

Health Insurance Trends

November 2021

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Introduction

eHealth's November 2021 **Health Insurance Trends** report is a comprehensive look at the state of the market in a period of transformation and new possibilities. It's not clear yet what America's health care future will look like, but the continuing impact of the COVID pandemic and debates among policymakers over the future of government programs are shaping consumer experiences and expectations.

In this report, the second installment of Health Insurance Trends, we present findings that should be of strong interest to consumers, to elected representatives and policymakers, to insurance industry leaders, and to market analysts. We explore:

- What Medicare beneficiaries want – and don't want – from government
- How COVID's impact on consumers and insurers is more nuanced than you may think
- How health insurance companies could do better addressing the needs of diverse communities
- And how the opportunity – and challenge – facing organizations serving health insurance consumers online is constantly evolving

This report is compiled from more than 6,400 anonymous responses to surveys of the general population and of Medicare beneficiaries. It also includes findings from a survey of more than 15 representatives from health insurance companies with whom eHealth has a relationship. For the first time, eHealth has in this report looked beyond the gender, political preferences, and income of respondents to examine how Americans of different racial and ethnic communities are experiencing and responding to the pandemic and the health care decisions they face.

We hope you find the November 2021 installment of **Health Insurance Trends** as enlightening, surprising, and challenging as we do.

Analysis and Highlights

Medicare beneficiaries have a complex vision for government involvement in the program. They want strong government action on drug costs, and they support expanded benefits (if it doesn't cost them). But beneficiaries across the political spectrum value private industry's involvement in the program too and few would support a government monopoly of Medicare.

- 83% of Medicare beneficiary survey respondents want the federal government to take direct action to lower the cost of prescription drugs by negotiating with pharmaceutical companies. This is true across political lines, including strong majorities of Democrats (93%), Republicans (73%), and Independents (84%).
- 92% of Medicare beneficiaries would like to see dental, vision, and hearing benefits added to traditional Medicare coverage, but only 50% feel the same if it would add to their costs.
- Among Medicare beneficiaries, majorities of Republicans (56%), Independents (56%) and Democrats (51%) say Medicare should continue to be operated through public/private cooperation. Only 16% overall want the government alone to run the program.

Consumer responses to COVID vaccines and social rules are nuanced and reveal unexpected contrasts and intersections. The impact of the pandemic on health insurance companies themselves is less than might be expected.

- 53% of general population respondents support vaccine mandates for

private sector workers, but the same figure (53%) feel that medical professionals should not be able to refuse care to the unvaccinated.

- 64% would get a COVID booster shot, but willingness declines to 55% if the shots are recommended 1-2 times per year.
- 76% of Democrat voters feel most businesses should be able to refuse service to unvaccinated Americans, but fewer than half (49%) of Black Americans agree.
- More consumers approve of (45%) than oppose (37%) the idea of charging the unvaccinated extra for health insurance.
- 55% of insurers surveyed say they are paying out more for member medical care due to COVID, but increases are modest (10% or less) among those who are.
- 38% of insurers have already reduced voluntarily-expanded COVID coverage, or plan to do so. However, only 12% plan to raise premiums as a result of the pandemic.
- 38% of insurers are concerned about staffing shortages in their provider networks due to the pandemic or vaccine mandates.

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Analysis and Highlights (cont.)

When it comes to educating enrollees about their costs and benefits, insurance companies could do better, especially for minority populations and women. Many don't feel that the medical needs specific to their racial or ethnic communities are taken into account by insurers.

- With the No Surprises Act (intended to reduce surprise medical bills) due to take effect in 2022, 60% of Hispanic and 56% of Black survey respondents say they've had a surprise medical bill within the past 12 months, as do 54% of all women. By comparison, 46% of white respondents and 45% of men say they've had a surprise medical bill in the last year.
- When asked if they felt the health insurance options available to them addressed the specific medical needs of their racial or ethnic community, Hispanic respondents were least likely to say yes (41%), followed by Asian (45%), and Black (46%) respondents. By contrast, 58% of white respondents answered yes.

Companies and organizations serving the needs of health insurance consumers online face great opportunities – and challenges – in an evolving market with high expectations.

- With an estimated 10,000 new Medicare beneficiaries every day, the number one place they go to learn about their Medicare coverage options is **online**.

- 69% of them want the freedom to look beyond government-run online marketplaces to shop for, compare, and enroll in coverage.
- When it comes to health care innovation and technology, more than half (52%) of general population respondents say private enterprise does a better job than government. Only 18% say the government does a better job.

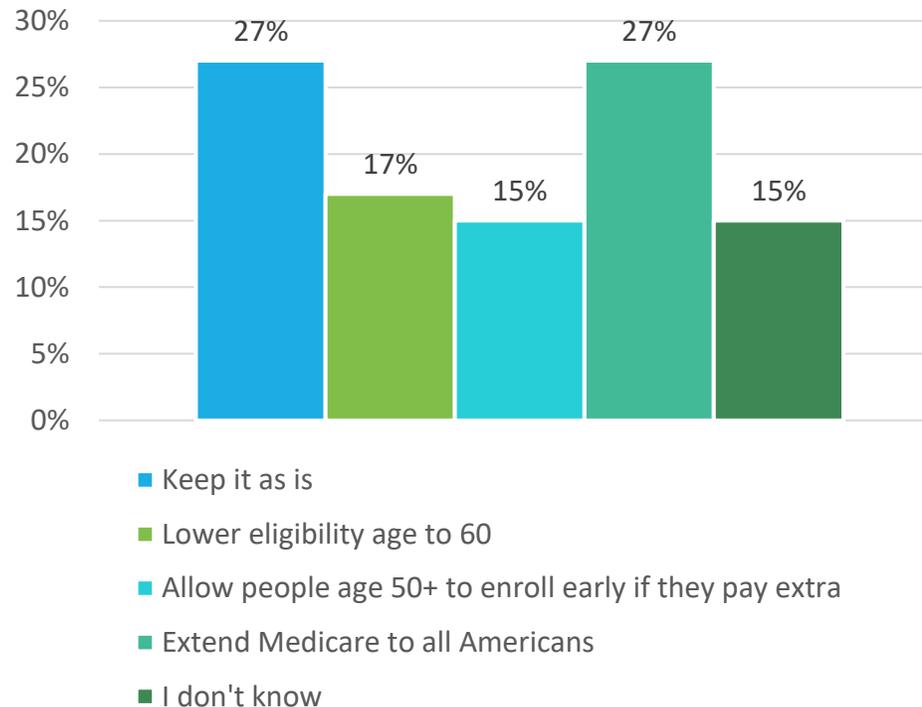
Findings from General Population and Medicare Beneficiary Audiences

Expansion of the Medicare Program

Nearly six in ten (59%) favor expanding Medicare in some form

- 27% of general population respondents favor expanding Medicare to cover all Americans.
- 17% favor lowering the standard Medicare eligibility age from 65 to 60.
- 15% say people age 50 and older should be able to enroll in Medicare early if they pay extra.

Should Medicare eligibility be expanded?



Current Medicare beneficiaries have a different take

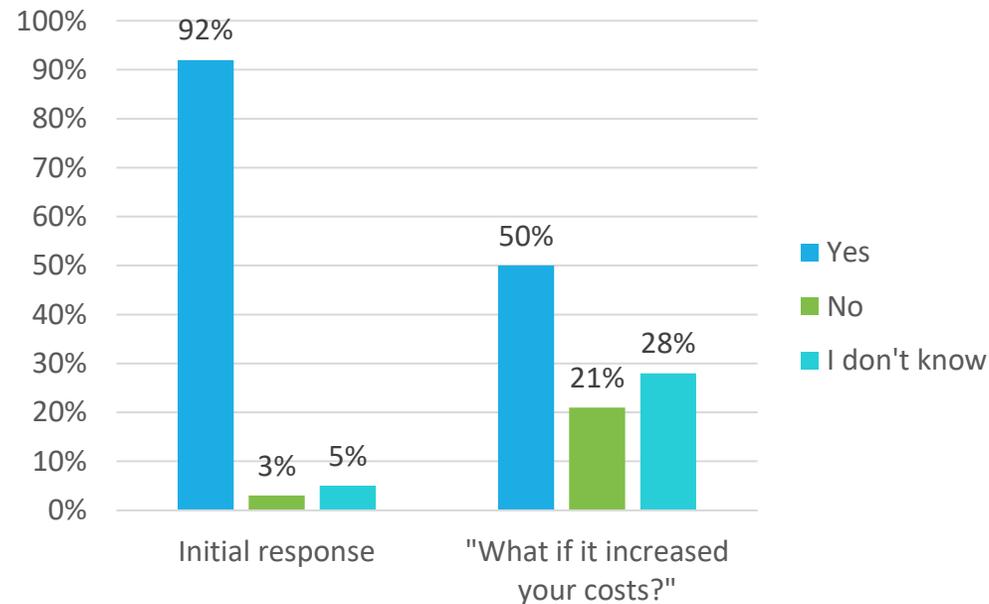
- 46% of current Medicare enrollees say the program should stay as-is, primarily for people age 65 and older.
- 19% of Medicare beneficiaries say Medicare should be expanded to cover all Americans.
- 12% favor lowering the eligibility age to 60; 10% would allow people age 50+ to pay to enroll early.

