

# Medicare AEP Half-Time Report

November 2021

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## Introduction

eHealth's **Medicare AEP Half-Time Report** provides a snapshot of costs, trends, and consumer sentiments midway through Medicare's Annual Enrollment Period (AEP). Several reputable organizations produce analyses of new Medicare plans and costs each year. eHealth's reports are different. Rather than publish another analysis of "on the shelf" prices and plan offerings, eHealth looks at the coverage choices Medicare beneficiaries are actively making for themselves.

This year's Medicare AEP Half-Time Report presents an analysis of average premiums and plan selection trends among Medicare beneficiaries shopping at eHealth between October 15 (the beginning of AEP) and November 8, 2021. The Annual Enrollment Period for 2022 coverage is scheduled to end December 7, 2021.

Paired with this cost and trend data, eHealth has also included results from a recent survey of more than 4,200 Medicare beneficiaries who purchased Medicare Advantage, Medicare Part D, or Medicare Supplement plans through eHealth. Some of the survey findings presented here were first published in eHealth's November 4, 2021 **Health Insurance Trends** report, but fresh analyses have been conducted to draw a more focused picture of Medicare beneficiaries' opinions and concerns as they examine their coverage options for the coming year.

Refer to the Highlights below for an executive summary of our findings, and to the Methodology Note for additional information on the data provided in this report.

## Highlights

**Medicare Advantage and Part D plan premiums remain stable while Medicare Supplement costs increase:** eHealth data shows that premiums for Medicare Advantage and stand-alone Part D plans are almost unchanged from last year, while average premiums for Medicare Supplement plans have increased by 8%.

**Medicare Advantage enrollees are drawn to \$0 premium plans:** While \$0 premium plans account for approximately 59% of all Medicare Advantage plans available for 2022\*, they account for 88% of all Medicare Advantage plans selected at eHealth during the first half of the current Annual Enrollment Period.

**Medicare Advantage and Medicare Supplement enrollees differ on price concerns:** Medicare Supplement enrollees are more likely than Medicare Advantage enrollees to cite monthly premiums as a top concern, while Medicare Advantage enrollees are more likely than Medicare Supplement enrollees to cite out-of-pocket costs.

**Support for expanding Medicare access has dropped in the past six months:** 46% of Medicare beneficiaries say the program should remain primarily for people age 65 and older, compared to only 24% in the second quarter of 2021; 19% of new survey respondents say Medicare should be expanded to cover all Americans, compared to 28% in the second quarter.

**Most want Medicare to cover dental, vision and hearing, but cost is a big concern:** 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 increase their costs.

**Across the political spectrum, Medicare beneficiaries want action on drug costs:** Among Medicare beneficiaries, 93% of Democrats, 84% of Independents, and 73% of Republicans support government action on drug costs.

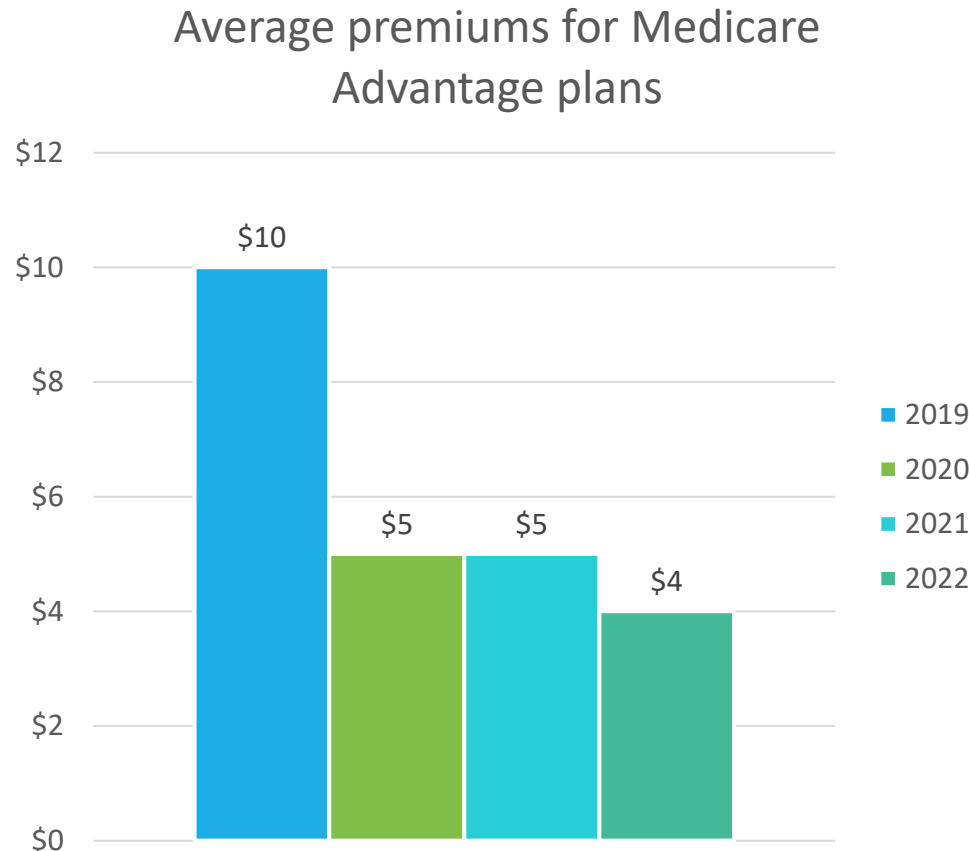
\*Source: <https://www.kff.org/medicare/issue-brief/medicare-advantage-2022-spotlight-first-look/>

