



## Medicare 2019 Open Enrollment: Costs and Sentiments

*May 2019*

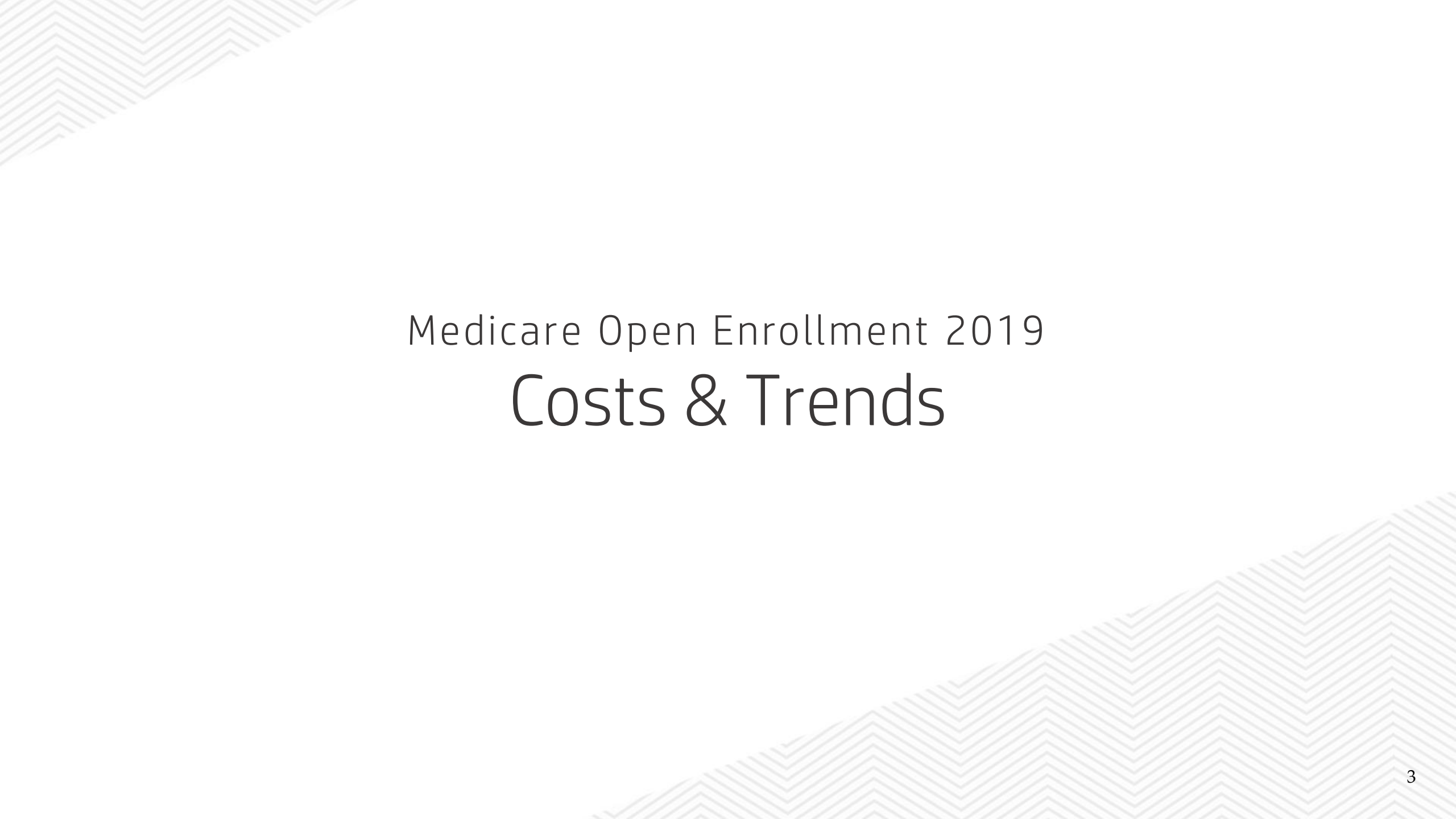
## Study Overview

This report reviews costs and trends among people who purchased Medicare insurance products through eHealth during Medicare's open enrollment period running from January 1 through March 31, 2019. Open enrollment rules allowed enrollees to move from one Medicare Advantage plan to another or to drop Medicare Advantage in favor of traditional Medicare (Parts A and B coverage) while enrolling in a Part D prescription drug plan.

eHealth's report includes year-over-year comparisons of costs and trends, though it should be noted that the same open enrollment rules did not apply in the January through March 2018 time period. Additional comparisons are made to costs and trends at eHealth during Medicare's Annual Enrollment Period (AEP) that ran between October 15 and December 7, 2018.

Also included in this report are findings from a survey of eHealth Medicare customers who selected a new Medicare plan at eHealth in the first quarter of 2019. A total of 579 responses were collected.

Refer to the Methodology Note at the end of this report for additional information.



