

Medicare Index Report: Annual Enrollment Period for 2019 Coverage

This report examines costs and shopping trends in the Medicare insurance market during Medicare's Annual Enrollment Period (AEP) for 2019 coverage, which took place between October 15, 2018 and December 7, 2018. Findings are based solely on Medicare insurance products purchased by customers age 65 and older through websites operated by eHealth, Inc., including eHealthMedicare.com, GoMedigap.com, and Medicare.com (a non-government website).

Highlights:

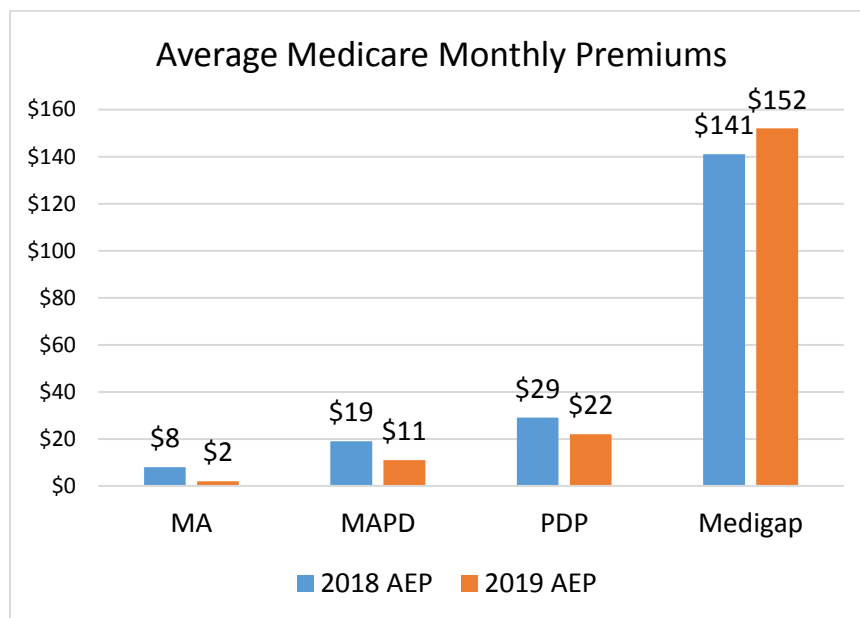
- **Medicare Advantage Costs Decreased for 2019:** The average premium for Medicare Advantage Prescription Drug plans selected by eHealth customers decreased 42 percent between the enrollment periods for 2018 and 2019 coverage, from \$19 to \$11 per month. Average deductibles decreased 13 percent, from \$150 to \$130. Average out-of-pocket limits decreased 3 percent, from \$5,589 to \$5,415.
- **More Beneficiaries Buying into Medicare Advantage Selected \$0 Premium Plans:** As the availability of Medicare Advantage plans with \$0 monthly premiums has increased, beneficiaries living in 70 percent of counties in 37 states served by eHealth had access to a zero-dollar MA plan for 2019. The share of \$0 premium plans selected by Medicare Advantage and Medicare Advantage Prescription Drug customers increased from 62 percent to 74 percent at eHealth between the Annual Enrollment Periods for 2018 and 2019 coverage.
- **Medicare Supplement Premiums Increased for 2019:** Medicare Supplement plans were the only product that showed an increase in average premiums between the 2018 and 2019 AEPs (from \$141 to \$152 per month).
- **Use of Online Transparency Tools Dramatically Increased:** 30 percent of people buying Medicare Advantage Prescription Drug plans and 24 percent purchasing Medicare Part D plans used eHealth's prescription drug coverage comparison tool during the 2019 AEP. The share of customers using eHealth's provider lookup tool rose from 5 to 47 percent between the 2018 and 2019 AEPs.

Medicare Costs and Plan Selection Trends

Average Premiums Decrease for Medicare Advantage & Medicare Part D Plans

Between the AEPs for 2018 and 2019 coverage, average monthly premiums for Medicare Advantage plans (MA), Medicare Advantage Prescription Drug plans (MAPD), and Medicare

Part D plans (PDP) decreased. Medicare Supplement plans (Medigap) were the only Medicare product for which monthly premiums rose.