# Medicare Cost and Plan Selection Data

## Medicare Advantage Plans

### Medicare Advantage premiums show continued stability, slight decrease

- \$4 is the average monthly premium for Medicare Advantage plans selected by eHealth customers in the first half of Medicare's Annual Enrollment Period (AEP) for 2022 coverage.
- Average premiums in the same period were \$5 for 2021 and 2020 coverage, and \$10 for 2019.
- Low average premiums are due in part to the increasing popularity of \$0 premium Medicare Advantage plans.



### Medicare beneficiaries are drawn to \$0 premium Medicare Advantage plans

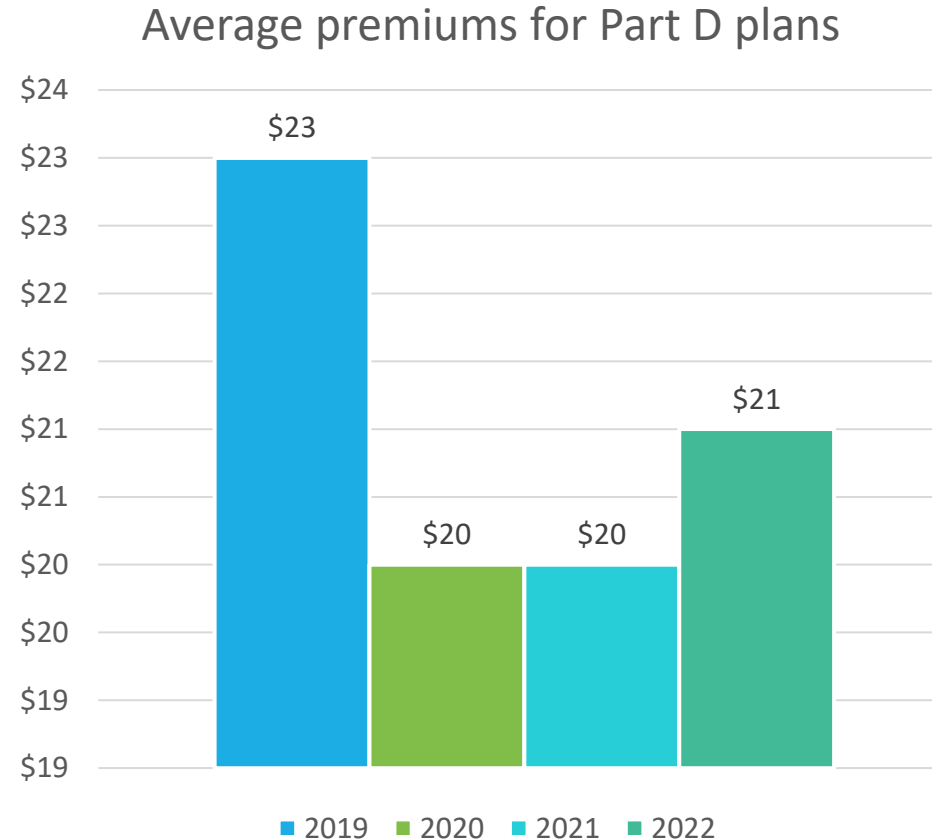
- 88% of all Medicare Advantage plans selected by eHealth customers in the first half of AEP are \$0 premium plans.
- By comparison, \$0 premium plans accounted for 86% of selections for the same period for 2021 coverage, 83% for 2020 and 76% for 2019.
- According to the Kaiser Family Foundation\*, 59% of all Medicare Advantage plans available for 2022 have a \$0 premium.

