



Medicare Index Report: Annual Enrollment Period for 2020 Coverage

October 2020

Study Overview

This report presents an analysis of costs and trends among Medicare beneficiaries who selected new Medicare insurance plans through eHealth during the Annual Enrollment Period (AEP) for 2020 coverage, which occurred between October 7 and December 15, 2019. More than 280,000 submitted applications for 2020 coverage were included in the analysis and compared to the prior two AEPs. Highlights:

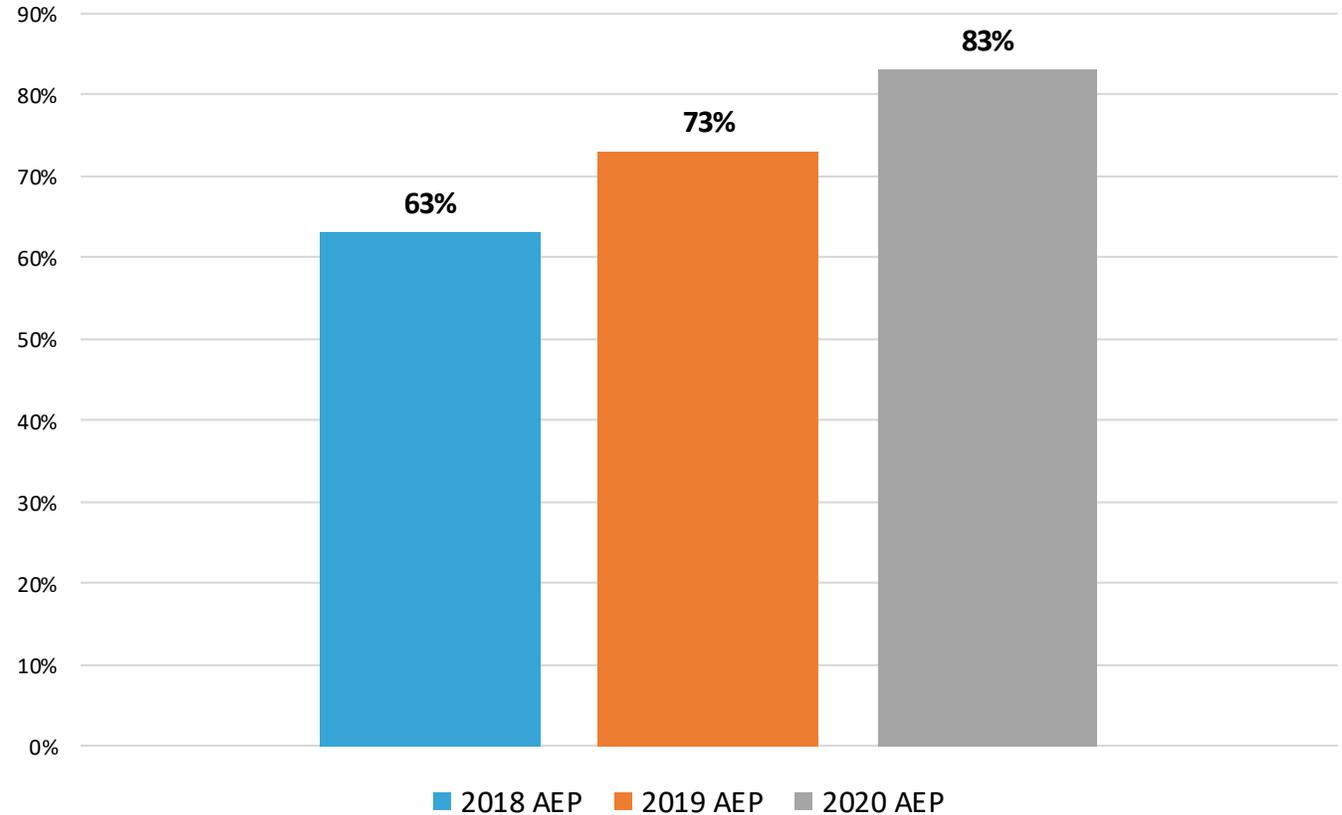
- **The popularity of \$0 premium Medicare Advantage plans continues to rise** – 83% of eHealth customers selecting Medicare Advantage plans during the AEP for 2020 coverage chose plans with a \$0 monthly premium, compared to 73% for 2019 and 63% for 2018.
- **\$0 premium Medicare Advantage plans continue to drive down average costs** – \$6 was the average monthly premium for Medicare Advantage plans selected at eHealth during the AEP for 2020 coverage, down from \$10 for 2019 and from \$17 for 2018.

