

Health Insurance Trends

May 2021

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Introduction

Hundreds of millions of Americans have felt the impact of the COVID-19 pandemic, not only in their personal lives but also in how they interact with health care. As the pandemic winds down, the health care market approaches a turning point in its digital transformation and is entering a promising new era: health care delivery is expanding online, new technologies are unleashing innovation, and there is a fresh vitality in the Medicare and Affordable Care Act (ACA) markets that could lead to significant expansions.

This report, eHealth's inaugural edition of its new biannual signature research series, presents an analysis of survey responses and first-hand interviews collected from more than 4,700 consumers and more than two dozen insurer representatives across three megatrends that dominate the health care market today: COVID-19, Technology and Innovation, and Public Policy Reforms.

- **COVID-19 and other major issues today** – How will life be different after the pandemic? How do consumers feel about vaccination requirements? What kind of action should be taken on drug costs? How many experience surprise medical bills, and what's behind the surprise?
- **Technology and Innovation** – Where do consumers look for innovation when it comes to health care? Are they willing to share personal medical information to optimize their coverage and care? How do insurance companies expect the use of digital medical services to shape the future of coverage?
- **Public Policy Reforms** – After more than a year of the pandemic, how do people feel about proposals to expand access to Medicare or strengthen the Affordable Care Act?

For more information, refer to the Methodology section at the end of this report.

Highlights

ON COVID, VACCINES AND SURPRISE BILLS

- **Most (54%) say COVID vaccination should not be required by law**, but a similar figure (53%) say proof of vaccination should be required for all air travel, domestic and international.
- **69% say they've had a surprise medical bill**, but among these 67% say the bill was a surprise because they didn't understand how their coverage worked. Among Medicare beneficiaries, fewer (54%) report having a surprise medical bill in the past.
- **After the pandemic is over, half (51%) are less likely to go on a cruise**, while about a third are less likely to attend a concert (36%), go to a movie theater (35%), travel by plane (34%) or eat at a restaurant (33%).

ON THE INTERSECTION OF TECHNOLOGY AND HEALTH CARE

- **54% say they would opt to share their personal medical claims history with a licensed agent** if it helped them find a better health plan for their personal needs and budget; 59% of Medicare beneficiaries feel the same.
- **49% say private enterprise does a better job than government when it comes to health care innovation**, while 20% say government is better; those figures are 53% and 14%, respectively, among Medicare beneficiaries.

ON PUBLIC POLICY ISSUES

- **60% favor expanding access to Medicare in some form**, whether that means making Medicare available to all Americans (28%), lowering the eligibility age to 60 (18%), or allowing adults age 50+ to buy in early (14%).
- **49% say Medicare should continue to be run through public/private cooperation** between government and insurers; only 16% feel government alone should run the Medicare program.
- **74% say the federal government should directly negotiate with drug makers to lower costs**; among Medicare beneficiaries, 86% feel the same.

INSIGHTS FROM INSURERS

- **52% of insurers say they do not anticipate raising rates due to the COVID pandemic**; 39% do anticipate raising rates, but no more than 5%.
- **33% are likely to make changes to plan benefits** as a result of the pandemic, with 86% of those saying changes are likely to their telehealth and mental health benefits.
- **55% report a 50% or greater increase in utilization of telehealth benefits** over the period before the pandemic; many report an increase in use of mental health benefits as well.

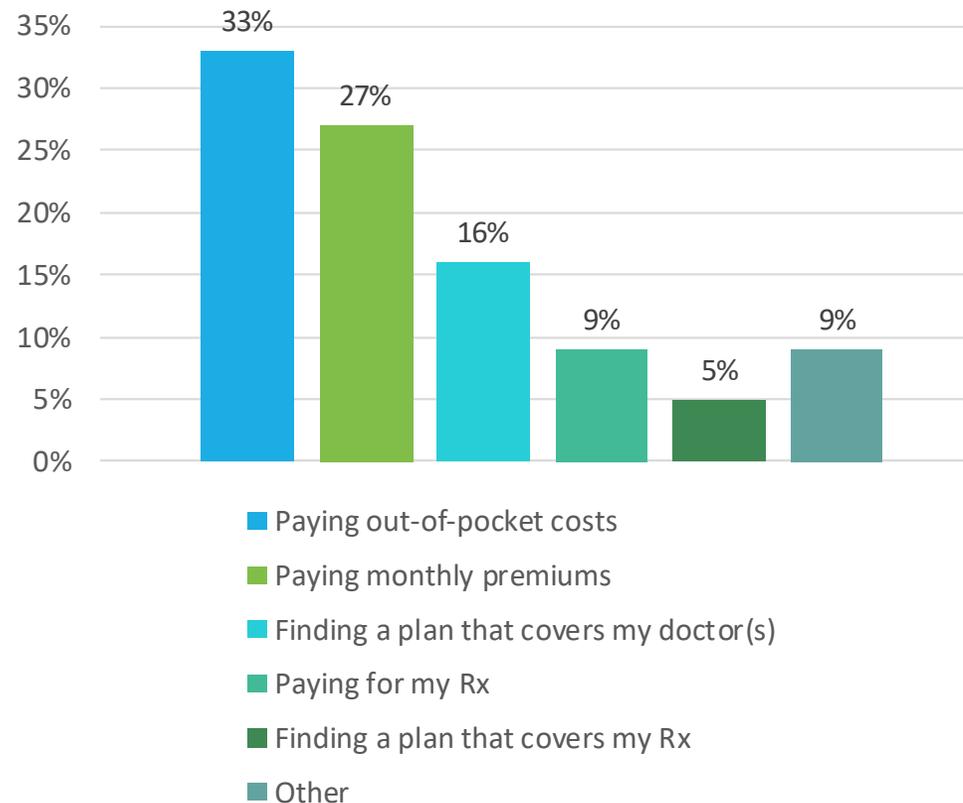
Findings from General Population and Medicare Beneficiary Audiences