Expansion of the Medicare Program (cont.)

Most beneficiaries support expanding Medicare, but many are wary about additional costs

- 92% say they would like to see dental, vision, and hearing benefits added to traditional Medicare coverage.
- However, only 50% would support this expansion if it added to their costs.

Should dental, vision, and hearing benefits be added to traditional Medicare coverage?*



Most Democrats would expand Medicare regardless of cost; Republicans and Independents are less sure

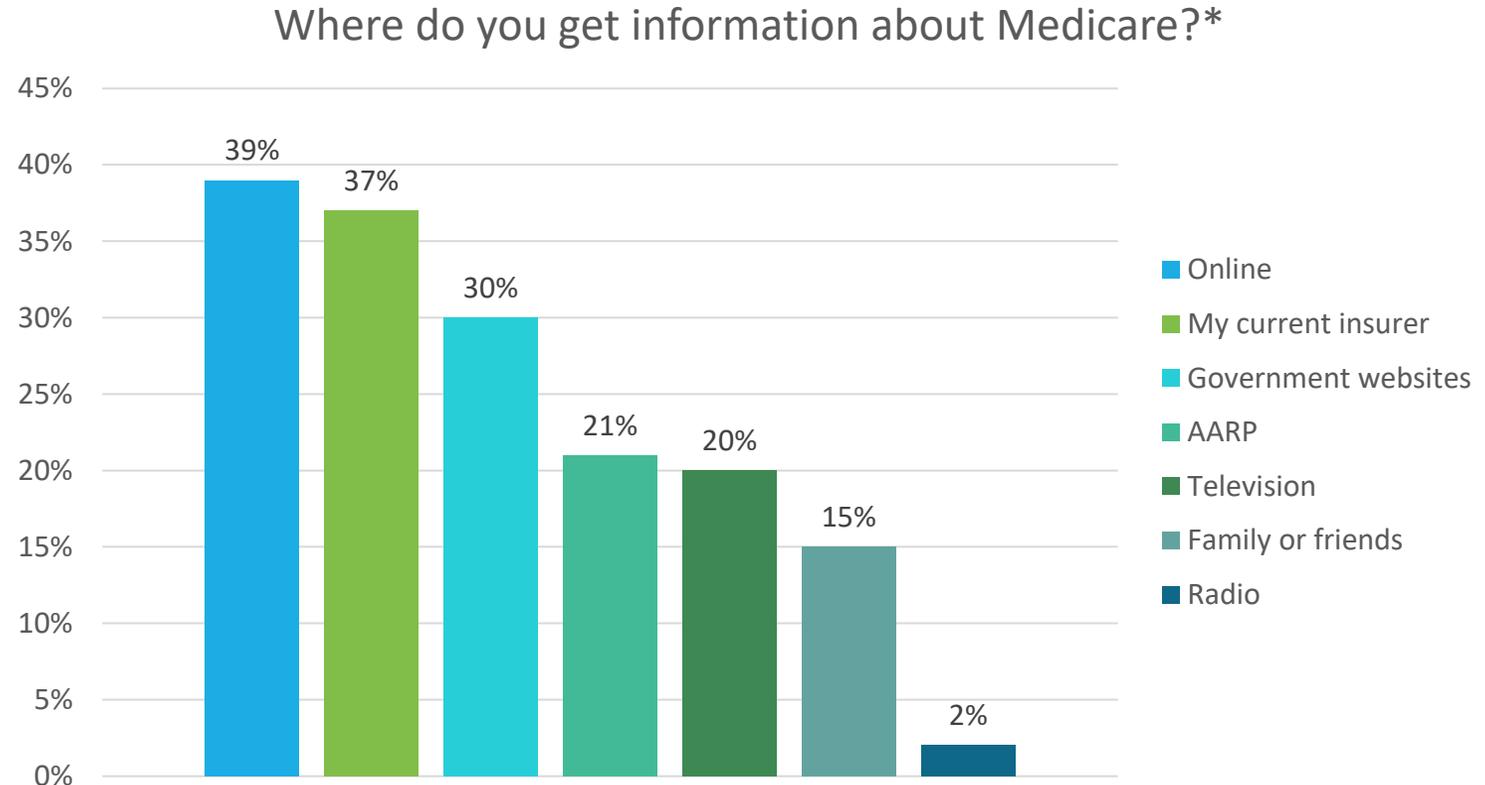
- 58% of Medicare beneficiaries who are Democrat voters support expanding Medicare benefits even if it added to their costs.
- By contrast, only 49% of Republicans and 49% of Independents who are currently enrolled in Medicare feel the same.

*This chart depicts responses from Medicare beneficiary respondents only.

How Consumers Learn about Medicare

Most Medicare beneficiaries get information online or from their current insurer

- 39% say they get Medicare information online.
- 37% get information from their current insurer.
- 30% visit government websites for information.
- 20% get Medicare information from television.
- 15% get information from family or friends.
- 2% get information on Medicare from the radio.



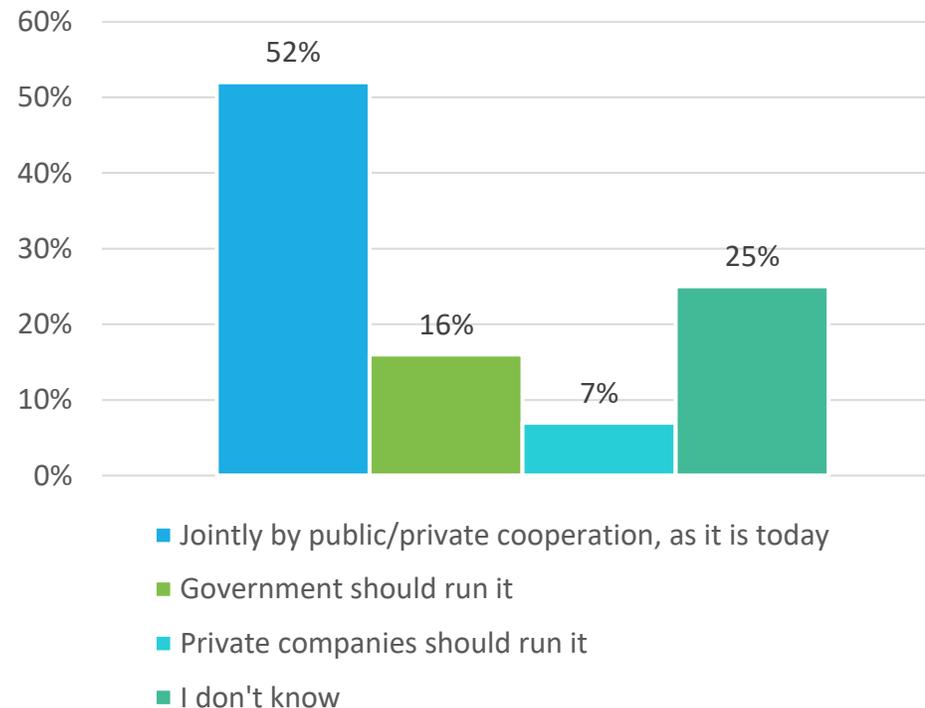
*This chart depicts responses from Medicare beneficiary respondents only. More than one selection was allowed.

