



Medicare AEP Half-Time Report: Consumer Sentiments, Costs & Trends

November 2020

Study Overview

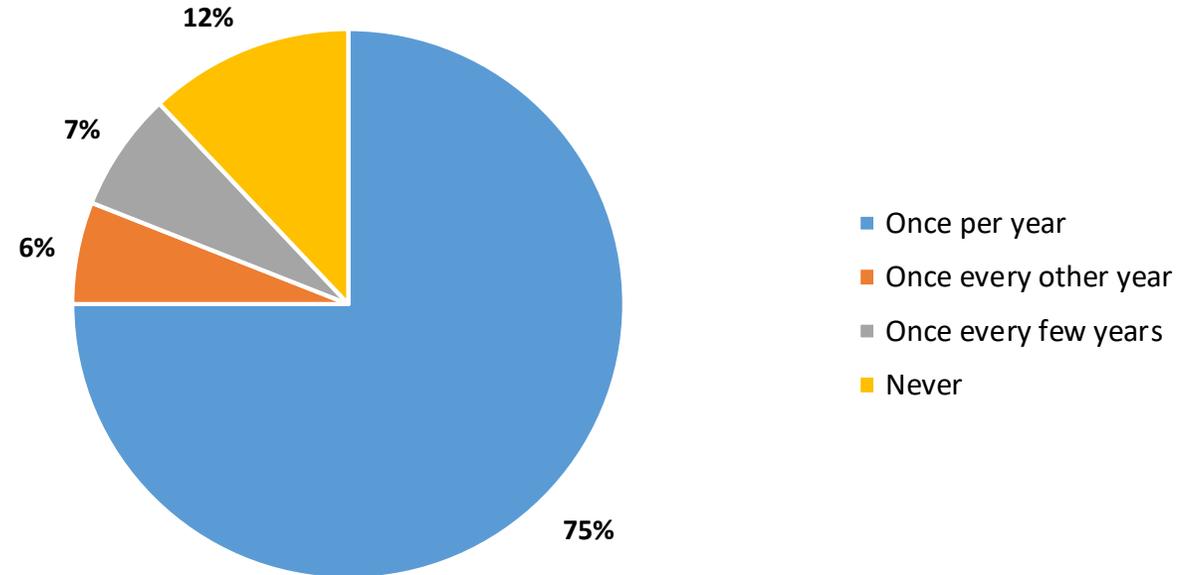
In this report eHealth presents a snapshot analysis of Medicare consumers' sentiments and behavior during the first half of Medicare's Annual Enrollment Period (AEP) for 2021 coverage, which runs from October 15 through December 7, 2020. Consumer sentiments are based on a voluntary survey of more than 2,100 eHealth customers conducted between October 23 and 26, 2020. Cost and plan selection data are drawn from consumer activity occurring at eHealth between October 15 and November 8, 2020.

- **Most beneficiaries review their Medicare plan options annually:** 75% say they review their Medicare coverage options once per year; 27% say their personal finances or medical needs have changed since they signed up for their current Medicare plan.
- **Out-of-pocket costs top the list of considerations when picking a Medicare plan:** 29% say finding a plan with affordable out-of-pocket costs is most important, while 27% say affordable premiums are most important, and 26% cite coverage for their preferred doctors and hospitals.
- **Medicare plan premiums are stable this year:** Average premiums for plans selected by beneficiaries in the first half of AEP are unchanged this year compared to last for Medicare Advantage plans (\$5) and stand-alone Medicare Part D prescription drug plans (\$20), and only \$3 higher this year for Medicare Supplement plans (\$160).
- **The popularity of \$0 premium Medicare Advantage plans continues to grow:** In the first half of AEP, \$0 premium plans accounted for 86% of all Medicare Advantage plans selected by eHealth customers, compared to 83% in the same period the year before.

Most enrollees reconsider their Medicare plan options annually

- 75% of respondents say they reconsider their Medicare coverage options once per year.
- 6% reconsider their coverage options every other year.
- 7% reconsider their coverage options every few years.
- 12% say they never reconsider their coverage options.

How often do you reconsider your Medicare coverage options?

