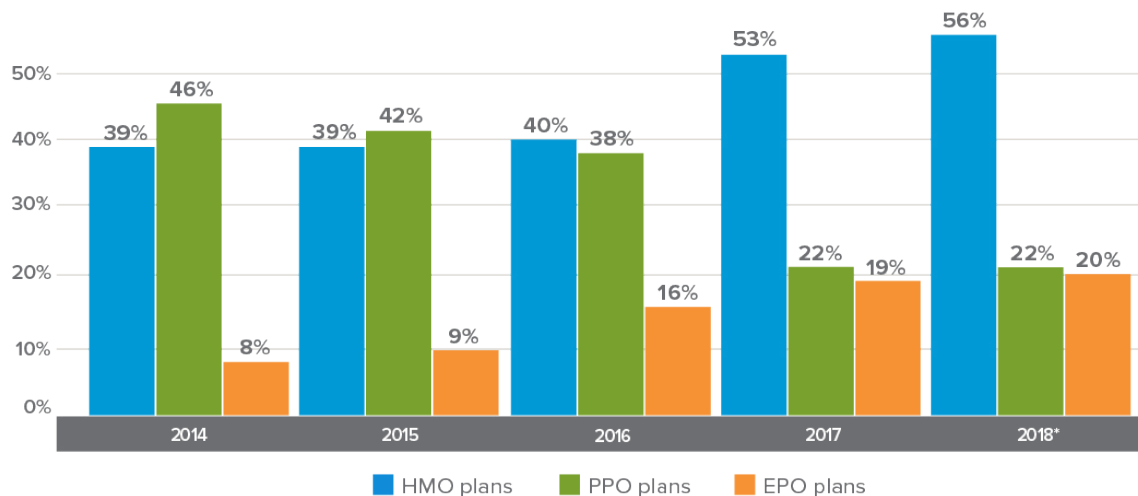
Bronze plans remain the most popular among individuals and families who don't qualify for subsidies, but Silver plan sales have increased overall since 2014 and now account for 30 percent of all ACA policies purchased through eHealth. Over the same period, demand for the other three metal plan-types – Platinum, Gold and Bronze – has fallen.

Plan selection percentage by metal level (individual and family combined) 2014-2018

	2014	2015	2016	2017	2018
Platinum	5%	6%	3%	3%	2%
Gold	14%	13%	12%	10%	12%
Silver	21%	23%	29%	33%	30%
Bronze	47%	46%	44%	43%	43%
Catastrophic	14%	12%	12%	11%	13%

The percentage of families and individuals enrolled in HMOs rather than other plan types continued to rise in 2018 to 56 percent, while PPO demand remained flat at 22 percent of the market. The sharp decline of PPO sales – down from 46 percent of the market in 2014 – reflects the rise of so-called “narrow network” HMOs that limit enrollees to specific provider panels to better control costs.

Rise and Fall of HMOs, PPOs and EPOs



Methodology

eHealth is one of the few organizations with national health insurance data from multiple insurance carriers that broadly reflects consumer buying patterns and costs in the unsubsidized, self-purchased individual and family health insurance market. eHealth's Health Insurance Price Index Report for the 2018 Open Enrollment Period examines shopping trends and costs for plans selected by unsubsidized consumers visiting eHealth's website between November 1, 2017 and December 15, 2017.

Information presented in this report is based solely on rates quoted for health insurance applications submitted by unsubsidized consumers through the company's website, eHealth.com, in the specified time period. It does not offer a comprehensive view of costs for all plans available, whether through eHealth, through government exchanges, through private exchanges other than eHealth, or directly from insurance carriers.

Regarding this report:

Data collected and presented is based on over 14,000 unsubsidized individual and family health insurance applications submitted through eHealth.com between November 1, 2017 and December 15, 2017. Comparisons are drawn between consumer selections during prior open enrollment periods and plan years based on data previously published by eHealth.

Although eHealth was able to facilitate subsidy applications and enroll qualifying consumers in subsidy-eligible plans in many states during open enrollment periods between 2015 and 2018 open enrollment periods, information from these customers is not included in this report.

Dollar figures in the report have been rounded to the nearest full dollar. Percentages have been rounded to the nearest full percentage point and may add up to slightly less or more than 100% due to rounding. Premium and deductible and metal level data given in this report are based on information provided by the insurance carriers to eHealth.

Not all submitted applications result in an enrollment. It is possible for an applicant to withdraw his or her request for coverage after submitting an application, or for an application to be declined for certain reasons. In addition, some applicants may choose to cancel a plan even after their application has been approved and they have been enrolled. No financial data relevant to eHealth's business should be drawn from this report.

The average national premiums and additional data included in this report are based on individual and family health insurance applications submitted through eHealth (and not involving government exchanges) for the period noted. Certain applications missing key data fields relevant to the Index may have been removed from the sample.

Average costs published in this report present a snapshot of national average health insurance premiums based solely on the behavior of eHealth's unsubsidized, off-exchange customers, and do not necessarily represent the average costs of all individual or family health insurance plans purchased across the country through all sources.

The analysis presented in this report is based solely on health insurance plans offered and applied for through eHealth.com. Results may not reflect the full scope of all individual and family health insurance products on a national basis or that are available within a given state.

Each individual's or family's health insurance premium is based on many factors, including but not limited to geography, age, type of plan, individual plan benefits chosen, and others that may not be fully reflected in this report.

About eHealth

eHealth, Inc. (NASDAQ: EHTH) owns eHealth.com, a leading private online health insurance exchange where individuals, families and small businesses can compare health insurance products from brand-name insurers side by side and purchase and enroll in coverage online and over the phone. eHealth offers thousands of individual, family and small business health plans underwritten by many of the nation's leading health insurance companies. eHealth (through its subsidiaries) is licensed to sell health insurance in all 50 states and the District of Columbia. eHealth also offers educational resources, exceptional telephonic support, and powerful online and pharmacy-based tools to help Medicare beneficiaries navigate Medicare health insurance options, choose the right plan and enroll in select plans online or over the phone through Medicare.com, eHealthMedicare.com, PlanPrescriber.com and GoMedigap.

Notes:

*To compare the ACA coverage costs described in this report with the cost of health insurance prior to the full implementation of the ACA in 2014, refer to eHealth's [January 27, 2017 press release](#) or eHealth's 2013 [Cost and Benefits](#) report.