Health Insurance Consumers' Biggest Concerns

More health insurance consumers worry about out-of-pocket costs than about monthly premiums

- A third of general population respondents (33%) say their top concern is paying their portion of the bill when they get medical care.
- A quarter (27%) say their top concern is paying monthly premiums to keep coverage in effect.
- 16% say their top concern is finding a plan that covers their preferred doctor.

What's your biggest concern about your health coverage?



Coverage type and age play a big role in shaping top concerns

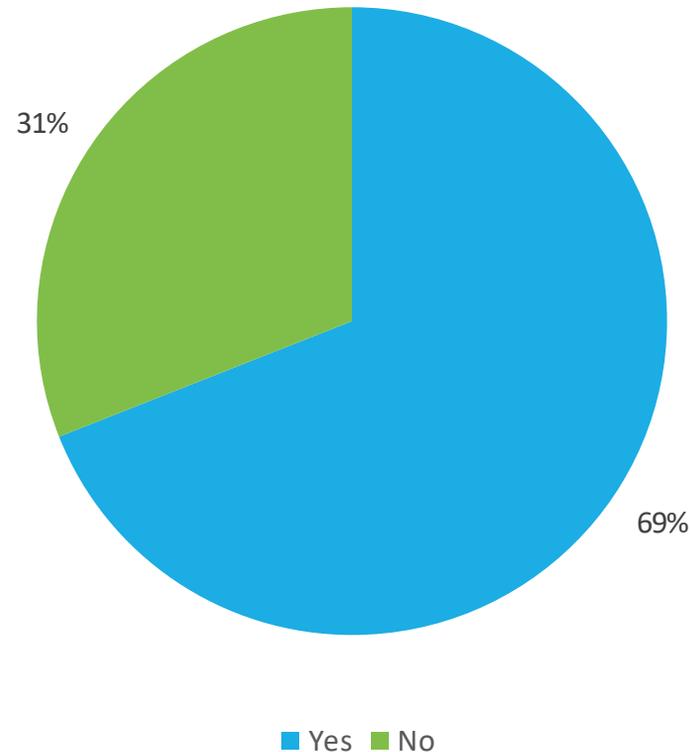
- 37% of those with ACA coverage cite premiums as their top concern, compared to 28% of those with employer-based coverage and 14% of those on Medicare.
- 42% of those age 18 to 24 cite concern about out-of-pocket costs for medical care, compared to 25% of those age 55 to 64.
- 13% of those age 65+ say paying for prescription drugs is their top concern, versus 7% of those age 18 to 24.

Surprise Medical Bills

Most report having had a surprise medical bill, but follow-up questions highlight the need for better consumer education about coverage

- Nearly seven in ten (69%) among general population respondents say they've had a surprise medical bill in the past.
- Of these, about two thirds (67%) say that, in the end, the bill was a “surprise” because they hadn't understood how their coverage worked; an additional 27% say the medical claim resulting in the surprise bill had been incorrectly processed by their insurer.

Have you ever had a surprise medical bill?



Medicare beneficiaries are less likely to have had a surprise medical bill, while the middle-aged are the most likely to report one

- Among respondents from our Medicare beneficiary audience, 54% say they had a surprise bill in the past, compared to 69% of our general population audience.
- General population respondents age 45 to 54 are those most likely to say they had a surprise medical bill (77%).