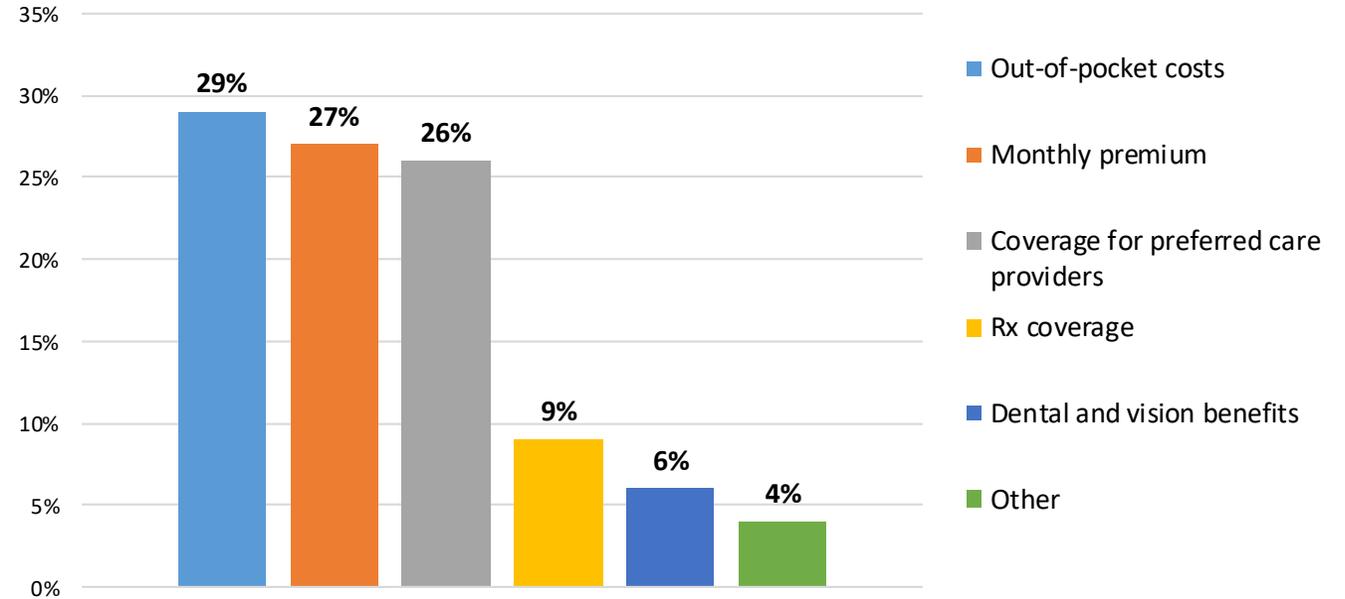


About a quarter say their coverage needs have changed since they enrolled: 27% of survey respondents say their medical needs or personal finances have changed since they signed up for their current Medicare plan.

Out-of-pocket costs top the list of considerations when picking a Medicare plan

- 29% of respondents say that finding a plan with affordable out-of-pocket costs is their top priority when choosing a Medicare plan.
- 27% say monthly premium is their top consideration.
- 26% cite coverage for their preferred doctors, hospitals or pharmacies.
- 9% say prescription drug coverage is their top consideration, while 6% cite access to dental and vision benefits.