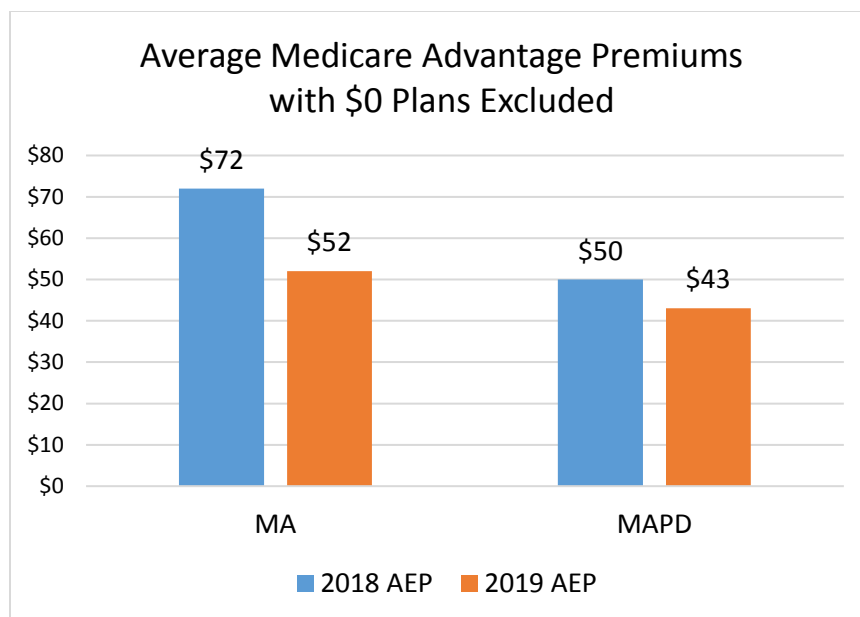


- The average monthly premium for MA plans selected by eHealth customers for 2019 coverage was \$2 per month as compared with \$8 for 2018 coverage, a year-over-year drop of 75 percent.
- Average monthly premiums for MAPD plans dropped 42 percent (from \$19 to \$11 per month) in the same period.
- Average PDP premiums dropped 24 percent, from \$29 to \$22 per month.
- The average monthly premium for Medigap plans selected by eHealth customers increased 8 percent.

Average Premiums Declined Even with Zero-Dollar Premium Plans Excluded

The popularity of \$0 premium plans contribute to the low average premiums for MA and MAPD plans. However, even with these excluded, average premiums decreased year over year.

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- With \$0 premium MA and MAPD plans excluded, MA premiums averaged \$72 for 2018 and \$52 for 2019, an annual decline of 28 percent.
- Average premiums for MAPD plans decreased 14 percent from \$50 for 2018 and \$43 for 2019.

Zero-Dollar Premium Medicare Advantage Plans Available in Most Counties

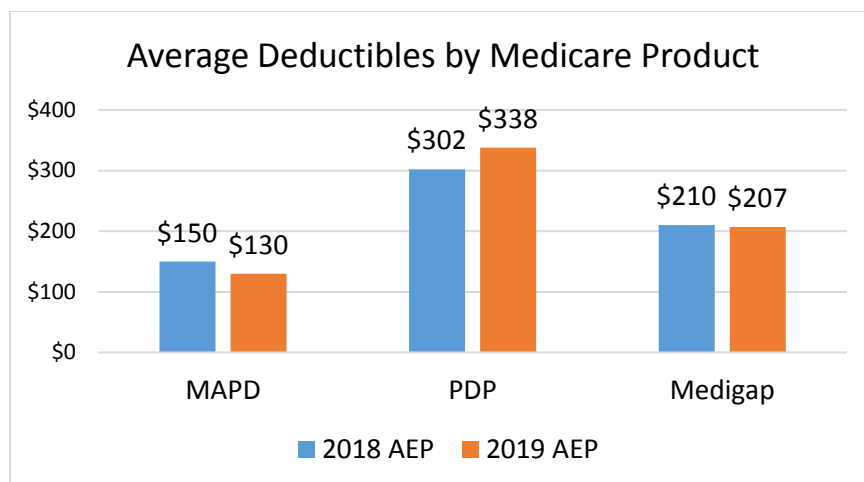
MA and MAPD plans with \$0 monthly premiums were widely available at eHealth during the AEP for 2019, and increasing numbers of MA and MAPD purchasers chose these products.