Medicare and Public/Private Cooperation

Current beneficiaries favor a strong role for private industry in Medicare

- More than half (52%) of Medicare beneficiary survey respondents say Medicare should continue to be run by public/private cooperation.
- 16% say it should be run by government alone.
- 7% say it should be run entirely by private sector companies.
- 25% are unsure.

Who should run the Medicare program?*



Politics makes little difference in support for private industry's participation in the Medicare program

- 51% of Medicare beneficiaries who are Democrat voters support public/private cooperation.
- 56% of Republicans and 56% of Independent voters feel the same.

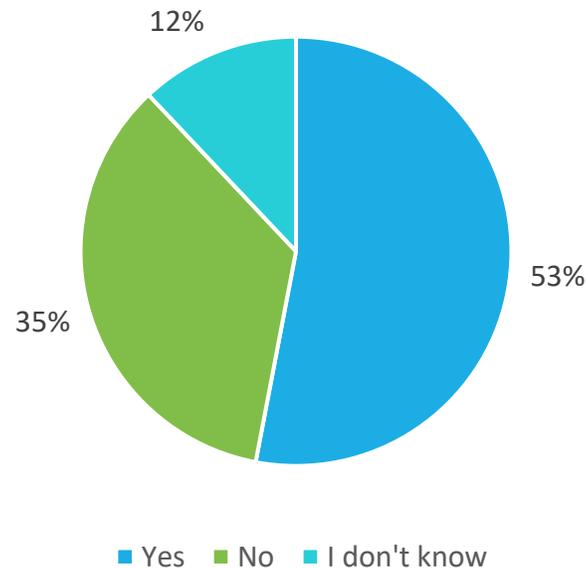
*This chart depicts responses from Medicare beneficiary respondents only.

COVID Vaccine Mandates

Support for government COVID vaccine mandates has grown since May 2021

- 53% of general population respondents support the Biden administration's proposed COVID vaccine mandate for private-sector workers; in eHealth's May survey, 54% said they opposed government mandates.
- 35% now say they oppose the proposed mandate.
- 12% are unsure.

Do you support the Biden administration's plans to broadly mandate vaccines for private-sector workers?



Asian Americans, high earners, and Democrats are most likely to support the mandate

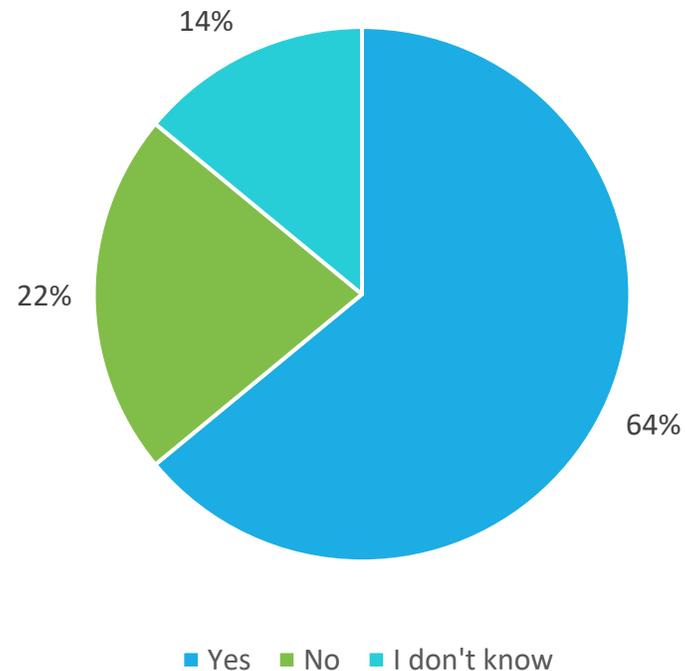
- 73% of Asian Americans support the proposed mandate of private sector workers, compared to 55% of Hispanic, 51% of white, and 50% of Black respondents.
- 59% of those earning \$100,000 to \$150,000 per year support the mandate, compared to 45% of those earning less than \$25K.
- 84% of Democrat voters support a mandate, compared to 41% of Independents and 24% of Republicans.

COVID Vaccine Booster Shots

About two thirds say they would get a COVID booster shot

- 64% of general population respondents say they would get a COVID booster shot; among those currently vaccinated, that figure is 79%.
- 73% of Medicare beneficiary survey respondents say they would get a booster; of those already vaccinated that figure is 84%.

Would you get a COVID booster shot if it were recommended for you?



Support for COVID boosters would drop somewhat if shots become recurring

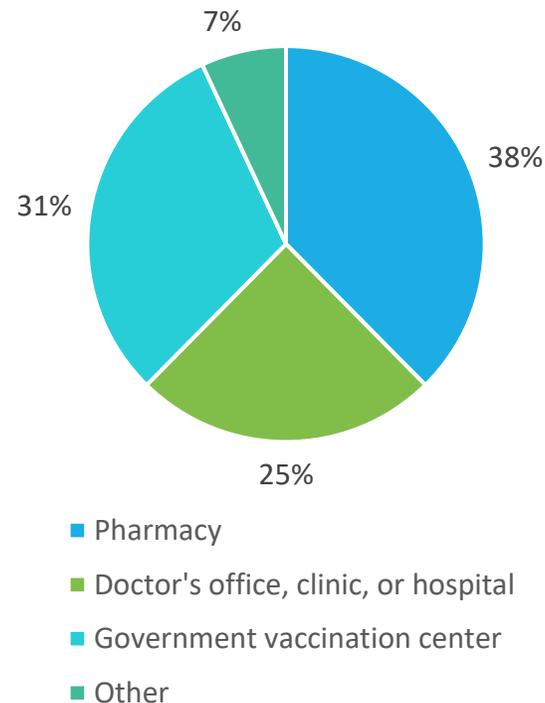
- 55% of general population respondents say they would receive annual or twice-annual COVID booster shots if it were recommended to do so.
- 62% of Medicare beneficiary survey respondents feel the same.

COVID Vaccination Choices

Most of the vaccinated got their COVID shots at a pharmacy or doctor's office

- 78% of eHealth's general population respondents say they have been vaccinated for COVID.
- Among these, 38% got their shots at a pharmacy.
- 25% got their shot at a doctor's office, clinic, or hospital.
- 31% say they got their shot at a government facility.
- 7% got their shot at some other location.

Where did you get your COVID vaccination?



Where the vaccinated got their shots differs by race; Medicare beneficiaries show little preference

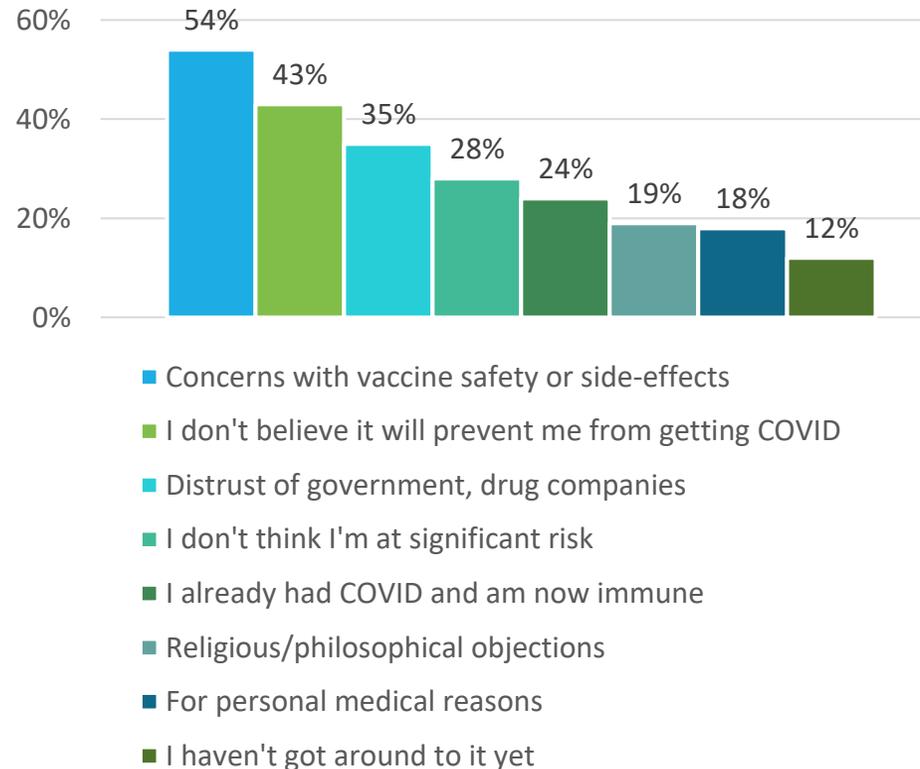
- 50% of Black respondents say they got their shots at a pharmacy, compared to 37% of white respondents.
- Medicare beneficiary survey respondents were almost equally likely to have got their shots at the pharmacy (30%), the doctor's office (28%), or through a government outlet (30%).