Snapshot: Medicare Consumer Perspective

"I'm on Medicare but I have good supplemental insurance, so I felt that I was sufficiently covered during the worst of the COVID months. I'm grateful for that. It did make me think about the ability to see a doctor during a pandemic. I had to put a lot of appointments on hold. This concerned me, but I felt if I had a true emergency I would be given good care.

"I really think the COVID crisis was handled fairly well here in New Jersey. My local hospital was at the epicenter of the pandemic. Luckily, I didn't need any treatment during this time but I did have a friend who had to go to the hospital and the facilities for non-COVID patients were very thorough.

"I thought that information released to the public was fair. That said, I did not think that they did a good job of handling people in long term care facilities. As the pandemic progressed, I did feel that more appropriate measures were taken.

"I think everyone should have access to health care. I also feel that the idea of co-pays for services should be eliminated. I do not think that someone should be able dictate where you go for treatment or which doctor you can see. Additionally, in my opinion, there should not be a wait time for procedures, or pre-approvals required."

~ Theresa K., age 72, New Jersey

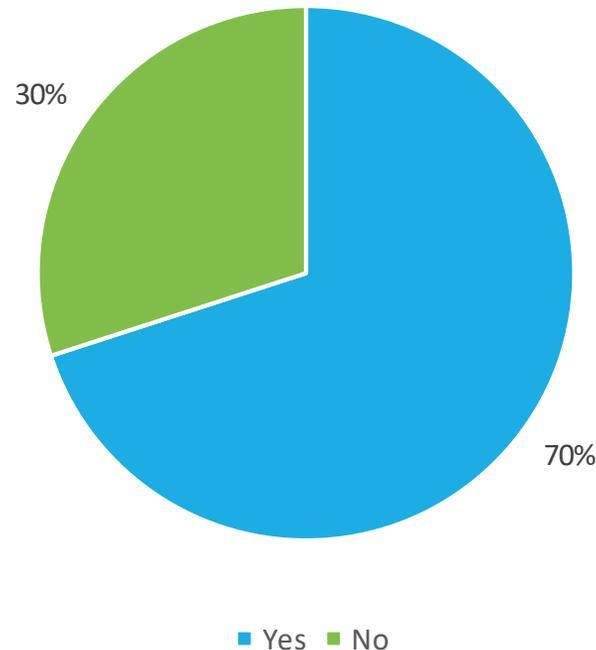
The opinions and thoughts expressed above are the interviewee's own and do not necessarily represent those of eHealth.

COVID Vaccination Choices

Seven in ten respondents have received at least one COVID vaccination – many are open to annual boosters

- 70% of general population respondents report receiving at least one COVID vaccination.
- 30% say they have not yet been vaccinated.
- 60% of general population respondents say they would get an annual COVID booster if it were recommended, as would 75% of Medicare beneficiaries.

Have you received at least one COVID vaccination?



Medicare beneficiaries were especially likely to have received a COVID vaccine

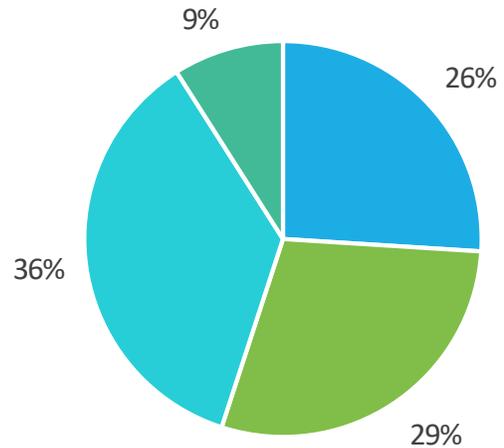
- Among Medicare beneficiaries, more than eight in ten (82%) report they have received at least one COVID vaccine shot.
- Respondents age 18 to 24 are the least likely to have received at least one COVID vaccination (61%).

COVID Vaccination Choices (cont.)

Most got their COVID shots elsewhere than at government vaccination facilities

- More than a third (36%) of vaccinated respondents say they got their shot at a government facility.
- 29% say they got their shot at a doctor's office, clinic, or hospital.
- 26% say they got their shot at a pharmacy.
- 9% got their vaccine at some other location.

Where did you get your COVID vaccination?