Percent of counties where zero-dollar MA and MAPD plans were available at eHealth for 2019 Coverage	States
100 percent	AR, CO, DE, HI, IA, IN, ME, MI, MO, NC, NY, OH, OK, PA, TN, VA, WV
90-99 percent	FL, IL, KS, KY, LA, MA, MN, MS, NJ, SC
70-89 percent	AL, CT, GA, NH, NM, NV, OR, RI, TX, WI

- During the most recent AEP, \$0 premium MA or MAPD products were available in at least 70 percent of counties in 37 states served by eHealth.
- Zero-dollar premium MA and MAPD plans accounted for 74 percent of enrollments in these products at eHealth during the AEP for 2019 coverage, an increase from 62 percent the year before.

Deductibles Go Up for Part D Plans, Down for Medicare Advantage Plans

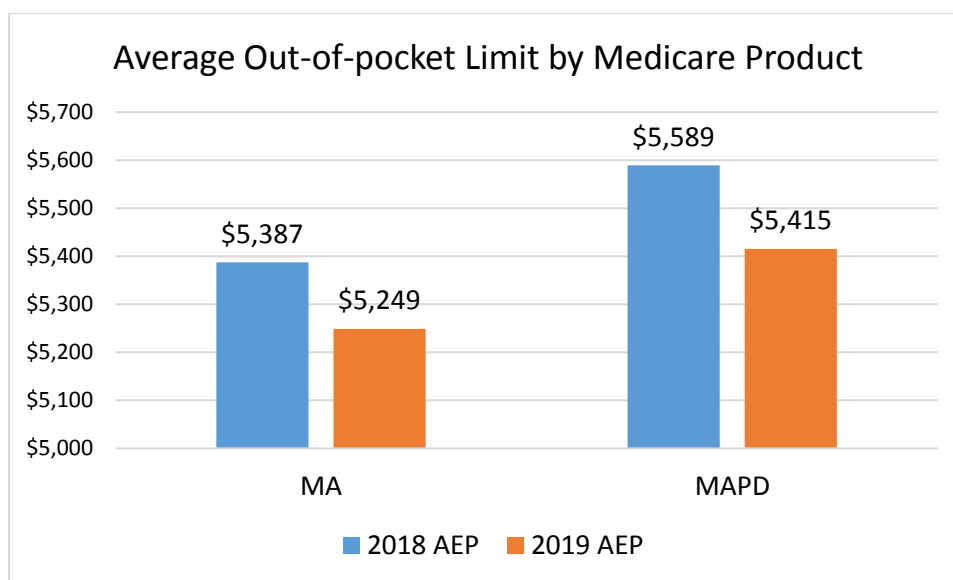
Average deductibles for 2019 MAPD plans decreased year over year, while average PDP deductibles rose.



- The average deductible for MAPD plans selected by eHealth customers decreased 13 percent between the AEPs for 2018 and 2019 coverage (from \$150 to \$130).
- The average deductible for PDP plans was \$302 for 2018 coverage and \$338 for 2019, a 12 percent year-over-year increase.
- Medicare Advantage plans (MA) not offering prescription drug coverage typically do not have deductibles.

Average Medicare Advantage Out-of-Pocket Limits Declined in 2019

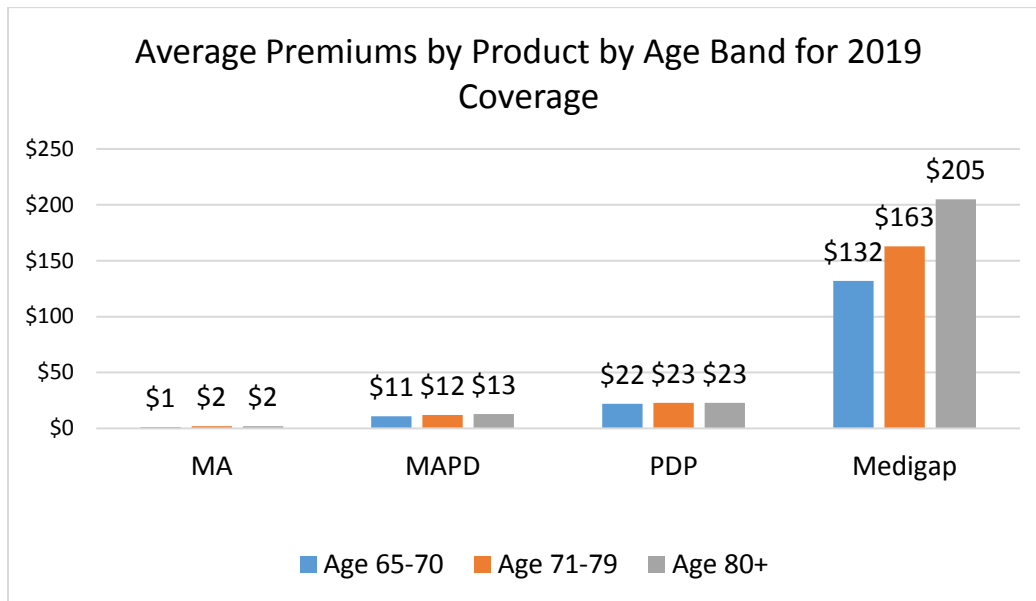
Average out-of-pocket costs for 2019 MA and MAPD plans decreased slightly year over year.