COVID Vaccination Choices (cont.)

Concerns about safety, efficacy, and distrust of authorities drive vaccine hesitancy

- Among general population survey respondents who are not vaccinated for COVID, 54% say they are concerned about safety.
- 43% say vaccinated people are still getting COVID, so they don't see the point in getting the shot.
- 35% cite distrust of government and drug companies.
- 28% don't believe themselves to be at significant risk from COVID.
- 24% say they've already had COVID and now consider themselves immune.

Why haven't you been vaccinated?



Reasons for going unvaccinated differ by politics, race, gender

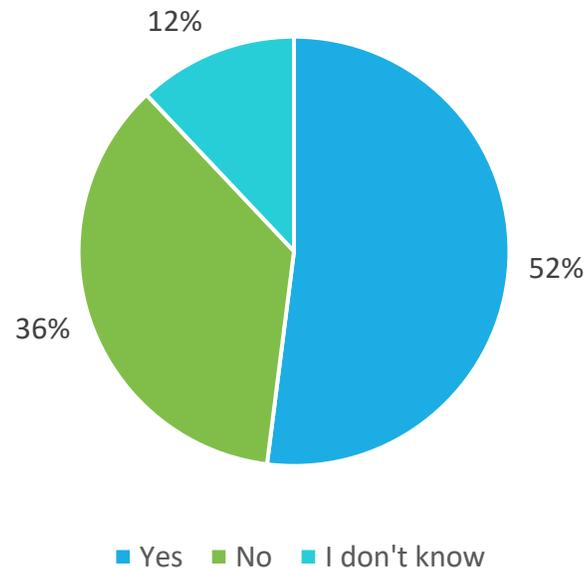
- Republican and Independent voters are more likely to cite efficacy as a concern than Democrats (50% and 48% vs. 22%, respectively).
- 29% of Black respondents say they've contracted COVID and are now immune, compared to 23% of whites.
- Among unvaccinated Medicare beneficiary survey respondents, men were more likely than women to cite concerns about safety (64% vs. 49%) and distrust of authorities (44% vs. 30%).

The Vaccinated vs. the Unvaccinated

About half say businesses should be able to refuse service to the unvaccinated

- 52% say that businesses open to the public should be free to refuse service to those not vaccinated for COVID.
- 36% say businesses should not be able to refuse service to people based on vaccination status.
- 12% are undecided.

Should restaurants, bars, movie theaters, stores, and other businesses be free to refuse service to those without proof of COVID vaccination?



Republican voters, lower-income earners, and Black Americans are least likely to support businesses denying service based on vaccination

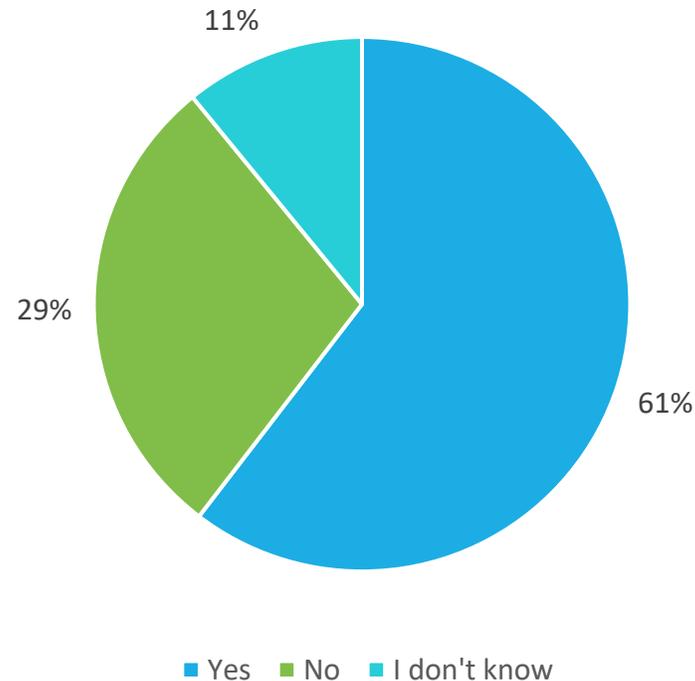
- Only 33% of Republican voters support the idea, compared to 76% of Democrats.
- 47% of people earning less than \$25,000 per year support the idea, compared to 61% of those earning between \$100,000 and \$150,000.
- 49% of Black respondents support the idea, compared to 52% of white, 55% of Hispanic, and 70% of Asian respondents.

The Vaccinated vs. the Unvaccinated (cont.)

Six in ten say all air travelers should be vaccinated before they can fly

- 61% say proof of COVID vaccination should be required for all air travelers.
- 29% disagree
- 11% are undecided.

Should proof of COVID vaccination be required for air travelers?



Democrat voters are much more likely than Independents and Republicans to support the idea

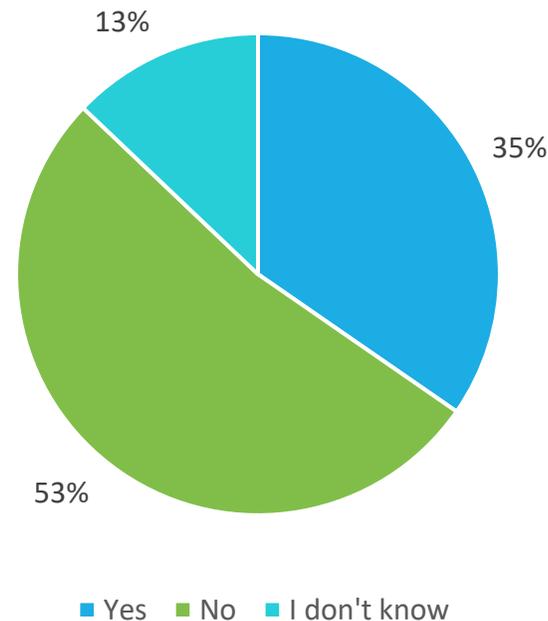
- 88% of Democrats feel that proof of COVID vaccination should be required for all air travelers.
- By contrast, only 53% of Independents and 36% of Republicans feel the same.

The Vaccinated vs. the Unvaccinated (cont.)

Most Americans disapprove of doctors and nurses refusing care to the unvaccinated

- 53% of respondents believe people unvaccinated for COVID should not face the possibility of being denied medical care based on their vaccination status.
- 35% feel that medical care providers should be free to refuse care to the unvaccinated.
- 13% are undecided.

Should doctors and nurses have the right to refuse medical care to people who are not vaccinated for COVID?



Asian Americans and Democrats diverge from others on denial of medical care to the unvaccinated

- 54% of Asian Americans say doctors and nurses should be free to deny care to the unvaccinated, compared to 32% of white, 36% of Black, and 40% of Hispanic respondents.
- Nearly half (47%) of Democrat voters would support the denial of medical care to the unvaccinated, compared to only 27% of Independents and 28% of Republicans.

The Vaccinated vs. the Unvaccinated (cont.)