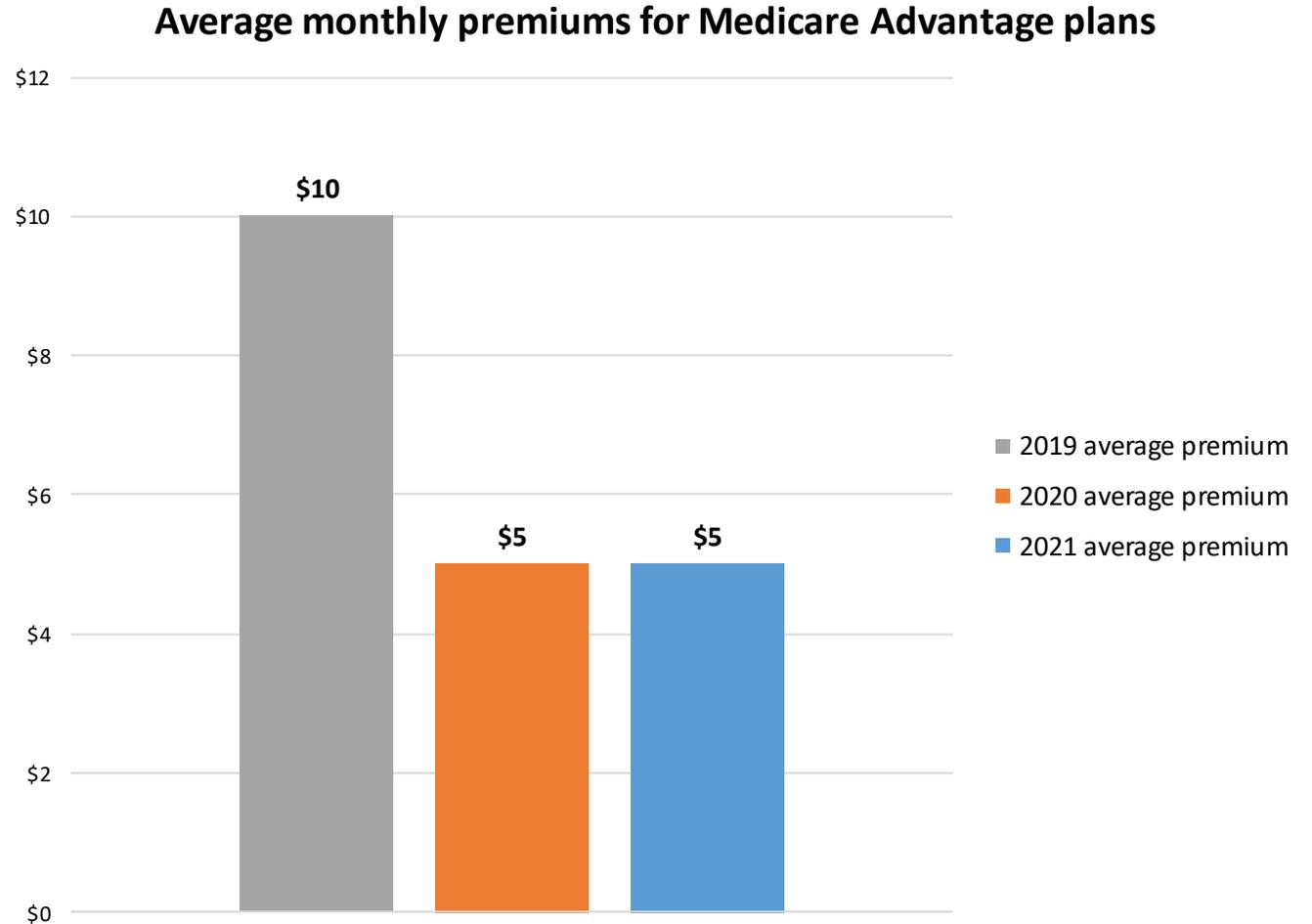
Which of the following is most important to you when picking a Medicare plan?



Affordable premiums are a bigger consideration for Medicare Supplement plan enrollees: 33% of those enrolled in a Medicare Supplement plan say an affordable premium is their top consideration when choosing a plan, compared to only 25% of Medicare Advantage enrollees.

Average Medicare Advantage premiums are holding stable this year

- \$5 was the average premium for Medicare Advantage plans selected by eHealth customers in the first half of open enrollment for 2021 coverage.
- \$5 was also the average premium for plans selected in the first half of open enrollment for 2020 coverage.
- \$10 was the average premium for plans selected in the first half of open enrollment for 2019 coverage.