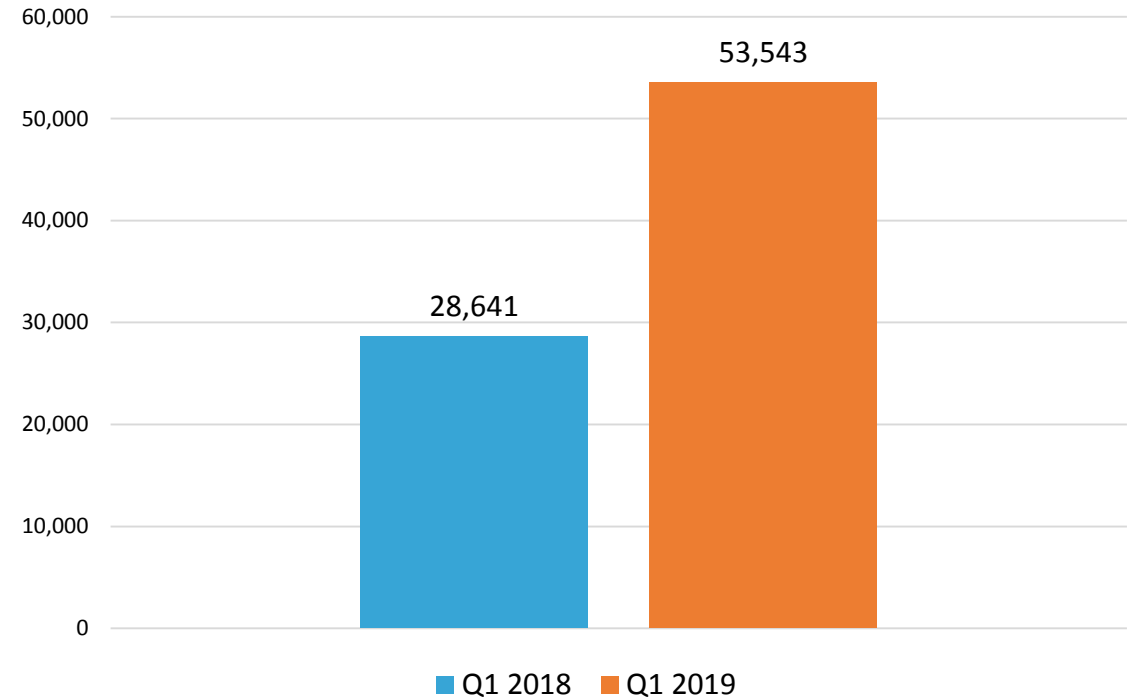
Medicare Open Enrollment 2019

# Costs & Trends

**The volume of submitted applications increased 87 percent year over year**

- In the first quarter (January through March) of 2019, eHealth received 53,543 applications for Medicare Advantage plans and Medicare Part D prescription drug plans, compared to 28,641 the year before.