- Average out-of-pocket limits for products selected by eHealth customers decreased 3 percent year over year for both MA plans (from \$5,387 to \$5,249) and MAPD plans (from \$5,589 to \$5,415).
- PDP and Medigap plans typically do not have out-of-pocket limits.

Oldest Beneficiaries Pay 50 Percent More for Medigap Coverage

Among plans selected by eHealth customers during the AEP for 2019 coverage, Medigap plans showed significant variations in average premiums by age. (Unlike MA and MAPD plans, the price of Medigap policies are affected by age, gender and other factors).

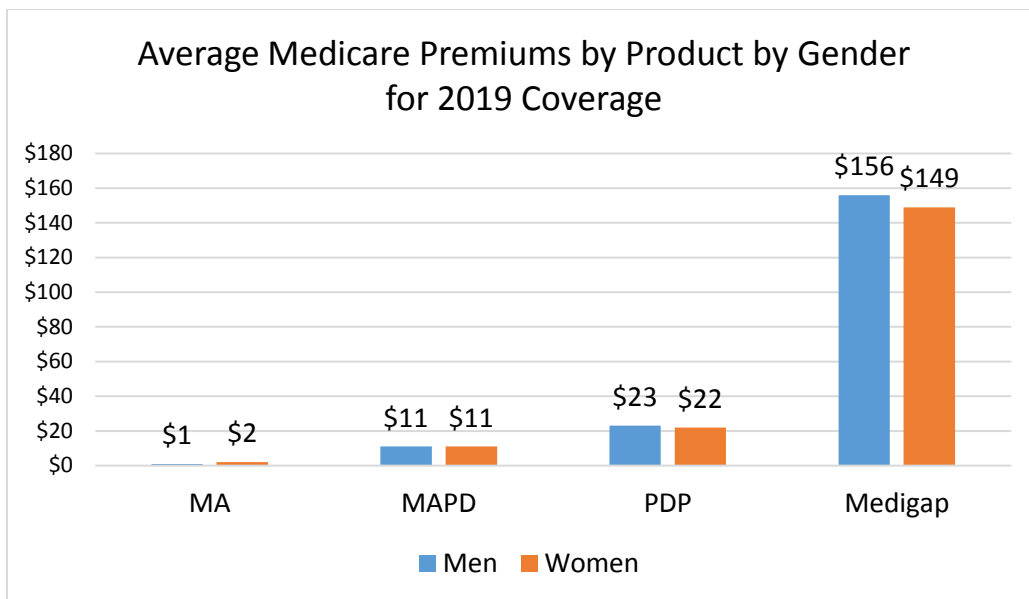


- eHealth customers age 80 and older paid an average of 55 percent more for Medigap plans than those between the ages of 65 and 70 (\$205 per month vs. \$132 per month).

Gender Makes Little Difference in Premiums

Men and women selected Medicare insurance plans at eHealth during the 2019 AEP with comparable average premiums, though men paid somewhat more for Medigap coverage than women.