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

More beneficiaries selected \$0 premium Medicare Advantage plans for 2020

- 83% of Medicare Advantage plans selected by eHealth customers for 2020 coverage had a \$0 monthly premium.
- By comparison, 73% of Medicare Advantage plans had a \$0 monthly premium for 2019.
- That figure was 63% for 2018.

Percent of Medicare Advantage Enrollees Choosing \$0 Premium Plans

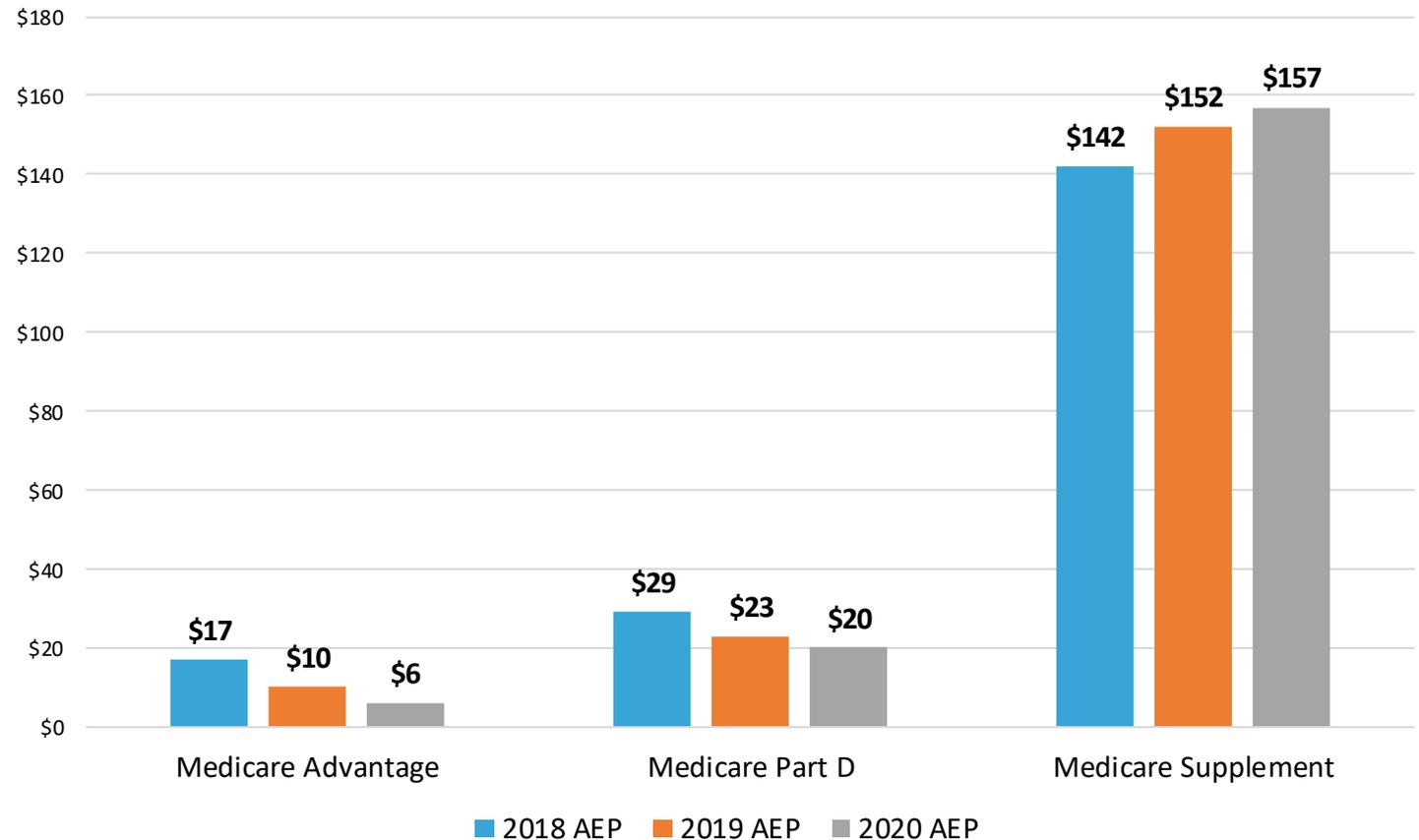


Increased enrollment in \$0 Medicare Advantage plans may reflect increased availability of such plans as well as trends in consumer choice.

Average premiums declined among Medicare Advantage and stand-alone Part D plans

- \$6 per month was the average monthly premium for 2020 Medicare Advantage plans selected by eHealth customers, down 40% from \$2019 and 65% from 2018.
- \$20 was the average premium for stand-alone Part D plans, down 13% from 2019 and 31% from 2018.
- \$157 per month was the average premium for Medicare Supplement plans, up 3% from 2019 and up 11% from 2018.