**Submitted applications Q1 2018 vs Q1 2019  
(Medicare Advantage and Part D combined)\***

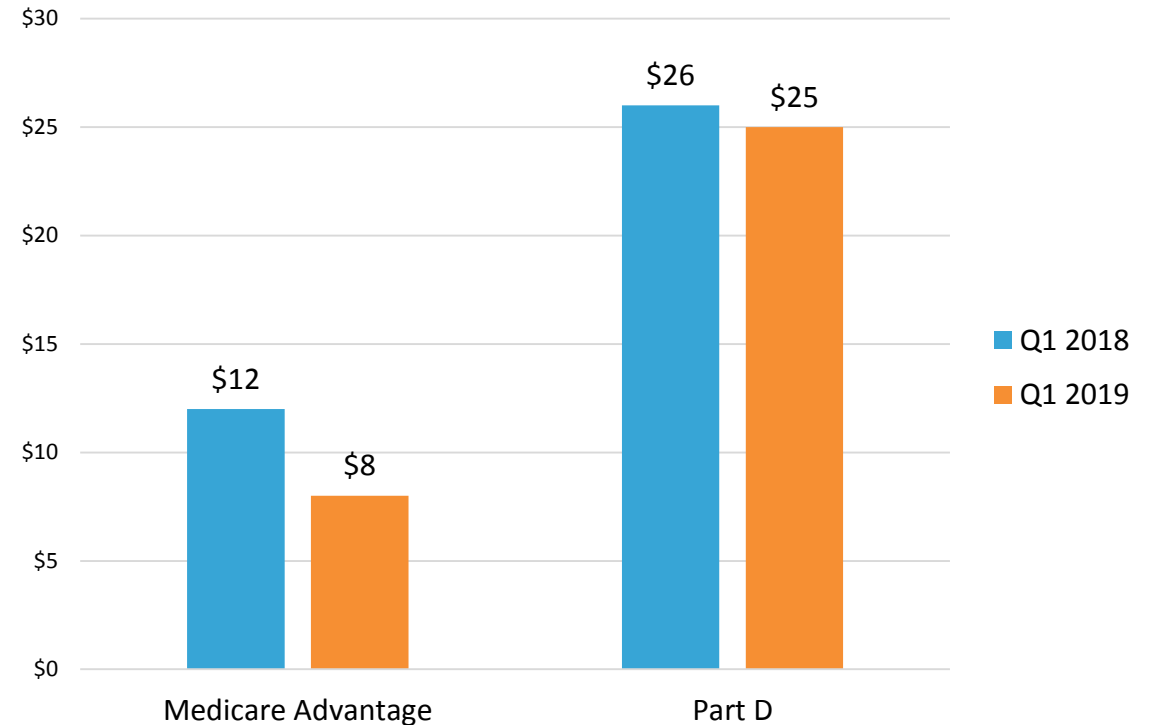


*\* Figures originally published in eHealth's Q1 2019 earnings report.*

### Average Medicare Advantage premiums dropped 33 percent year over year

- The average monthly premium for Medicare Advantage plans decreased from \$12 to \$8 between Q1 2018 and Q1 2019.
- The average monthly premium for Part D prescription drug plans decreased 4 percent, from \$26 to \$25.

### Average monthly premium by product

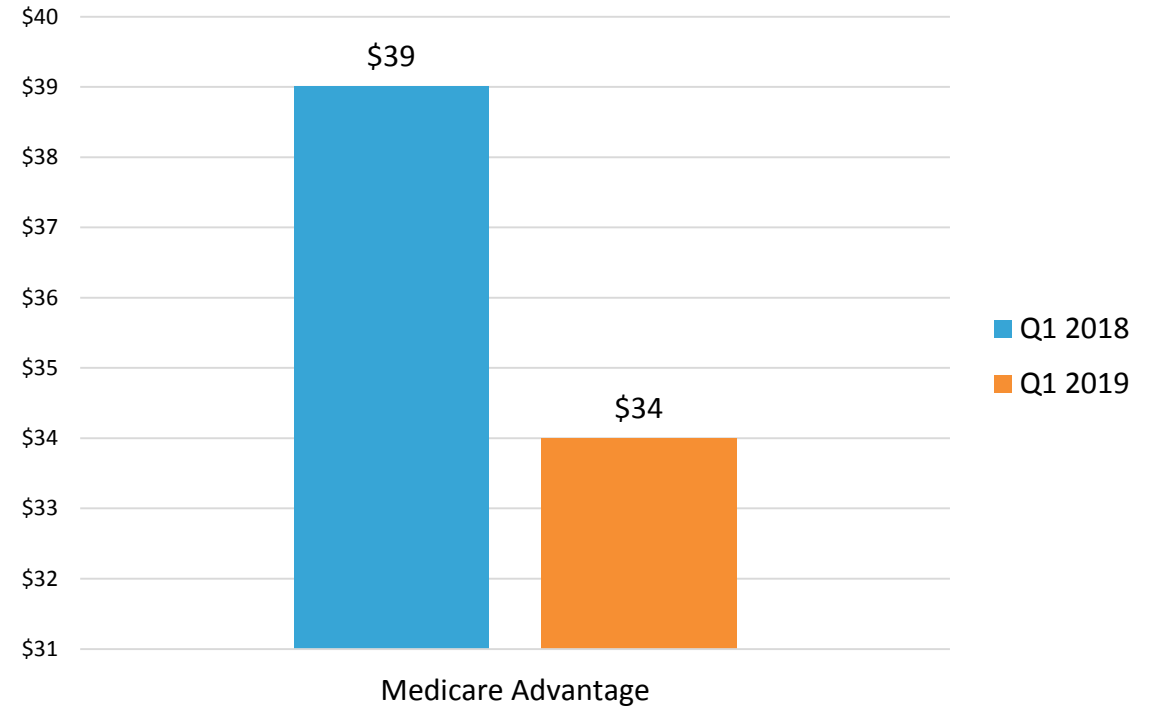


**A note about \$0 premium plans:** The popularity of zero-dollar premium MA and MAPD plans contributed to the low average premiums for these products.

**With zero-dollar premium plans removed from consideration, costs still decreased 13 percent**

- The average monthly premium for Medicare Advantage plans decreased from \$39 to \$34.