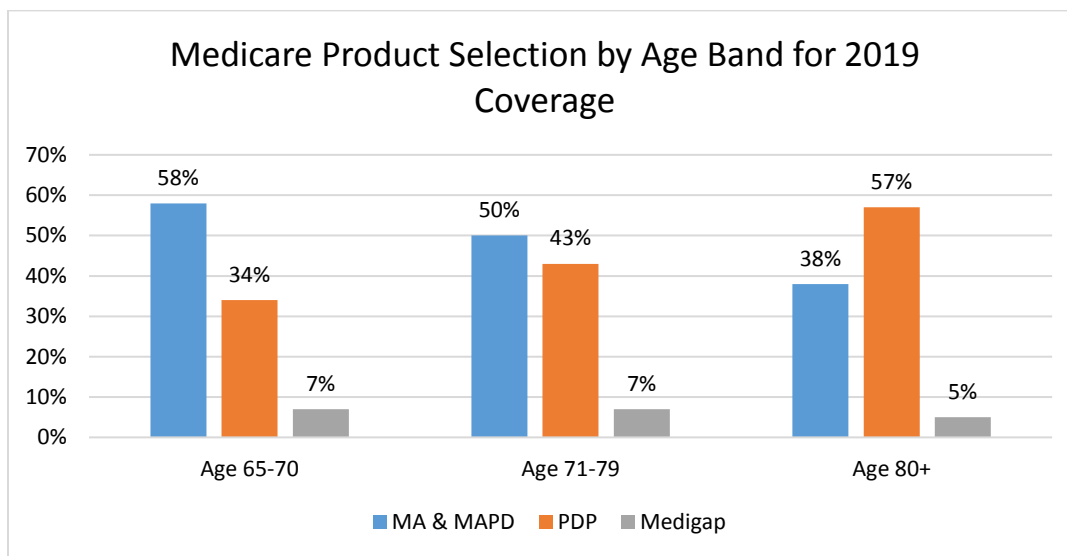
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- Men pay an average of 5 percent more for Medigap plans (\$156 per month compared to \$149 per month for women).

Medicare Plan Selections by Age

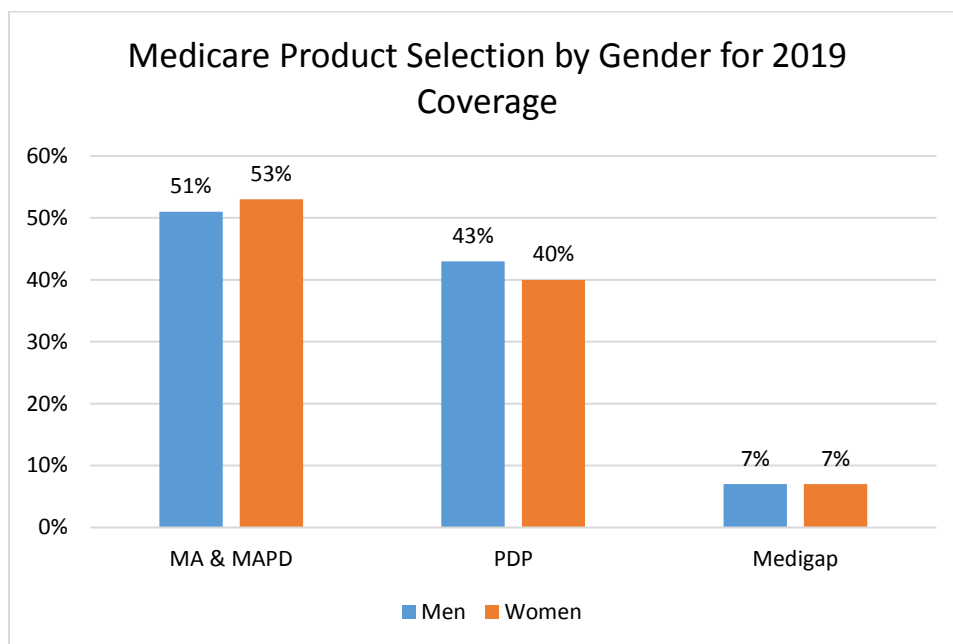
The popularity of various Medicare insurance products varied by age among consumers shopping for coverage at eHealth.



- 58 percent of customers between the ages of 65 and 70 selected MA or MAPD plans.
- Half (50 percent) of those in the age 71 to 79 group did the same.
- Consumers age 80 and older selected PDP plans at a higher rate (57 percent) than other age groups.

Medicare Plan Selections by Gender

The popularity of various Medicare insurance products varied by gender, with women slightly favoring MA & MAPD plans and men slightly favoring PDP plans.