Average monthly premiums by Medicare product

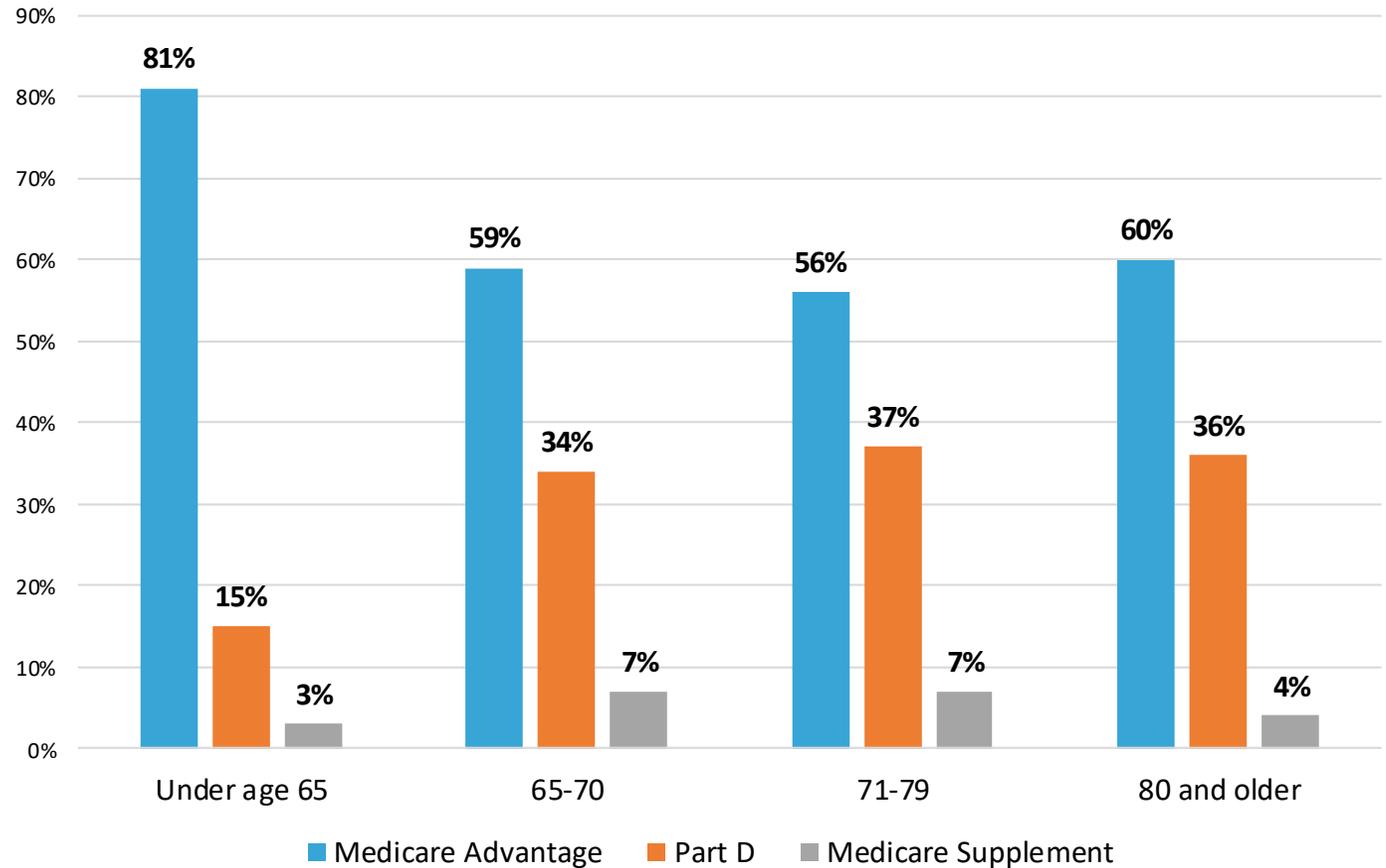


Increased enrollments in \$0 Medicare Advantage plans may reflect increased availability of such plans as well as trends in consumer choice.

Medicare Advantage plans attract a strong majority of Medicare beneficiaries across all age bands