**Medicare Advantage\* average monthly premium (zero-dollar premiums excluded)**

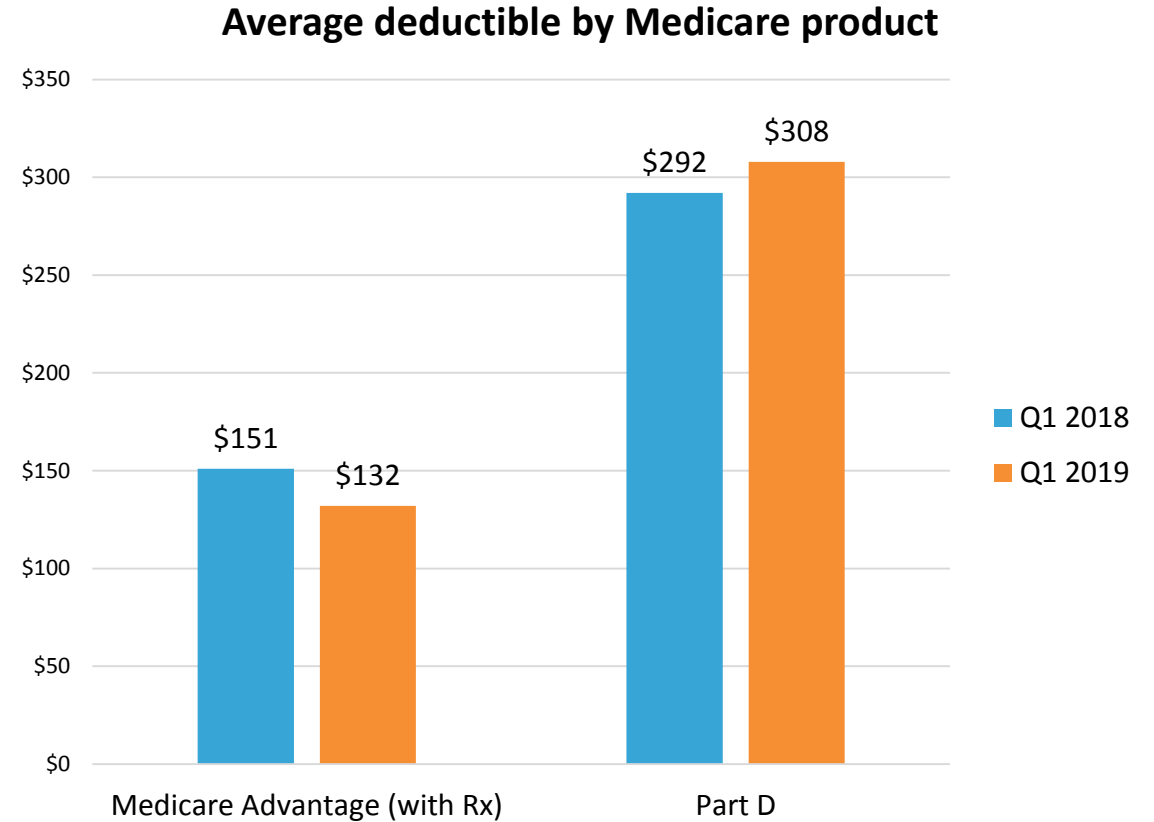


\* Medicare Part D plans are not available with zero-dollar premiums



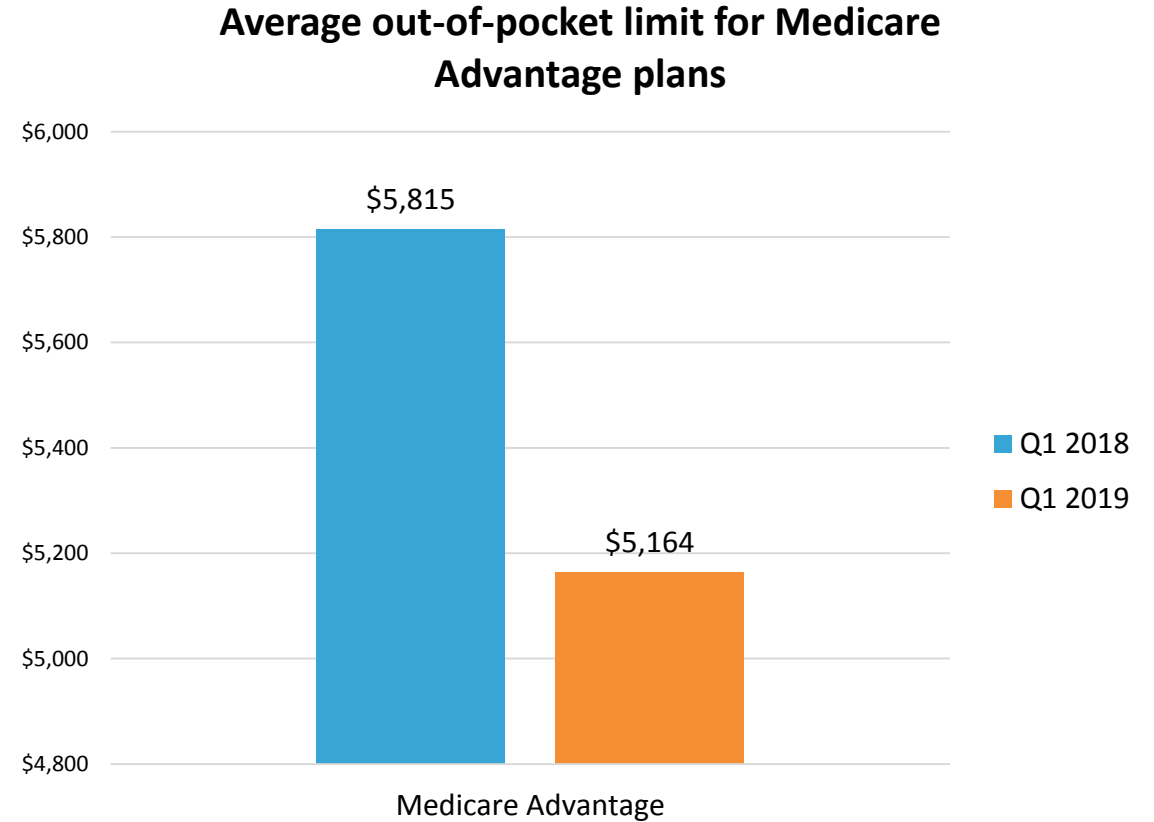
### Medicare Advantage deductibles decreased 13 percent but increased 5 percent for Part D plans