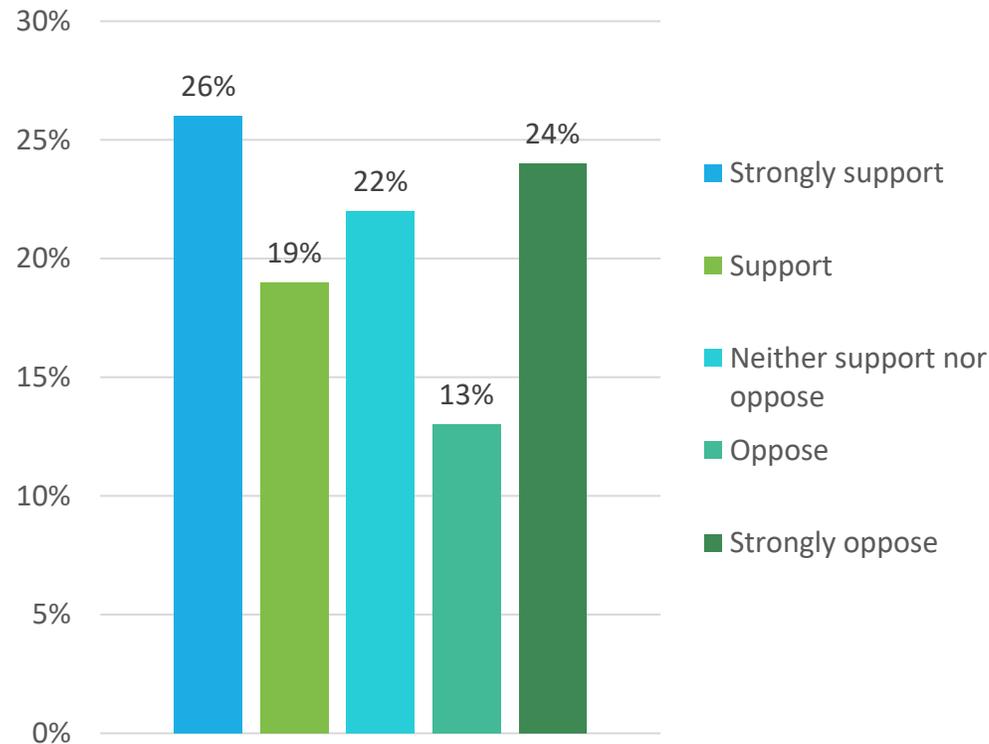
More would support than oppose higher insurance costs for the unvaccinated

- 45% support the idea of the unvaccinated paying more for health coverage.
- 37% do not support it.

Insurers are not exploring special surcharges or fees

- None of the insurers responding to eHealth's survey are currently exploring higher premiums or fees for the unvaccinated.
- In many cases, such additional fees may be illegal.

“People who are unvaccinated for COVID should be charged more for their health insurance coverage.”



Black Americans, Republicans, and low-income earners are least supportive of the idea

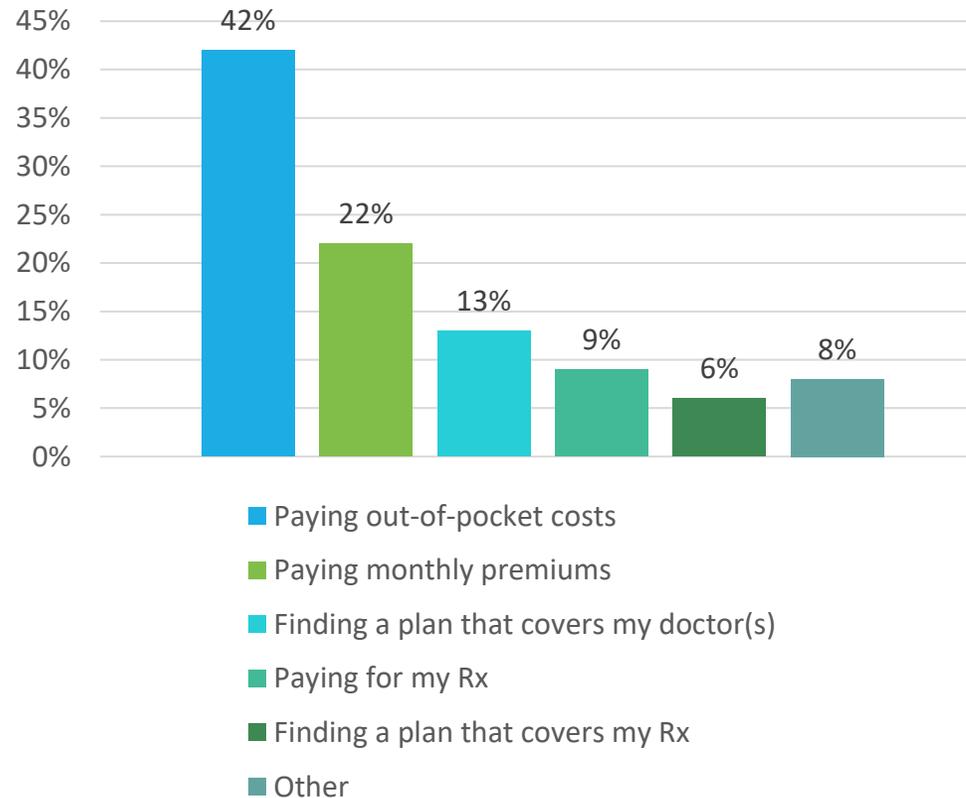
- Only 37% of Black respondents support the idea of charging the unvaccinated more for health insurance, compared to 45% of white, 50% of Hispanic, and 56% of Asian respondents.
- Only 31% of Republicans and 37% of Independents support the idea, compared to 67% of Democrats.
- Only 36% of those earning less than \$25K per year support the idea, compared to 55% of those earning between \$100,000 and \$150,000.

Health Insurance Enrollees' Top Concerns

Out-of-pocket costs are an increasing concern for many enrollees

- 42% of general population respondents say their biggest concern is paying out-of-pocket costs when they receive medical care, up from 33% in eHealth's May 2021 report.
- 22% say their top concern is paying monthly premiums, compared to 27% in May.
- 13% say their top concern is finding a plan that covers their preferred doctors.
- 9% cite paying for their prescription drugs.

What's your biggest concern about your health coverage?



Medicare beneficiaries are more concerned about doctor networks than paying premiums

- Among Medicare beneficiary survey respondents, the top concern is the same: 39% cite paying out-of-pocket costs.
- However, the second most popular concern is finding a plan that covers their preferred medical providers (17%), followed by paying premiums (14%) and paying for prescription drugs (13%).

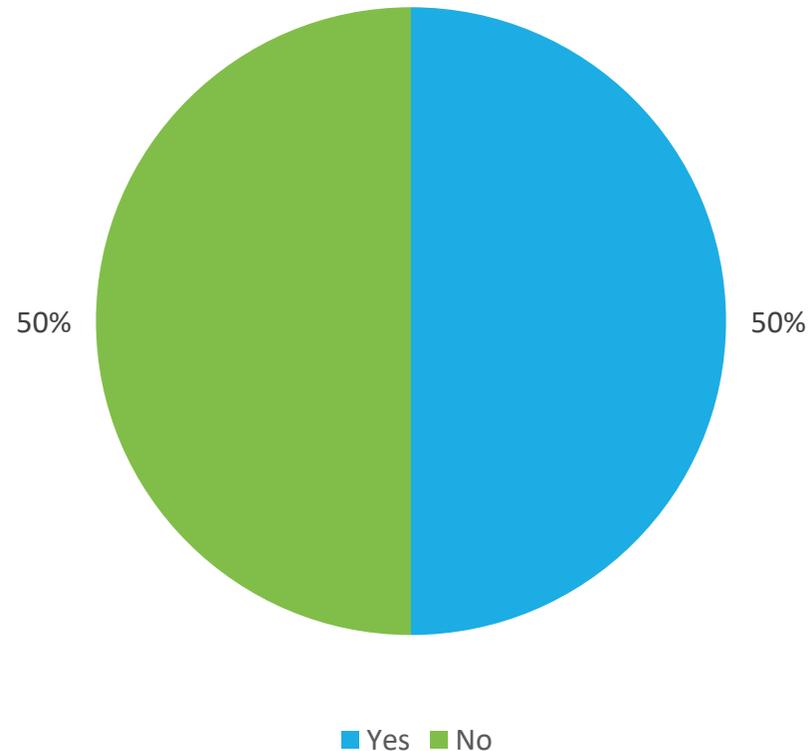
Surprise Medical Bills

Half had surprise medical bills in the past year alone; many misunderstand their health plan benefits

- 50% of general population respondents say they've had a surprise medical bill in the past 12 months alone.
- Of these, 38% say the bill was a surprise because they didn't realize there would be an out-of-pocket cost for their care, while an additional 38% say the out-of-pocket charge was higher than they had anticipated; 24% say the medical claim was incorrectly processed.