\*Source: <https://www.kff.org/medicare/issue-brief/medicare-advantage-2022-spotlight-first-look/>

## Medicare Part D Plans

### Premiums remain stable for Medicare Part D drug plans

- \$21 is the average monthly premium for Medicare Part D plans selected by eHealth customers in the first half of Medicare's Annual Enrollment Period for 2022 coverage.
- \$20 was the average premium over the same period for 2020 and 2021 coverage.
- \$23 was the average premium in the same period for 2019 coverage.



These findings are limited to stand-alone Part D prescription drug plans.

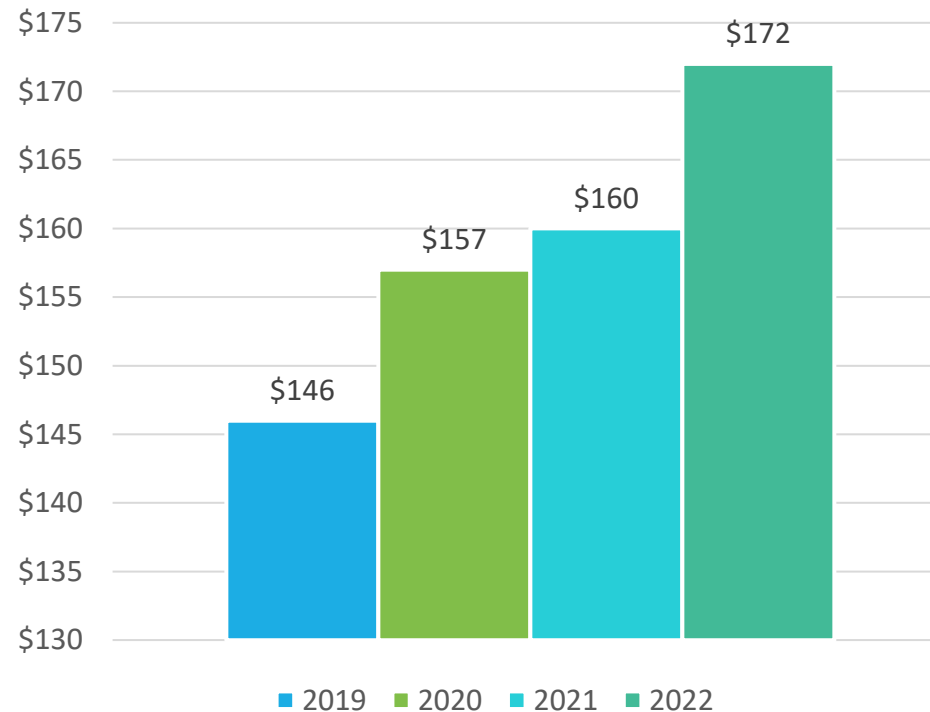
Most Medicare Advantage plans available also provide prescription drug coverage.

## Medicare Supplement Plans

Medicare Supplement premiums show an average increase of 8 percent

- \$172 is the average monthly premium for Medicare Supplement plans selected by eHealth customers in the first half of Medicare’s Annual Enrollment Period for 2022, an increase of 8% from the year prior (\$160).

Average premiums for Medicare Supplement plans



While eHealth includes a snapshot of costs for Medicare Supplement costs among plans selected by its customers during the Medicare Annual Enrollment period, enrollment in Medicare Supplement plans is not limited to the Annual Enrollment Period.