- Average deductibles for Medicare Advantage plans with prescription drug coverage decreased from \$151 to \$132.
- Average deductibles for Part D plans increased from \$292 to \$308.



### Average out-of-pocket limits decreased 11 percent for Medicare Advantage plans in 2019

- The average out-of-pocket limit for Medicare Advantage plans decreased from \$5,815 to \$5,164.





### Medicare open enrollment (OEP) vs Medicare Annual Enrollment Period (AEP)

Data presented on this slide compares costs among eHealth customers during the Medicare open enrollment period (January through March 2019) and the recent Medicare Annual Enrollment Period (October 15 through December 7, 2018).

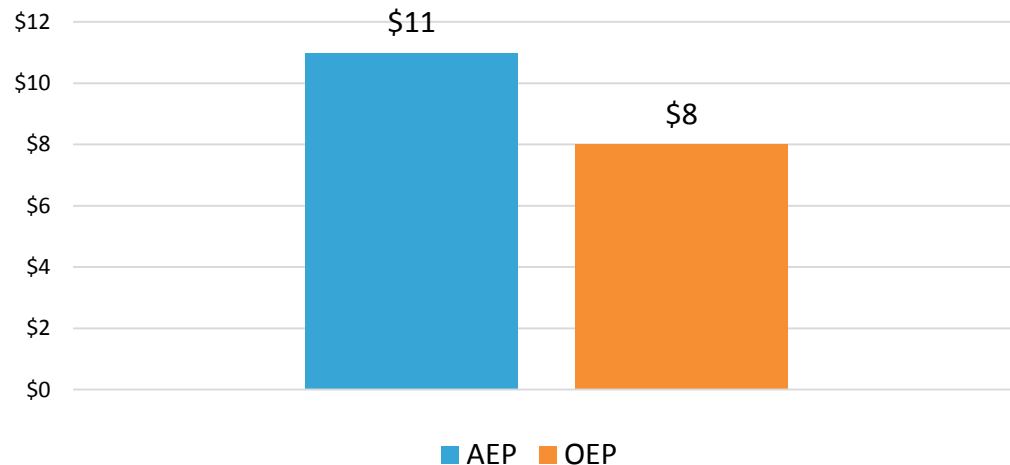
### Medicare Advantage:

- Average premiums plans decreased 27 percent, from \$11 to \$8.
- Deductibles increased 2 percent, from \$130 to \$132.
- Medicare Advantage out-of-pocket limits decreased 5 percent from \$5,426 to \$5,164.

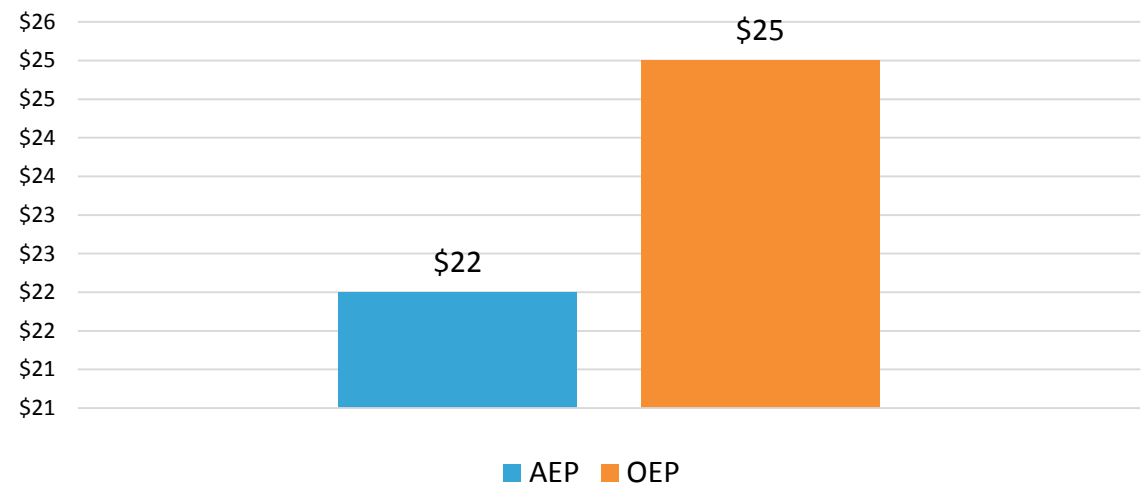
### Part D plans:

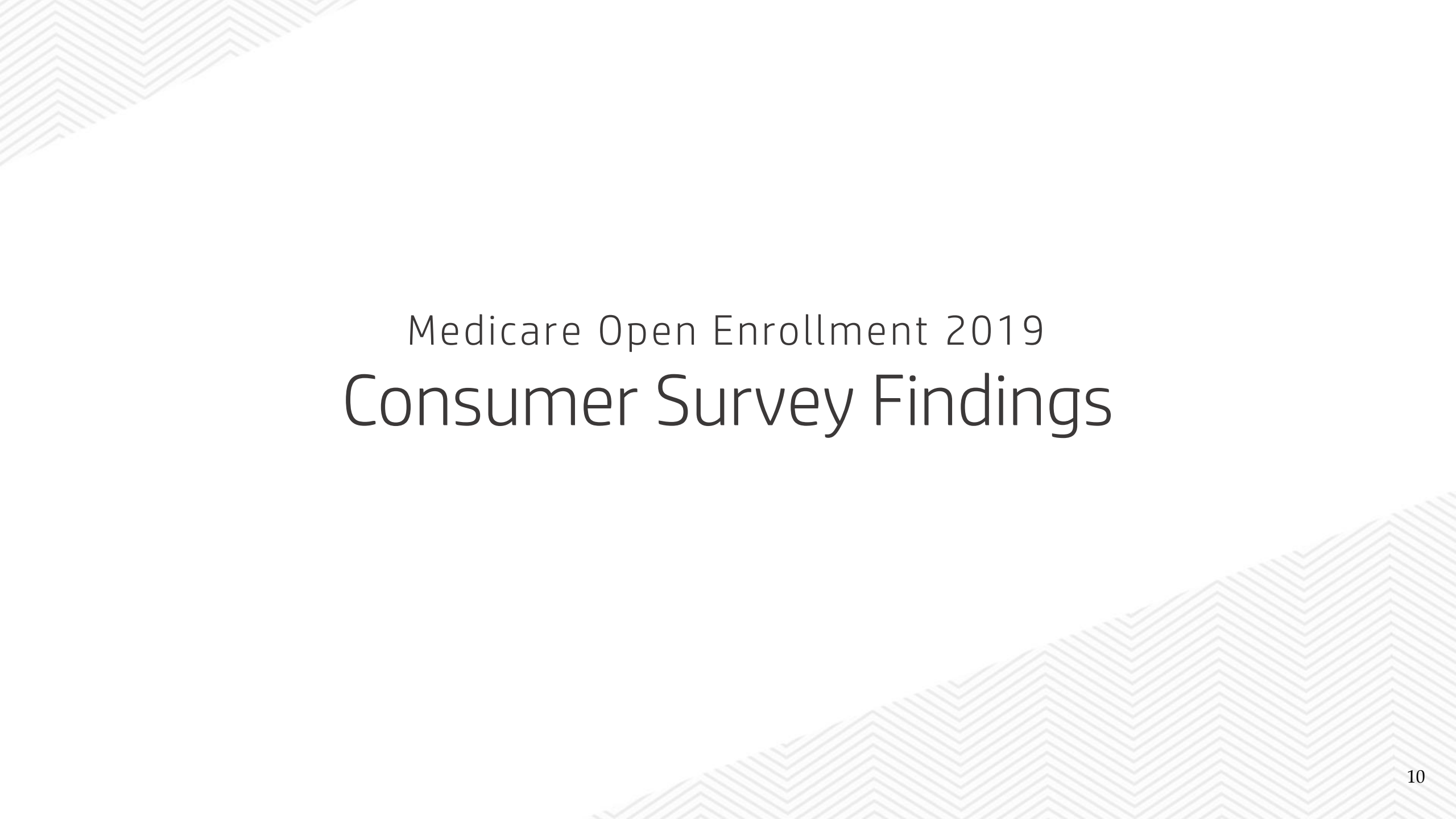
- Average premiums increased 14 percent, from \$22 to \$25.
- Deductibles increased 10 percent from \$338 to \$308.

