

eHealth Analysis of 12-Month Short-Term Health Insurance Plans Shows Individuals May Save Over \$240 Per Month Compared with ACA Coverage

New short-term plans with 12-month terms available to cost-stressed health insurance consumers in many states on October 2, 2018*

Consumers who cannot afford to purchase health insurance compliant with the Affordable Care Act (ACA) may be able to save hundreds of dollars, on average, each month by purchasing new short-term policies with 12-month coverage terms, according to an analysis of premiums made by eHealth, Inc. (eHealth.com).

The analysis is based on a survey of 26 metro areas in 25 states. For the comparison of 12-month short-term plans vs. ACA-compliant plans, the analysis looked at the averages of the lowest-cost available ACA-compliant plan and the lowest-cost available 12-month* short-term plan for a 40-year-old woman ineligible for government subsidies in a total of 17 metro areas in 16 states. Calculations are based on the lowest-cost ACA-compliant health insurance plan available on Healthcare.gov and the lowest-cost 12-month short-term health insurance plans with a \$5,000 deductible and 20% coinsurance that will be available on eHealth.com beginning October 2, 2018.

The analysis also compares the cost of new 12-month short-term plans and 6-month short-term plans with 90-day short-term plans that were in place prior to a recent change in federal rules governing these policies, using data from eHealth's online platform for comparing and enrolling in insurance.

Highlights from eHealth's analysis:

- **Individuals may save over 60 percent on average with 12-month short-term plans** - The average lowest premium for ACA-compliant coverage for a 40-year-old woman is \$349 per month (in the surveyed markets). By contrast, the average lowest premium for short-term coverage for a 12-month plan is \$107 per month, a savings of \$242 per month or 69 percent.
- **12-month plans cost 64 percent more than 90-day plans** - Short-term policies with a maximum coverage term of 12 months cost more on average than policies with a maximum coverage term of 90 days (in the surveyed markets). The average price for 90-day plans was \$65 per month, compared to the \$107 price point for a 12-month term.
- **12-month plans cost 22 percent more than 6-month plans** - Short-term health insurance plans with coverage terms of no more than 6 months are scheduled to be available in some states. According to eHealth's analysis, in surveyed markets with both 12 and 6-

month options, a 40-year-old woman would pay \$88 per month for the lowest cost 6-month plan, compared to \$107 for the lowest-cost 12-month plan.

The October 2, 2018 launch of short-term health insurance plans with a maximum term of 12 months follows a change in federal regulations reversing a previous rule that limited coverage terms to no more than 90 days. Short-term plans with coverage terms of up to 12 months may not be available in all states; some have placed their own restrictions on these products.

Across all 26 metro areas surveyed, eHealth's analysis found:

- **90-day short-term plans are no longer available at eHealth in 14 metro areas surveyed**, including: Atlanta, Georgia; Miami, Florida; Montgomery, Alabama; Nashville, Tennessee; Jackson, Mississippi; Louisville, Kentucky; Des Moines, Iowa; Milwaukee, Wisconsin; St Louis, Missouri; New Orleans, Louisiana; Little Rock, Arkansas; Dallas and Houston, Texas; and Albuquerque, New Mexico.
- **6-month short-term plans are the longest duration plans available at eHealth in 6 metro areas surveyed**, including: Indianapolis, Indiana; Helena, Montana; St Louis, Missouri; Salt Lake City, Utah; Phoenix, Arizona; and Albuquerque, New Mexico.
- **90-day short-term plans remain the only available option at eHealth for ACA-alternative coverage in 3 metro areas surveyed**, including: Detroit, Michigan; Las Vegas, Nevada; and Portland, Oregon.

Short-Term Health Insurance by state

While the federal rule limiting short-term plans to coverage terms of no more than 90 days has been rescinded, state-level rules may still apply. According to eHealth's analysis, 26 states and Washington D.C. currently plan to allow for short-term health insurance plans with coverage periods up to 12 months. Twelve states plan to limit short-term plans to coverage periods of no more than 6 months, while 5 states plan to limit short-term plans to no more than three months. Short-term health insurance will not be available at all in 8 states under current regulations. Because this issue is still being debated at the state level, the various state level regulations for short-term health insurance may continue to change after the publication date of this press release. Below is a summary of the information currently available to eHealth based on eHealth's recent analysis:

- **12-month-maximum coverage permitted in:** Alabama, Arkansas, Washington D.C., Delaware, Florida, Georgia, Iowa, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Mississippi, North Carolina, Nebraska, New Mexico, Ohio, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Wisconsin, West Virginia, and Wyoming.
- **6-month-maximum coverage permitted in:** Arizona, Colorado, Connecticut, Indiana, Michigan, Minnesota, Missouri, Nevada, Oklahoma, and Utah.
- **4-month maximum coverage permitted in:** Montana.

- **3-month-maximum coverage permitted in:** Alaska, Hawaii, Maryland, Oregon and Washington.
- **Short-term health insurance are not permitted in:** California, Massachusetts, New Jersey, New York, North Dakota, Rhode Island, New Hampshire and Vermont.

Short-term health insurance plans do not meet the coverage requirements of the Affordable Care Act. They typically do not provide coverage for preventive care, maternity care, or (in some cases) prescription drugs. It is possible to be declined for short-term coverage based on pre-existing medical conditions. Short-term health insurance plans are not eligible for any government subsidies. Short-term health insurance also typically excludes coverage of pre-existing conditions, has maximum payment limits, and may have other features or limitations generally not permitted by the Affordable Care Act.

Notes:

** The reference to 12-month short-term health insurance policies available on eHealth is used broadly to define short-term policies available in 26 states and the District of Columbia that have a maximum duration of anywhere from 11 months to 364 days. Under the new regulations entering into effect on October 2, 2018, the longest term available in any state for a short-term health insurance plan will be 364 days – just short of one year.*

About eHealth

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