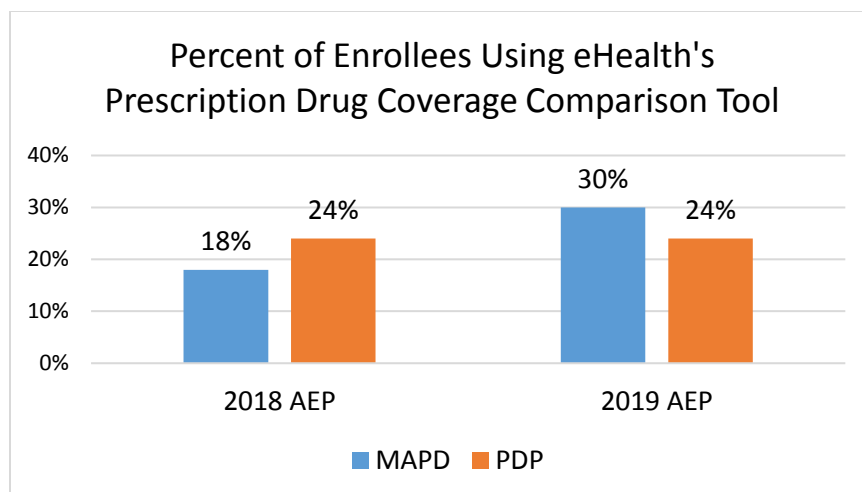
- Women (53 percent) were slightly more likely than men (51 percent) to enroll in a MA or MAPD plan at eHealth for 2019 coverage.
- Men (43 percent) were slightly more likely than women (40 percent) to enroll in a PDP plan.

eHealth Prescription Drug and Provider Network Tool Use

More Medicare Advantage Customers Use Drug Coverage Comparison Tool

People shopping for PDP plans and MAPD plans used eHealth's drug coverage comparison tool at a significantly higher rate during the 2019 AEP compared to the year prior.

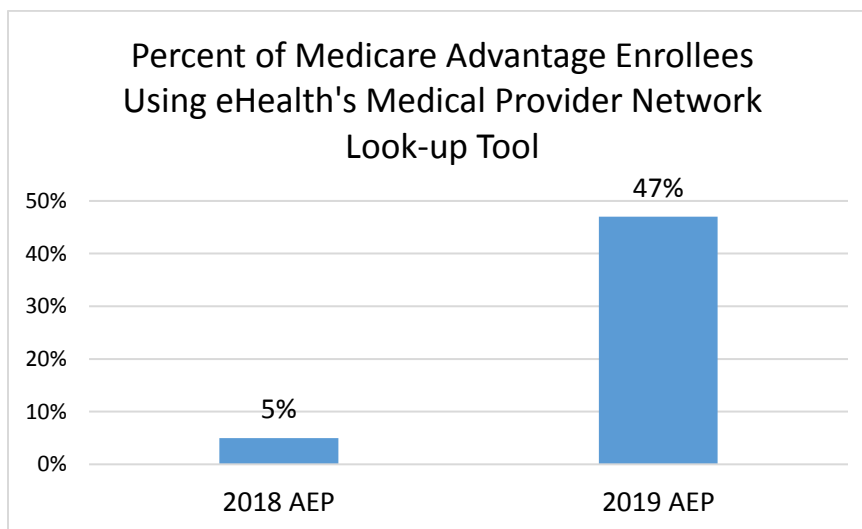
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- 30 percent of people buying MAPD plans and 24 percent of those purchasing PDPs used eHealth’s prescription drug coverage comparison tool during the 2019 AEP.
- The percentage of MAPD plan buyers using eHealth’s tool increased from 18 percent to 30 percent between the 2018 and 2019 AEPs.
- Overall, the median potential savings identified for tool users during AEP for 2019 coverage was \$531 per year. Savings would only be realized if tool users enrolled in the recommended plan.

A Significant Increase in eHealth Customers Looking for Provider Network Information

eHealth saw a significant increase between the 2018 and 2019 AEPs in the number of MA and MAPD buyers using eHealth’s Provider Network Look-up Tool.



- 47 percent of people buying a Medicare insurance product at eHealth used the Provider Look-up Tool as compared with 5 percent the year before.

Methodology Note

This report is based on submitted applications for Medicare insurance products received by eHealth from customers age 65 and older during Medicare's Annual Enrollment Period (AEP) for 2019 coverage, with comparisons drawn from the prior year. Only plans selected by eHealth customers are included in this analysis. Products available at eHealth's websites may not reflect all plans available in the broader market. Medicare insurance products selected at eHealth by people younger than 65 years old have been excluded from the analysis, as have Medicare Special Needs Plans. Data from GoMedigap (a website operated by eHealth which sold Medicare Supplement and Medicare Part D plans during the period covered in this report, was included only in average premium calculations for the 2019 AEP. All dollars figures have been rounded to the nearest full dollar. All percentages have been rounded to the nearest full percentage point. Due to rounding, some percentages may add to slightly more or less than 100.

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 (www.Medicare.com), eHealthMedicare.com (www.eHealthMedicare.com), GoMedigap (www.goMedigap.com) and PlanPrescriber.com (www.PlanPrescriber.com).