Medicare Advantage average premiums



Part D plan average premiums





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# Consumer Survey Findings

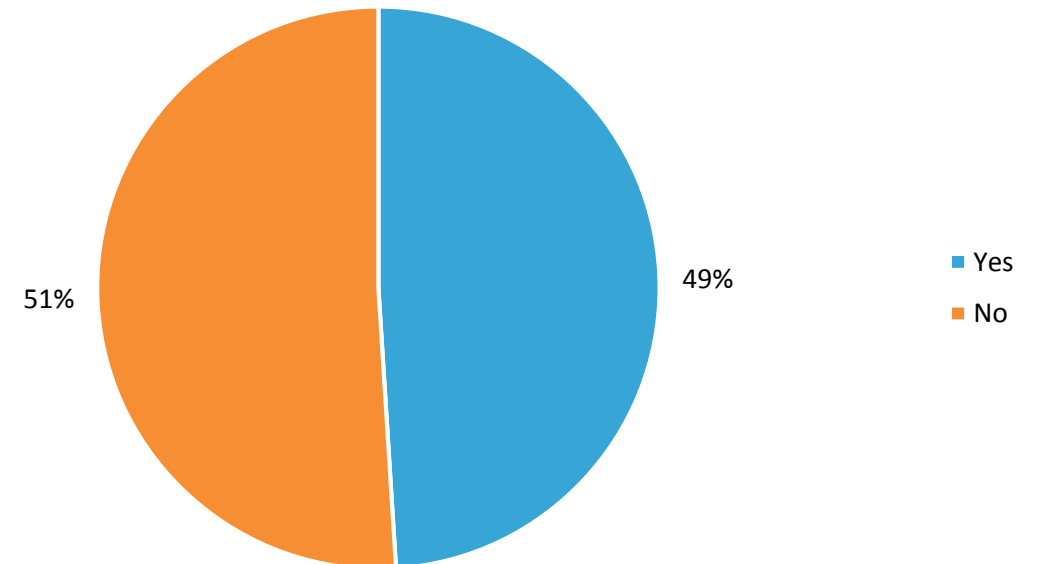
### Low consumer awareness around the new Medicare open enrollment period (January – March, 2019)

- 51 percent of respondents had not heard about the new open enrollment period before shopping for a new plan.

### Most learned about the new open enrollment period from media or by contacting an agent:

- 38 percent learned about it only when contacting eHealth or another insurance agent.
- 31 percent learned about it from a news source.
- 12 percent learned about it from a family member or friend.

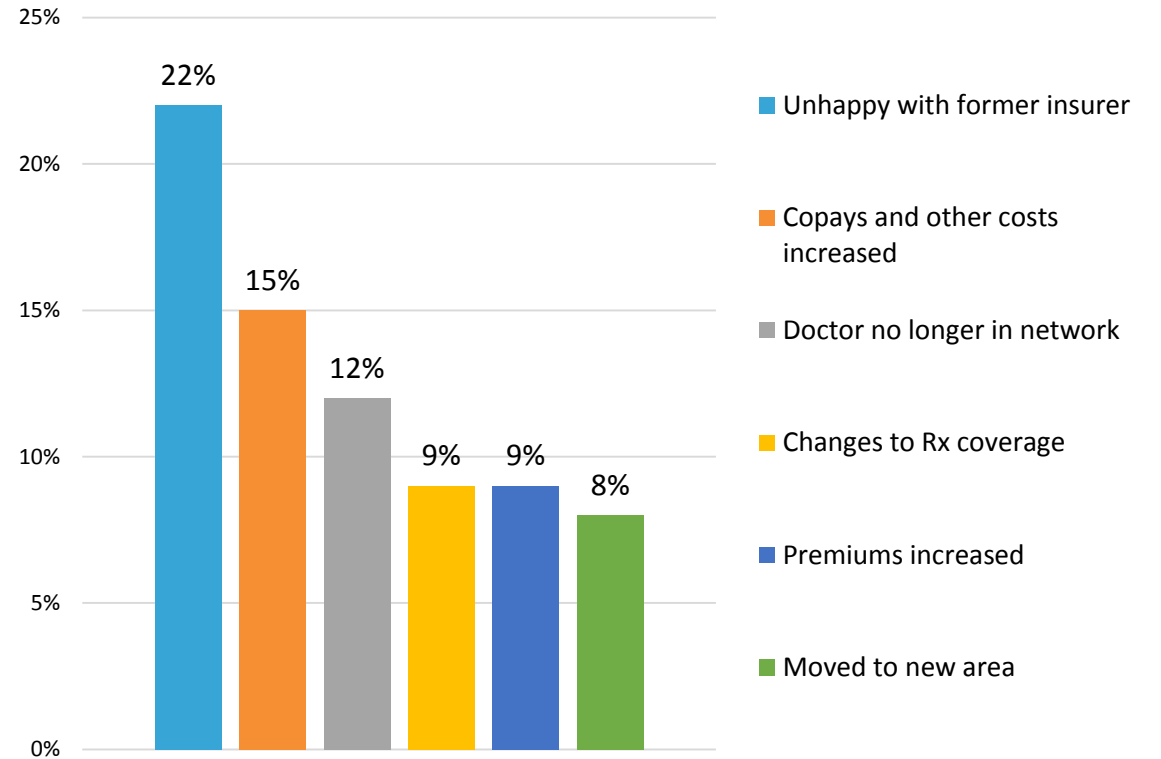
### Before shopping, did you already know about the new Medicare open enrollment period?