The federal No Surprises Act, designed to reduce surprise medical bills for many consumers, is due to take effect in 2022.

In the past year, have you had a surprise medical bill?



Women and minority consumers are more likely to have had surprise bills; Medicare beneficiaries are less likely

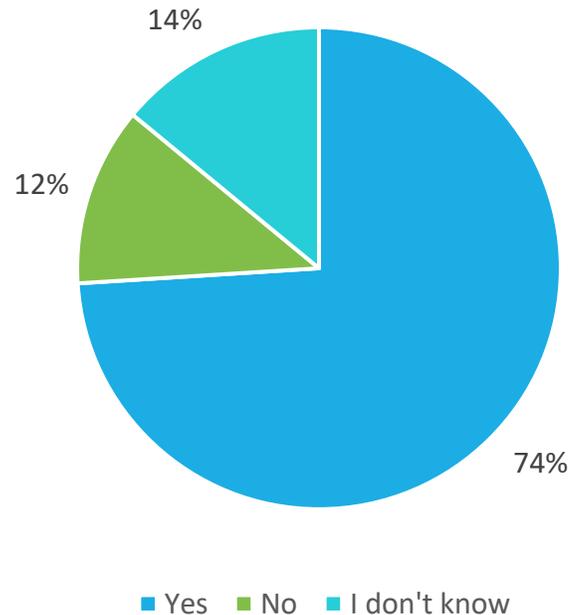
- 54% of women say they've had a surprise bill in the past year, compared to 45% of men.
- 60% of Hispanic American respondents say they've had a surprise bill in the past year, as have 56% of Black, 52% of Asian, and 46% of white respondents.
- Among Medicare beneficiary survey respondents, only 31% say they've had a surprise bill in the past year, with the oldest beneficiaries (age 80+) least likely to say they've had one (23%).

Prescription Drug Costs

Most Americans support direct government action to reduce the cost of prescription drugs

- 74% of general population respondents feel the federal government should directly negotiate with pharmaceutical companies to reduce the cost of prescription drugs.
- 12% would not support the federal government negotiating with drug companies to reduce costs.
- 14% are uncertain.

Should the Biden administration directly negotiate with drug companies to reduce costs?



Most Medicare beneficiaries support government action to reduce drug costs, regardless of party affiliation

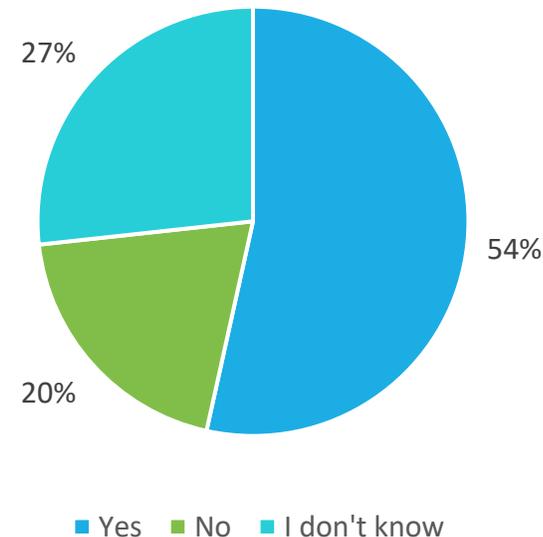
- 83% of Medicare beneficiary survey respondents support the federal government negotiating with drug companies to reduce prescription drug costs.
- Among Medicare beneficiaries, 93% of Democrats, 84% of Independents, and 73% of Republicans support government action on drug costs.

“Public Option” Health Insurance Coverage

About half would like to see a government-run health plan compete with private insurers

- 54% of general population respondents say they would support the establishment of a “public option” health plan to compete with private insurers.
- 20% would not support it.
- 27% are unsure.

Would you support the establishment of a “public option” health insurance plan to compete with private insurers?



Democrats are much more likely to support a public option health plan than Republicans and Independents

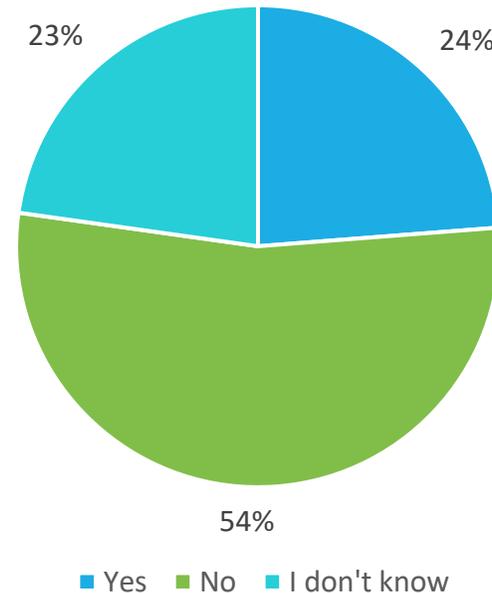
- 72% of Democrats say they support the establishment of a public option plan to compete with private insurers.
- 51% of Independents agree.
- Only 37% of Republican voters agree.

Shopping for Health Insurance Online

Most believe government should not hold a monopoly on health insurance enrollment

- 24% of general population respondents say government websites should be the only places to shop for and enroll in coverage.
- 54% disagree.
- 23% are unsure.

Should government-run online marketplaces be the only place to shop and enroll in health insurance?



Medicare beneficiaries are even more wary of enrollment solely through government websites

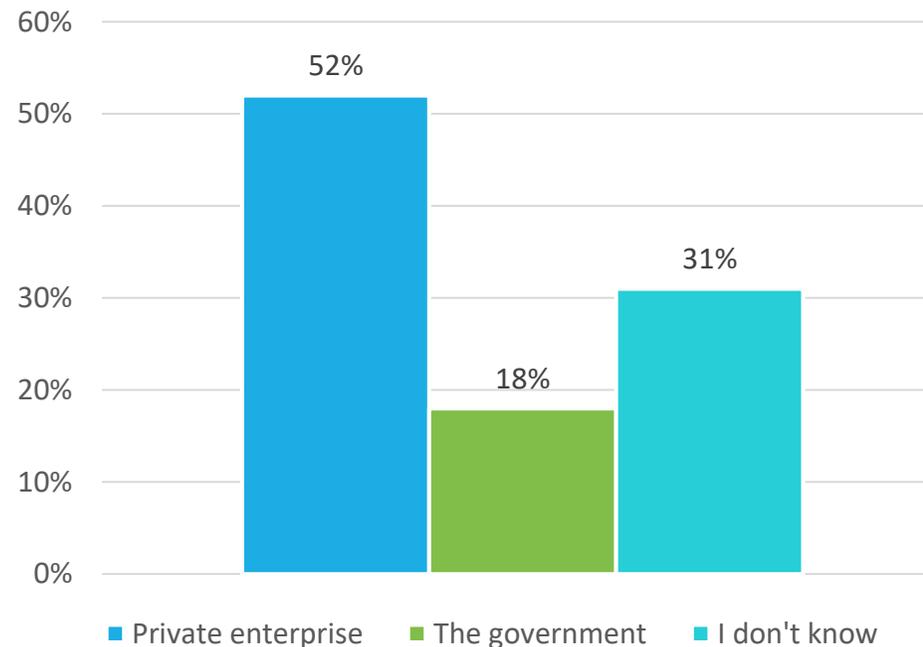
- Only 13% of Medicare beneficiaries say government websites should be the only places to shop for and enroll in coverage.
- 69% disagree.
- 17% are unsure.

Technology and Innovation in Health Care

Most consumers look to private enterprise for the best in technology and innovation

- More than half (52%) of general population respondents say private enterprise does a better job when it comes to technology and innovation in health care. (Among Medicare beneficiaries, that figure is 54%.)
- 18% feel that the government does a better job than private enterprise. (Among Medicare beneficiaries that figure is 11%.)
- 31% are uncertain. (Among Medicare beneficiaries that figure is 36%.)