- 81% of beneficiaries under the age of 65 selected Medicare Advantage plans during the AEP for 2020 coverage.
- Across all other age bands, approximately 6 in 10 chose Medicare Advantage plans while an additional 3-4 in 10 chose stand-alone Part D plans and 4-7% chose Medicare Supplement plans.

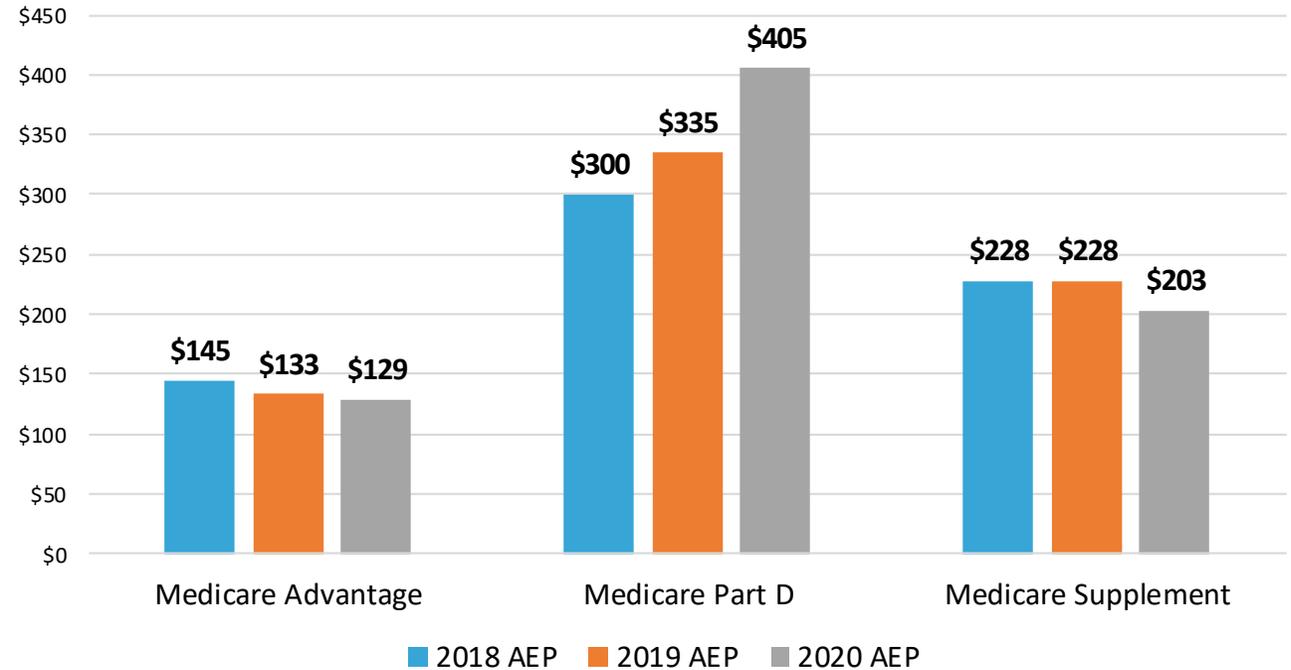
Medicare Product Selection by Age Band (2020 Coverage)