**About half of plan changes were driven by dissatisfaction with old insurers, out-of-pocket costs, or provider networks**

- 22 percent said they switched plans because they were unhappy with their former insurance company.
- 15 percent were unhappy with copays and other out-of-pocket costs.
- 12 percent switched because their preferred doctor was no longer in network.
- Changes to drug coverage or increased premiums accounted for 9 percent of switchers each.
- 8 percent switched due to a move.

**Why did you switch to a new Medicare plan?**



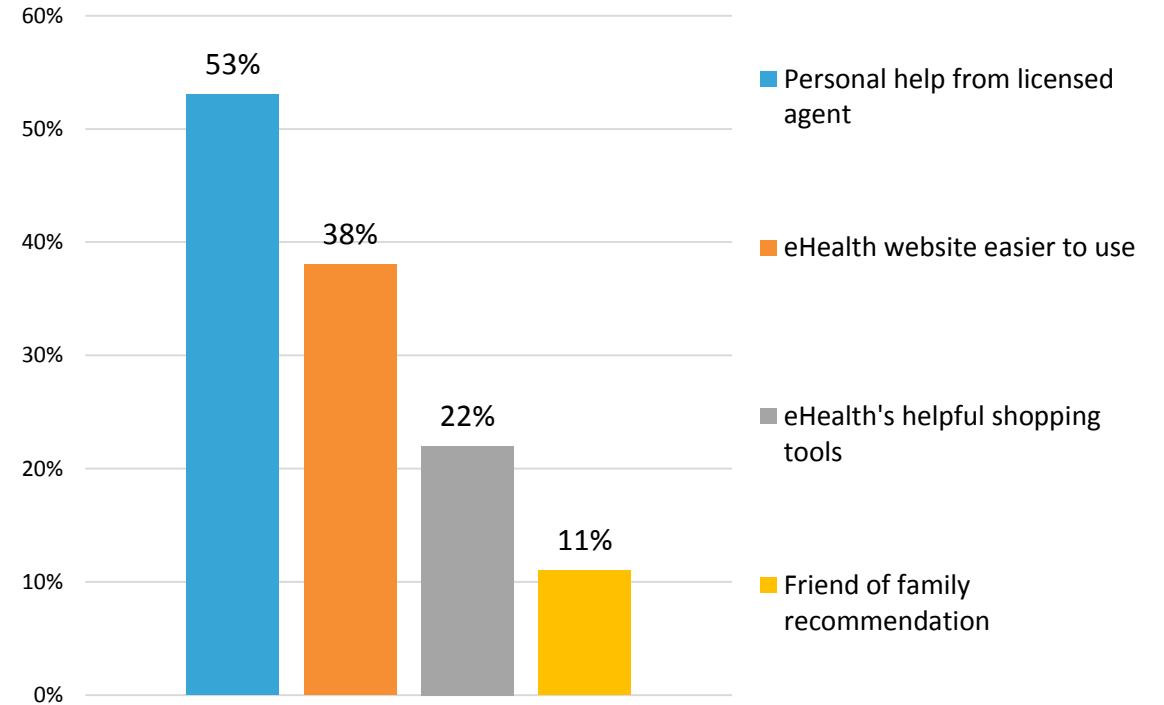
**Half of switchers moved from one Medicare Advantage plan to another**

- 53 percent of survey respondents said that they used the new open enrollment opportunity to switch from one Medicare Advantage plan with prescription drug coverage to another that also had prescription drug coverage.

**Among respondents who enrolled at eHealth after visiting Medicare.gov:**

- More than half (53 percent) bought through eHealth because they wanted personal help from a licensed agent.
- 38 percent said eHealth’s website was easier to use.
- 22 percent cited eHealth’s shopping tools (such as its prescription drug coverage comparison tool).
- 11 percent chose eHealth due to the recommendation of a friend or family member.

**Why did you enroll at eHealth after visiting Medicare.gov?**



**Methodology Note**

All data are based on eHealth shoppers only during the Medicare open enrollment period that occurred between January 1 and March 31, 2019. All dollar figures have been rounded to the nearest dollar. All percentages have been rounded to the nearest full percentage point. Percentages may add to slightly more or less than 100 percent due to rounding. Survey responses were collected on an anonymous basis in the month of April 2019. A total of 579 responses were received. Survey data presented in this report is based on respondents who were not new to Medicare in the January 1 through March 31, 2019 period.

## About eHealth®

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