When it comes to technology and innovation in health care today, who does a better job?



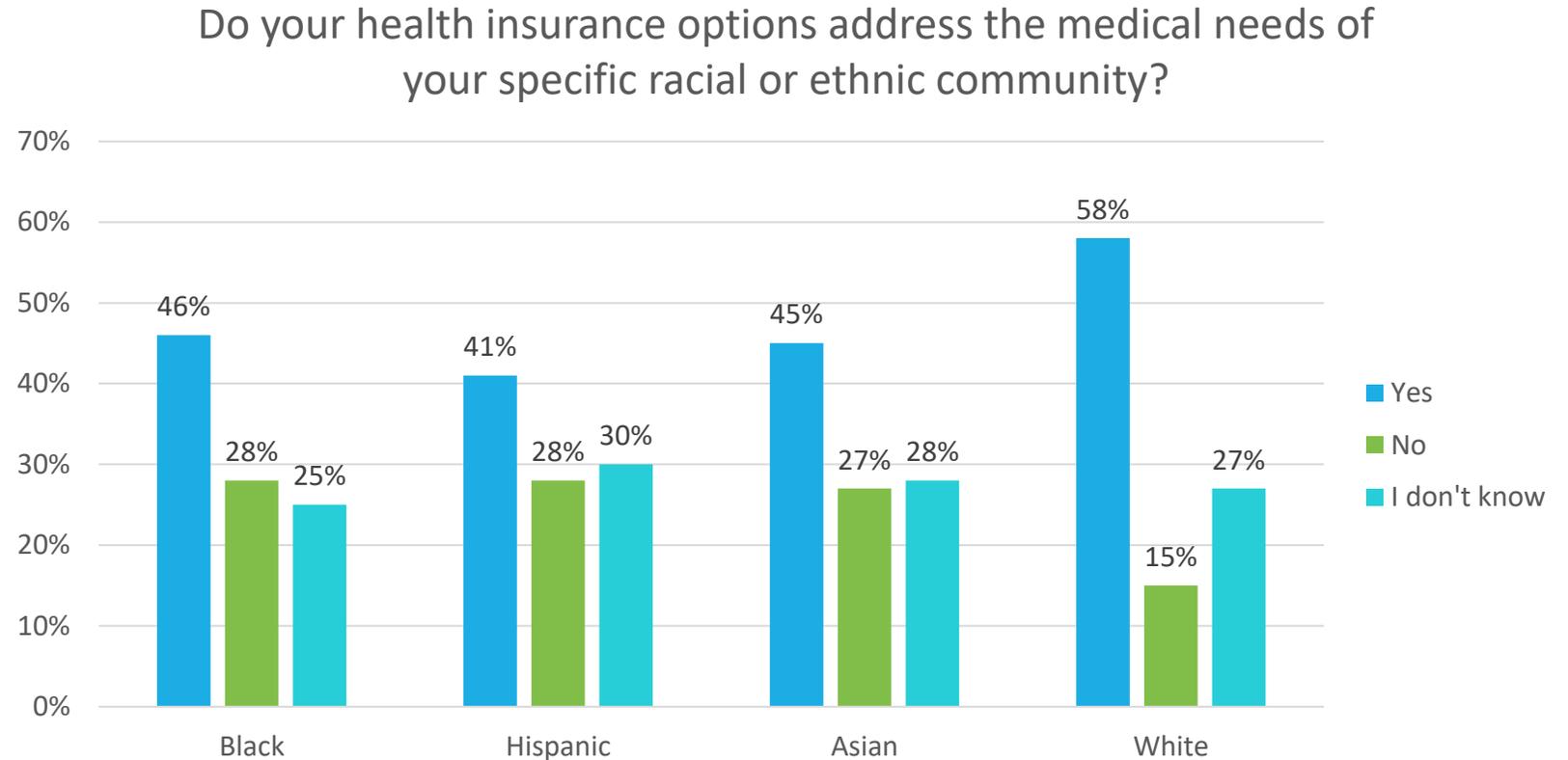
Republicans and Independents are more likely than Democrats to look to private enterprise for innovation in health care

- Majorities of both Republicans (70%) and Independents (57%) say private enterprise does a better job with technology and innovation in health care.
- By contrast, only 42% of Democratic voters feel the same way.

Health Coverage and Racial/Ethnic Medical Considerations

Hispanic Americans are least likely to feel their health coverage options are suited to their needs

- Only 41% of Hispanic respondents feel their coverage options address their specific ethnic or racial medical considerations.
- 45% of Asian Americans and 46% of Black Americans feel the same.
- 58% of white Americans feel their coverage options match their needs.



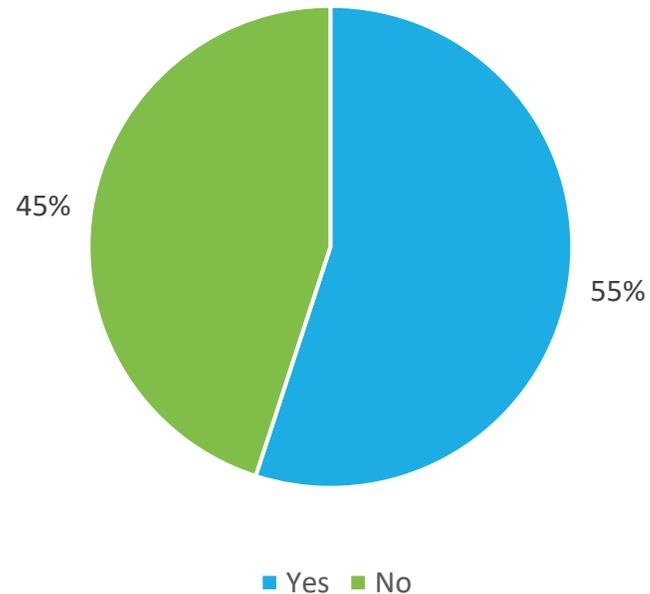
Findings from Our Survey of Health Insurance Companies

Insurer Costs and COVID-Related Care

More than half of insurers say pay-outs have increased due to COVID, but increases are modest

- 55% say they are paying out more toward member medical care as a result of the pandemic.
- Among these, all say their pay-outs have increased 10% or less.

Are you paying out more toward member medical care as a result of the pandemic?



More than a third of insurers have already reduced, or plan to reduce, voluntarily-expanded coverage for COVID-related services

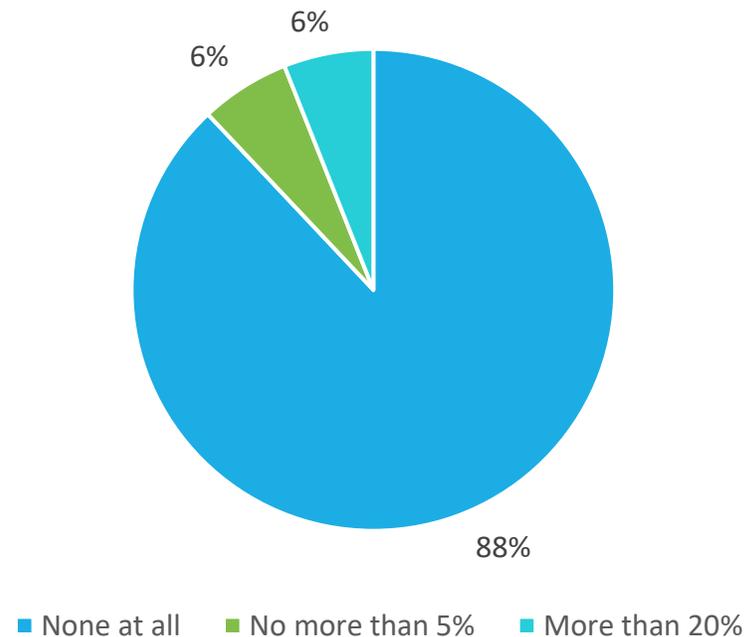
- Early in the pandemic, many insurers voluntarily boosted coverage or waived costs for COVID tests and treatment.
- 38% of insurers say they have already reduced such voluntary measures or intend to do so.