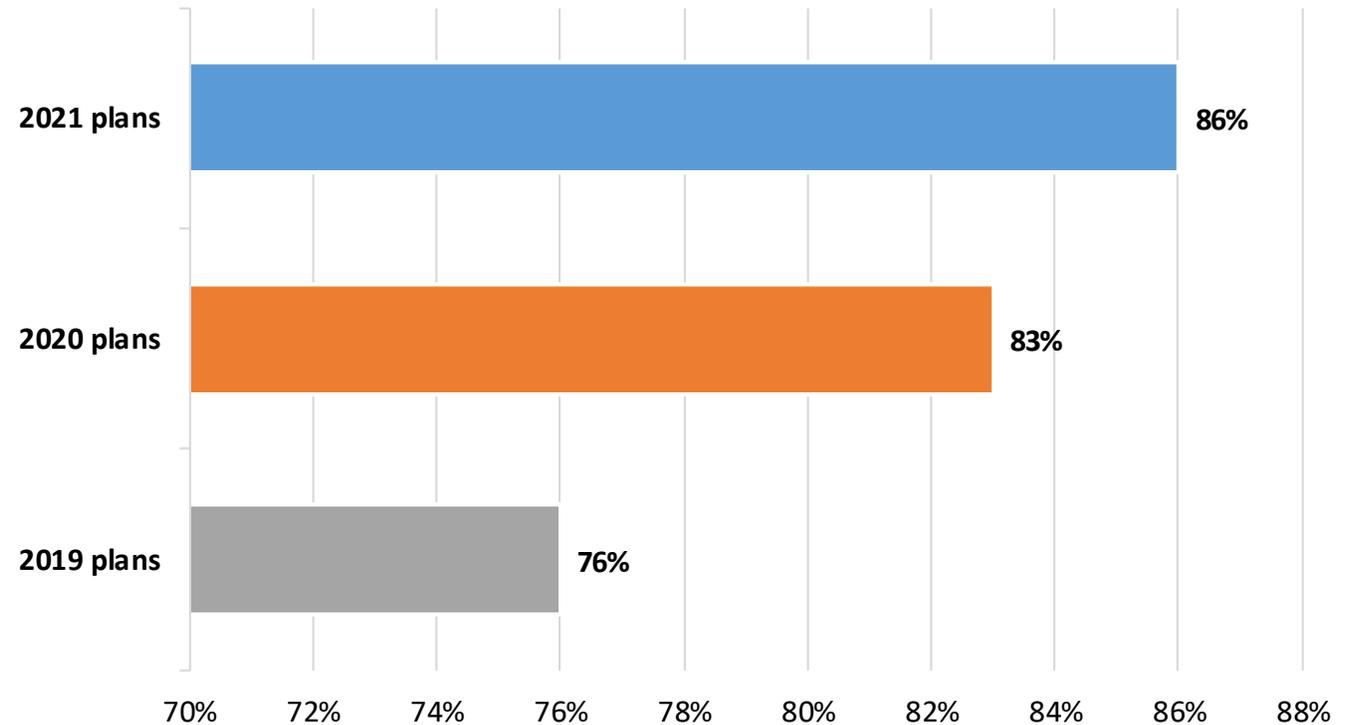


Low average premiums for Medicare Advantage plans are due in part to the broad availability and popularity of \$0 premium plans.

The popularity of \$0 premium Medicare Advantage plans continues to increase

- 86% of those selecting Medicare Advantage plans chose plans with \$0 monthly premiums in the first half of open enrollment for 2021 coverage.
- 83% chose plans with \$0 monthly premiums in the first half of open enrollment for 2020 coverage.
- 76% chose plans with \$0 monthly premiums in the first half of open enrollment for 2019 coverage.