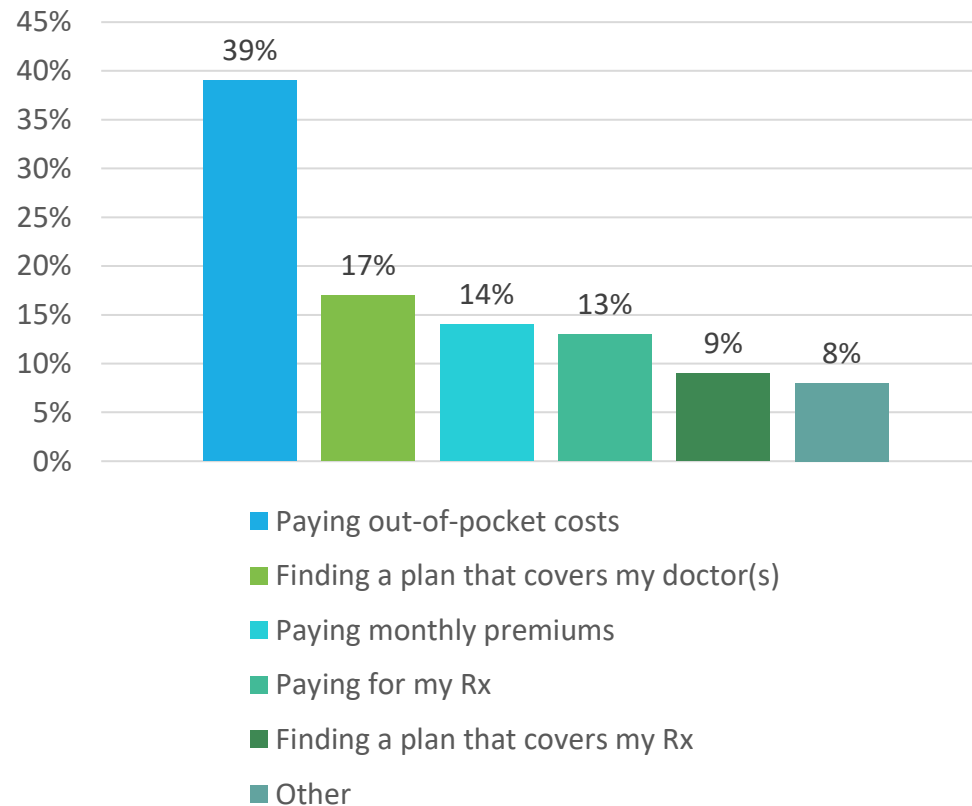
# Medicare Beneficiary Survey Findings

## Medicare Beneficiaries' Top Concerns

Out-of-pocket costs are the top concern, while concerns about doctor networks rate higher than premiums

- The top concern cited by Medicare beneficiaries is paying out-of-pocket medical costs (39% of respondents).
- 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%).

What's your biggest concern about your health coverage?