Average deductibles decreased for Medicare Advantage and Medicare Supplement plans but increased for stand-alone Part D plans

- \$129 was the average deductible for 2020 Medicare Advantage plans, down 3% from 2019 and down 11% from 2018.
- \$405 was the average deductible for 2020 Part D plans, up 21% from 2019 and up 35% from 2018.
- \$203 was the average deductible for 2020 Medicare Supplement plans, down 11% from 2019 and 2018.

Average Deductible by Medicare product

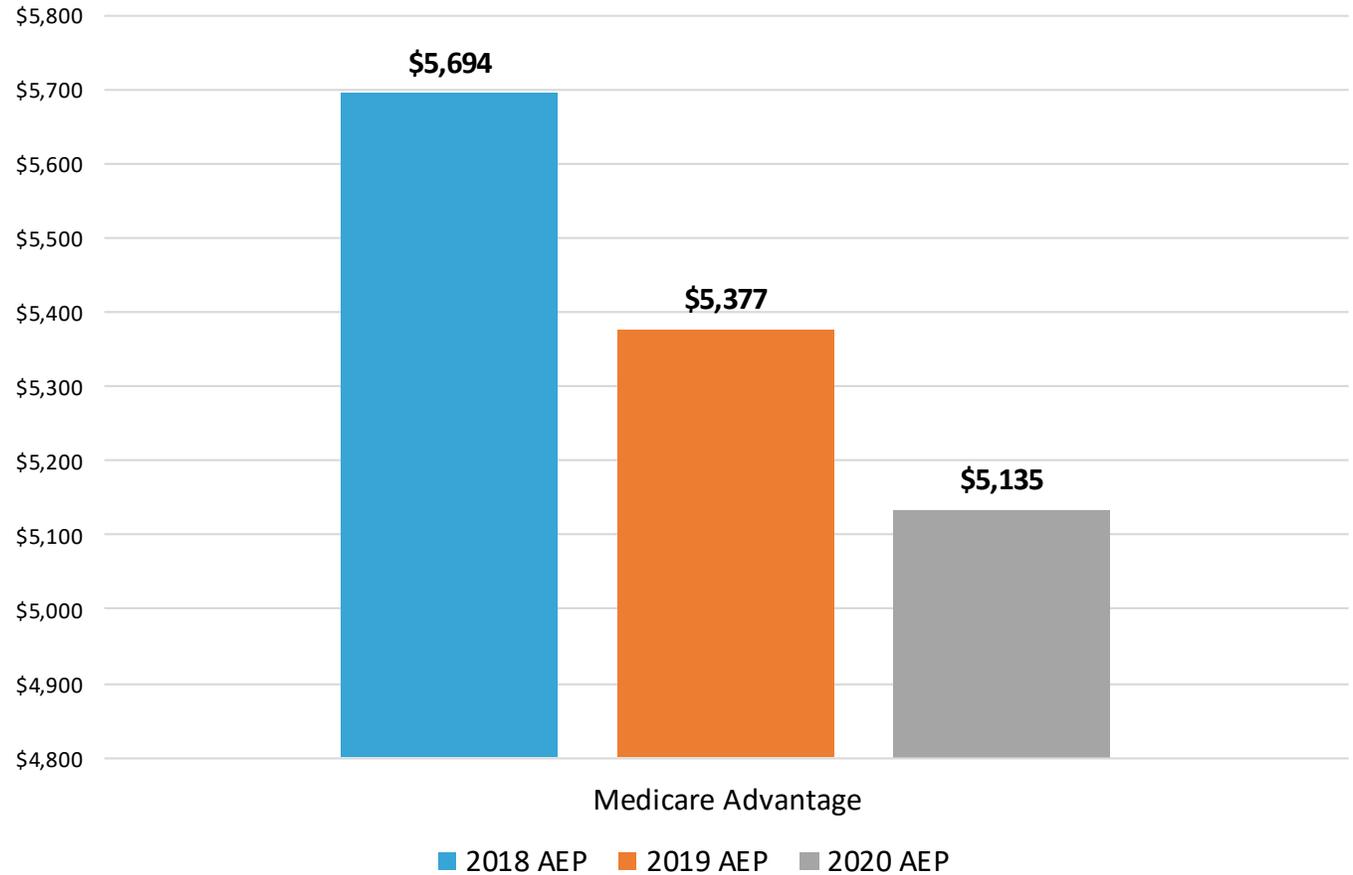


Only Medicare Advantage plans offering coverage for prescription drugs were included in this figure, since those not offering drug coverage typically have no deductible.

Maximum annual out-of-pocket limits decreased slightly for Medicare Advantage plans

- \$5,135 was the maximum annual out-of-pocket limit for 2020 Medicare Advantage plans, down 3% from 2019 and down 10% from 2018.
- Part D plans and Medicare Supplement plans typically do not specify out-of-pocket limits.