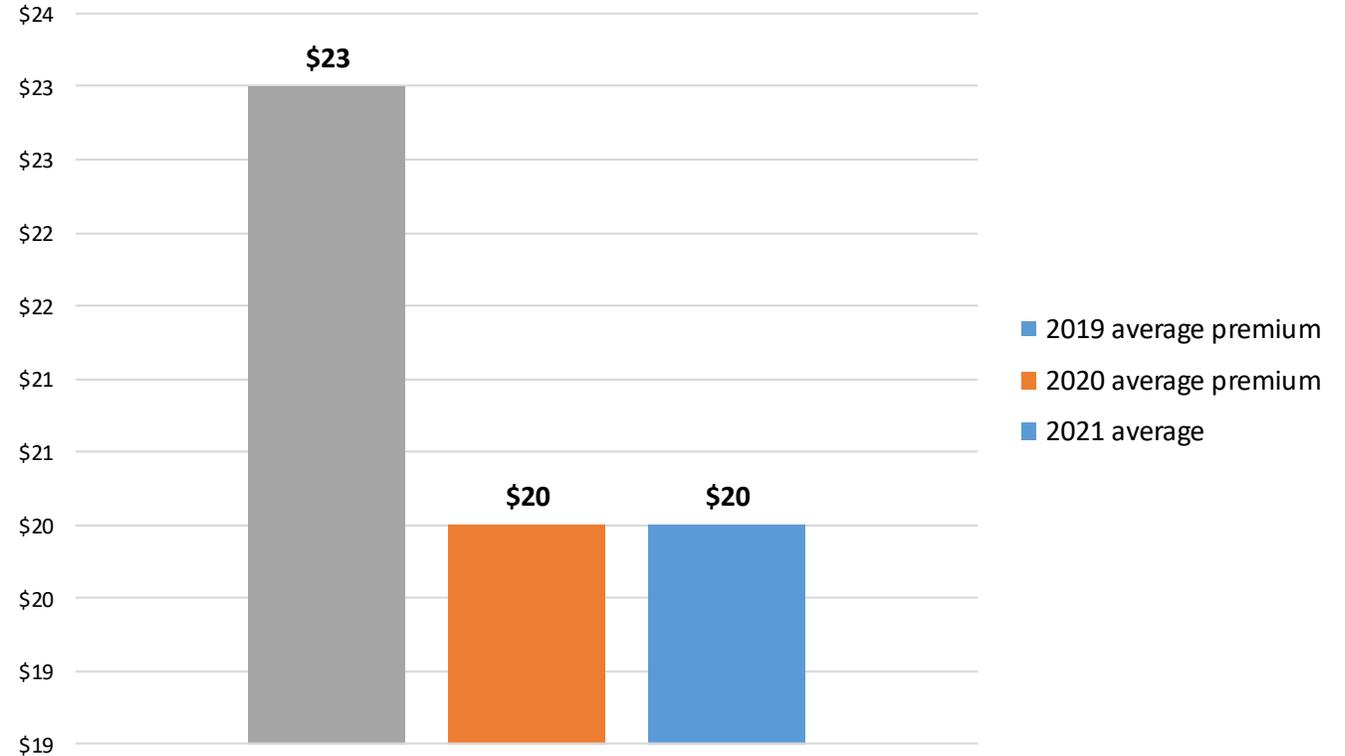
Percentage of Medicare Advantage enrollees selecting \$0 premium plans



Average premiums for stand-alone Medicare Part D prescription drug plans are holding stable this year

- \$20 was the average monthly premium for Medicare Part D plans selected by eHealth customers in the first half of open enrollment for 2021 coverage.
- \$20 was also the average monthly premium for Medicare Part D plans selected in the first half of open enrollment for 2020 coverage.
- \$23 was the average monthly premium for Medicare Part D plans selected in the first half of open enrollment for 2019 coverage.

Average monthly premiums for stand-alone Medicare Part D plans



Average premiums for Medicare Supplement plans increase slightly year over year

- \$160 was the average premium for Medicare Supplement plans selected by eHealth customers in the first half of open enrollment for 2021 coverage.
- \$157 was the average premium for Medicare Supplement plans selected in the first half of open enrollment for 2020 coverage.
- \$146 was the average premium for Medicare Supplement plans selected in the first half of open enrollment for 2019 coverage.

Average monthly premiums for Medicare Supplement plans



Methodology Note

Survey findings presented in this report are based on a voluntary survey of Medicare beneficiaries who purchased Medicare health insurance products from eHealth. The survey was conducted between October 23 and 26, 2020, and a total of 2,176 responses were collected. Cost and trend findings are based solely on submitted applications for Medicare Advantage, stand-alone Medicare Part D prescription drug plans, and Medicare Supplement plans received by eHealth between October 15 and November 8, 2020, with comparisons to approximately the same period from prior years. For the purposes of this report “Medicare Advantage plans” includes those that do and those that do not include prescription drug coverage. All figures have been rounded to the nearest full percentage point; all prices have been rounded to the nearest full dollar.

Like other insurance brokers, eHealth is compensated on a fixed per-member basis for Medicare Advantage and Part D plans as regulated by CMS, and on a percentage of premium basis for most Medicare Supplement plans.

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