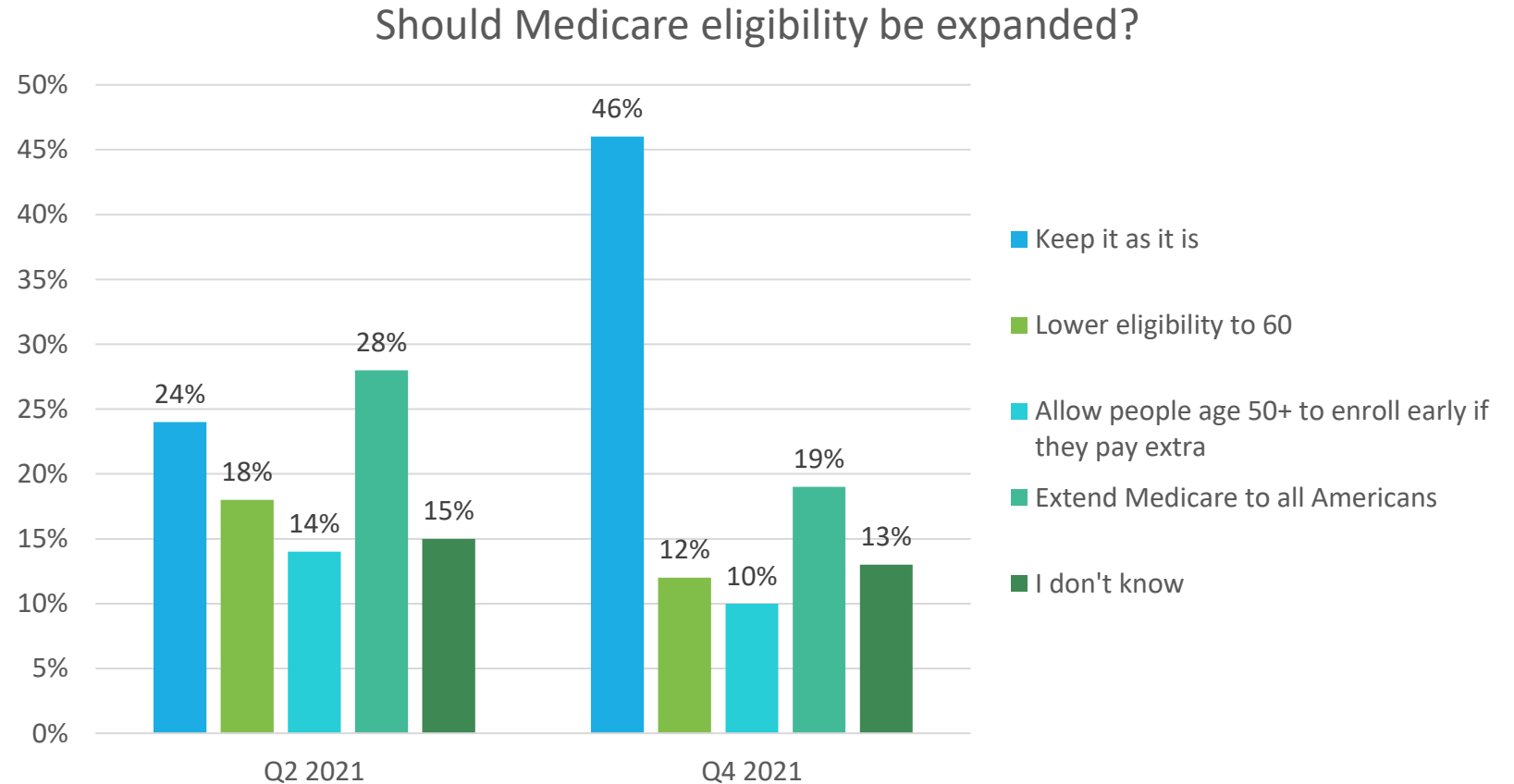
Medicare Advantage and Medicare Supplement enrollees differ on premiums and out-of-pocket costs

- Only 8% of Medicare Advantage enrollees cited monthly premiums as their top concern, compared to 21% of Medicare Supplement enrollees and 18% of Part D plan enrollees.
- By contrast, 44% of Medicare Advantage enrollees say their top concern is out-of-pocket costs, compared to 32% of Medicare Supplement plan enrollees and 34% of Part D plan enrollees.

## Expanding Access to the Medicare Program

### Trendlines show reduced support for expanding access to Medicare

- 46% of respondents to eHealth’s new (fourth quarter) survey say the program should remain primarily for people age 65 and older, compared to only 24% in the second quarter.
- 19% of new survey respondents say they support expanding Medicare access to all Americans, down from 28% in Q2.
- eHealth’s surveys also track decreased support for lowering the Medicare eligibility age.