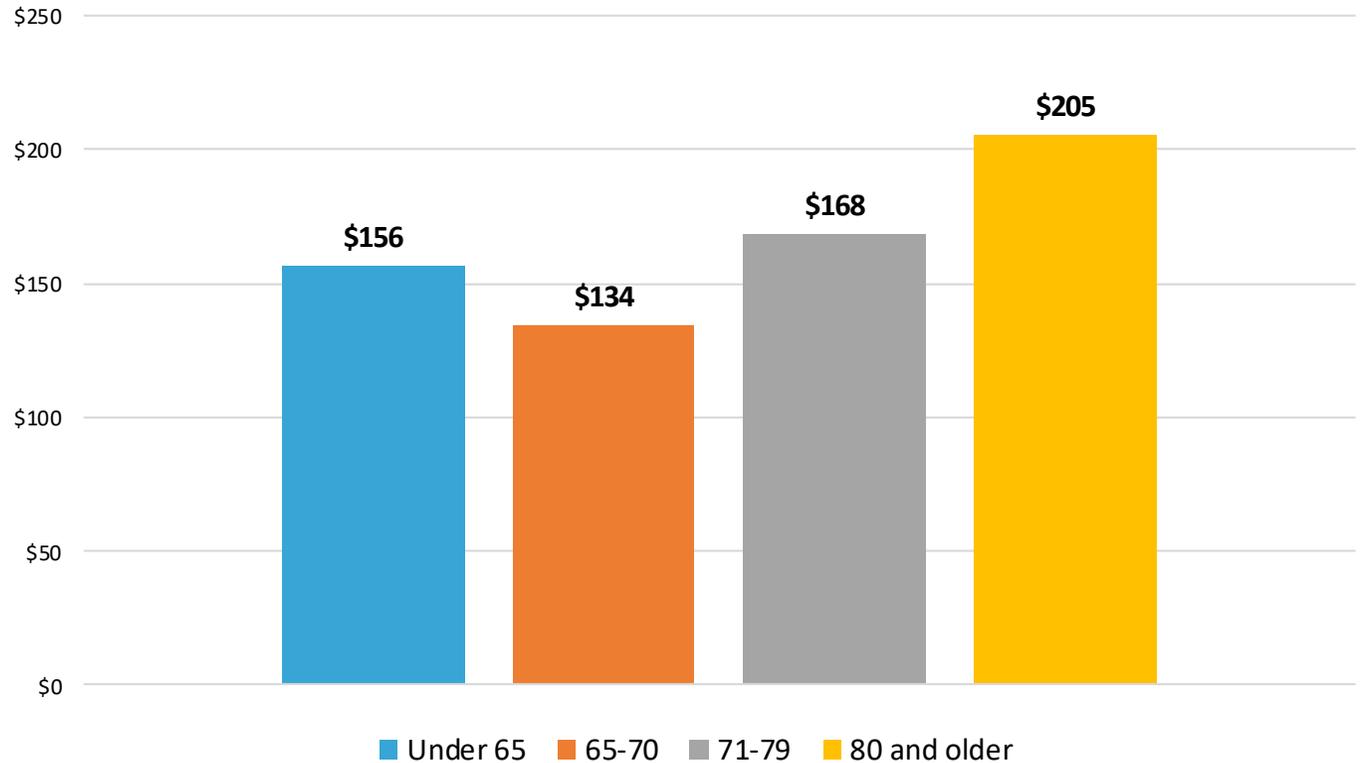
Medicare Advantage Annual Out-of-Pocket Limits



Beneficiaries age 80 and older pay 53% more in Medicare Supplement premiums than those age 65 to 70

- \$156 was the average monthly premium for new 2020 Medicare Supplement plans selected by beneficiaries under age 65.
- \$134 was the average monthly premium for beneficiaries age 65 to 70.
- \$168 was the average monthly premium for beneficiaries age 71 to 79.
- \$205 was the average monthly premium for beneficiaries age 80 and older.

Medicare Supplement Average Premiums by Age Band for 2020 Coverage



Average premiums for Medicare Advantage and Medicare Part D plans do not differ significantly by age band.

Methodology Note

The data presented in this report is based on submitted applications for Medicare insurance products received by eHealth during the Annual Enrollment Period (AEP) for 2020 coverage, which occurred between October 15 and December 7, 2019. The report also presents updated information for prior AEPs for 2019 and 2018 coverage. More than 280,000 submitted applications were included in the analysis for 2020 coverage; more than 144,000 for 2019 coverage; and more than 89,000 for 2018 coverage. eHealth’s previously published Medicare Index Report for 2019 coverage was limited to presenting data for eHealth customers age 65 and older. The present report, by contrast, presents data for Medicare beneficiaries who shopped at eHealth across all age bands. As such, data presented in this report should be seen as overriding data presented in last year’s report. Unless otherwise noted, “Medicare Advantage” plans include both those that offer prescription drug costs and those which do not. Only data generated by eHealth customers during the specified time period is considered in this report. Percentages may add to slightly more or less than 100% due to rounding.

Although eHealth offers many Medicare insurance products from a number of insurance companies, eHealth does not offer all products available to consumers and the products available through eHealth may vary over time and region

No information relevant to eHealth financial performance should be drawn from this report. Similar to other insurance brokers, eHealth is compensated on a fixed per-member basis for Medicare Advantage and Part D plans, as regulated by the Centers for Medicare and Medicaid Services, and on a percentage of premium basis for most Medicare Supplement plans.

About eHealth[®]

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