The Pandemic's Impact on Premiums and Provider Networks

Most insurers do not anticipate raising rates as a result of the COVID pandemic

- Almost nine in ten insurer respondents (88%) say they do not anticipate raising rates at all as a result of the pandemic.
- 6% indicated they may raise rates up to 5% because of the COVID crisis.
- Another 6% say they may raise rates more than 20%.

How much, if any, do you anticipate raising premiums as a direct result of the COVID pandemic?



Nearly four in ten insurers signal concerns about medical staffing shortages in the wake of COVID

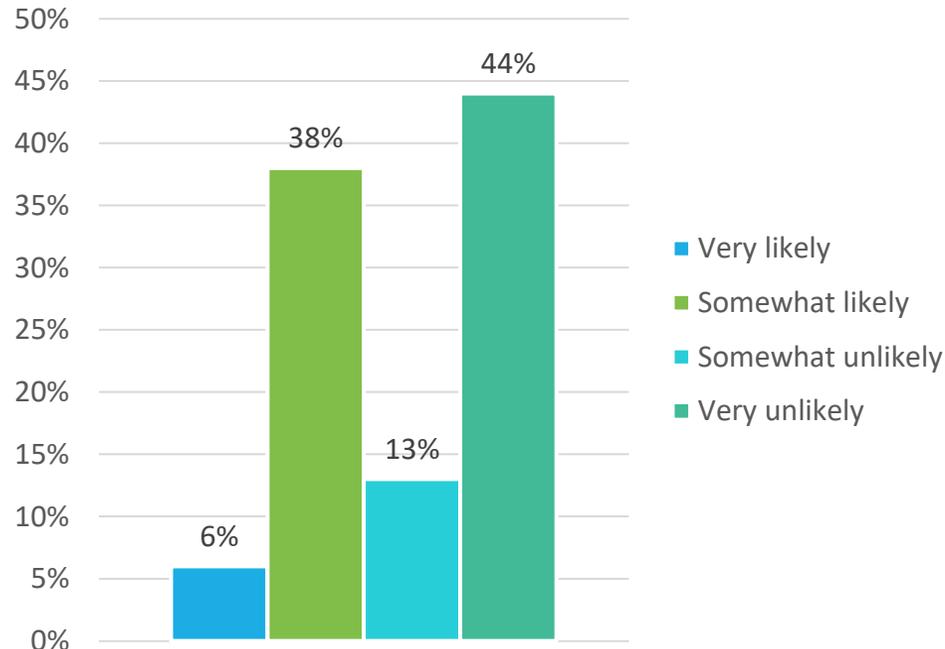
- 38% of insurer respondents say they are concerned about staffing shortages among their provider networks resulting from the COVID crisis or vaccine requirements for health care workers.

The Impact of COVID on Health Plan Benefits

Most insurers (57%) are unlikely to change plan benefits as a result of the pandemic

- 6% say they are “very likely” to alter plan benefits as a result of the pandemic.
- 38% say they are “somewhat likely” to alter benefits.
- 13% say they are “somewhat unlikely” to make benefits changes.
- 44% say they are “very unlikely” to make benefit changes.

How likely are you to make changes to benefits as a result of the pandemic?



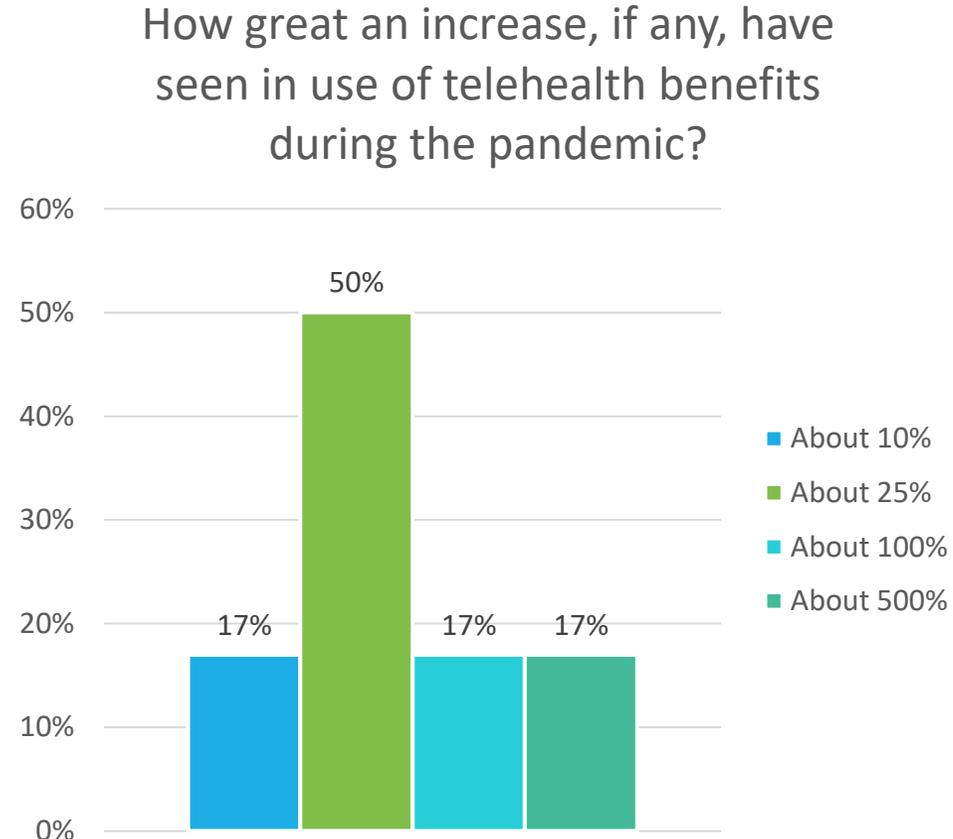
Potential changes could impact telehealth, at-home care, meal delivery, and mental health benefits

- Among those who say changes are likely, all (100%) cite telehealth coverage as a benefit that may be adjusted.
- 57% suggest changes may be made to at-home medical care benefits.
- 43% cite their meal delivery or nutritional benefits.
- 29% cite their mental health benefits.

Utilization of Telehealth & Mental Health Benefits

All insurance company respondents reported an increase in member utilization of telehealth benefits

- 17% report an increase in telehealth utilization of about 10%.
- 50% report an increase in telehealth utilization of about 25%.
- 17% report an increase in utilization of about 100%.
- Another 17% report an increase of about 500%.



Most insurers report an increase in utilization of mental health benefits as well

- 67% report an increase in use of mental health benefits of about 10%.
- 17% report a 25% increase.
- 17% report no increase in use of mental health benefits.

Methodology

Findings presented in this report are based on voluntary surveys conducted by eHealth of consumers age 18+ and health insurance company representatives. The surveys were conducted between October 12 and October 25, 2021, and more than 6,400 responses were collected. These include the collection of 2,208 responses from a general population audience sample obtained through a third-party vendor; the collection of 4,276 responses from Medicare beneficiaries who purchased a Medicare insurance plan through eHealth; and the collection of 16 responses from insurance industry representatives working for health insurance companies with whom eHealth has a relationship. Except where otherwise indicated, findings presented are taken from among respondents in the general population audience. Findings illustrating sentiments expressed by Medicare beneficiaries are taken from respondents from the Medicare beneficiary audience rather than from a subset of the general population audience. Insurers invited to participate in eHealth's survey provide health insurance coverage for more than 100 million Americans, by eHealth's estimate. Party affiliation of respondents is based on survey participants voluntarily identifying themselves as more likely to vote for candidates from either the Democratic or Republican parties; those identifying themselves as equally likely to vote for candidates of either major party are classified for the purposes of this report as Independents. Within this report, percentages have been rounded to the nearest full percentage point and may add to slightly more or less than 100% due to rounding.

About eHealth

eHealth, Inc. (NASDAQ: EHTH) operates a leading health insurance marketplace at eHealth.com and eHealthMedicare.com with technology that provides consumers with health insurance enrollment solutions. Since 1997, we have connected more than 8 million members with quality, affordable health insurance, Medicare options, and ancillary plans. Our proprietary marketplace offers Medicare Advantage, Medicare Supplement, Medicare Part D prescription drug, individual, family, small business and other plans from over 200 health insurance carriers across fifty states and the District of Columbia.