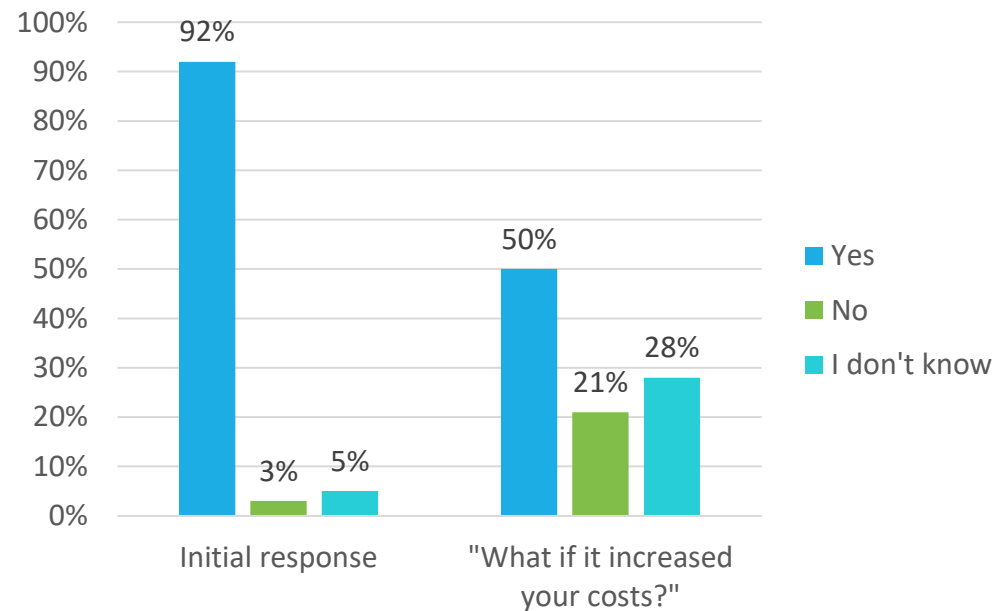


## Expanding Medicare Benefits

**Most beneficiaries support expanding Medicare, but many are wary of 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 benefits regardless of cost; Republicans and Independents are less sure**

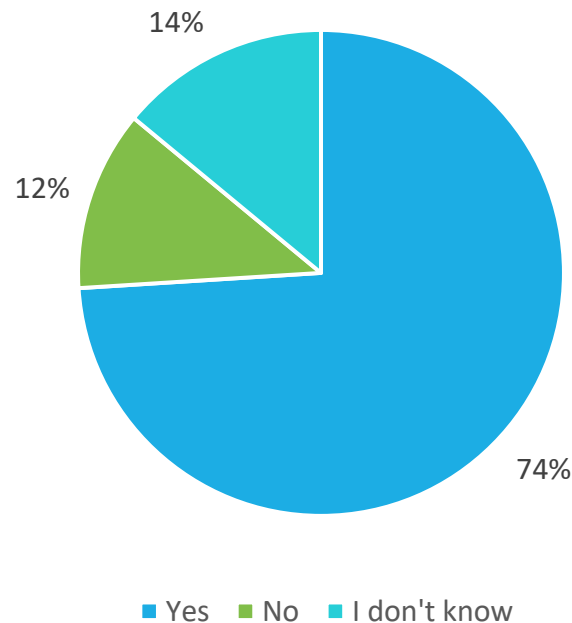
- 58% of Medicare beneficiaries who are Democrat voters support expanding Medicare benefits even if it added to their costs.
- By contrast, only 49% of Republicans and 49% of Independents feel the same.

### Most Medicare beneficiaries support government action to reduce drug costs

- 83% of respondents would like to see the federal government directly negotiate with drug companies to reduce prescription drug costs.

## Prescription Drug Costs

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



### There is strong support for government action on drug costs across the political spectrum

- Among Medicare beneficiaries, 93% of Democrats, 84% of Independents, and 73% of Republicans support government action on drug costs.

## Methodology Note

Cost and plan selection data presented in this report are based on Medicare health insurance plans selected by Medicare beneficiaries at eHealth during the first half of Medicare's Annual Enrollment Period for 2022 coverage, between October 15 and November 8, 2021. Comparisons are drawn with data from prior years that has been previously published by eHealth, covering approximately the same time period.

Survey findings presented in this report are based on a voluntary survey of 4,276 Medicare beneficiaries who had previously purchased a Medicare health insurance plan through eHealth. The survey was conducted between October 12 and October 25, 2021. Some of the survey data presented in this report was included in eHealth's Health Insurance Trends report published on November 4, 2021. Comparisons to eHealth's second quarter 2021 survey of Medicare beneficiaries are drawn from eHealth Health Insurance Trends report published on May 26, 2021. For the purposes of the survey, 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.

All dollar values within this report have been rounded to the nearest full dollar; percentages have been rounded to the nearest full percentage point and may add to slightly more or less than 100% due to rounding.

No information relevant to eHealth's financial performance should be drawn from this report. Like 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

eHealth, Inc. (NASDAQ: EHTH) operates a leading health insurance marketplace at [eHealth.com](http://eHealth.com) and [eHealthMedicare.com](http://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.