- Pharmacy
- Doctor's office, clinic, or hospital
- Government vaccination center
- Other

Older adults are more likely than young adults to receive their vaccinations at a government facility

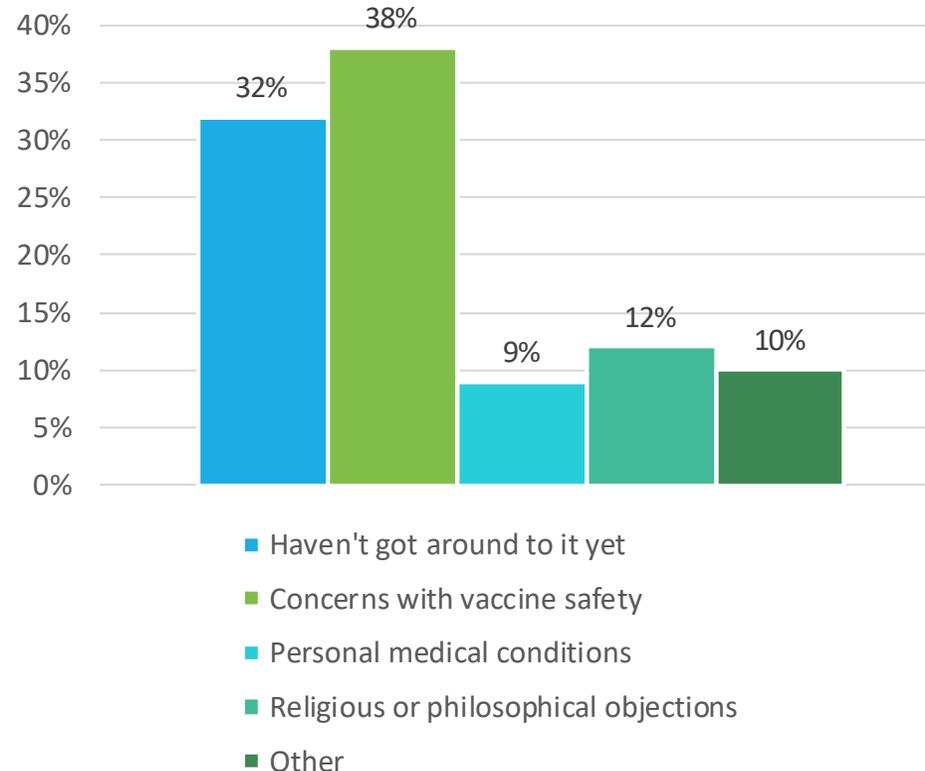
- 30% of respondents under age 35 were vaccinated at a pharmacy, compared to only 18% of respondents age 65 and older.
- 43% of respondents age 65 and older say they got their shot at a government facility, compared to 32% of those age 25 to 34.

COVID Vaccination Choices (cont.)

Concerns with vaccine safety are a big factor for the unvaccinated

- 32% of the unvaccinated say they still intend to be vaccinated.
- 38% do not intend to be vaccinated due to concerns about vaccine safety.
- 12% cite religious or philosophical objections to vaccination.
- 9% say they have a medical condition which prevents them from being vaccinated.

Why haven't you been vaccinated?



Political differences and age illustrate divide over vaccination

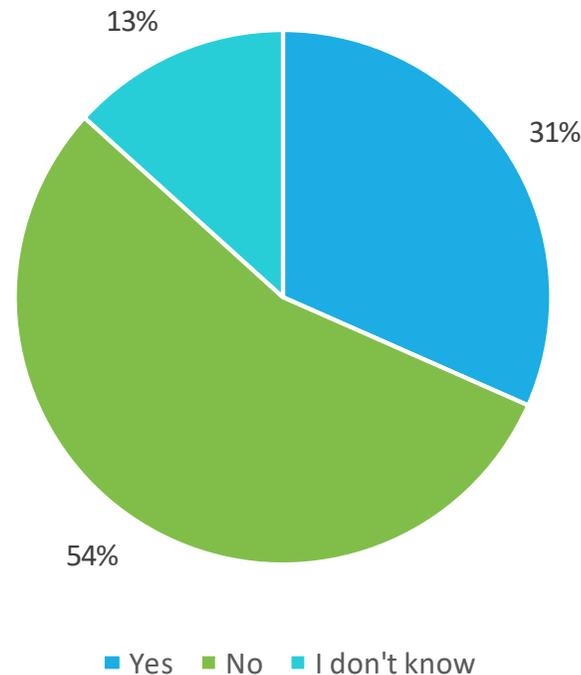
- 53% of Democratic voters who have not yet been vaccinated still intend to get the shot, compared to 19% of Republican voters.
- Unvaccinated people age 45 to 54 are most likely to cite religious or philosophical objections (17%), while people age 65 and older were least likely (7%).

COVID Vaccination Choices (cont.)

Democrats and Medicare-age adults are most likely to support legal requirements for vaccination

- 54% of general population respondents say the government should not require vaccination.
- Nearly half (49%) of Democratic voters support mandatory vaccination, compared to 16% of Republicans and 20% of Independents.
- 38% of Medicare beneficiaries support mandatory vaccination, compared to just 26% of those age 45 to 54.

Should COVID vaccination be required by law?



Most respondents support vaccination requirements for air travelers

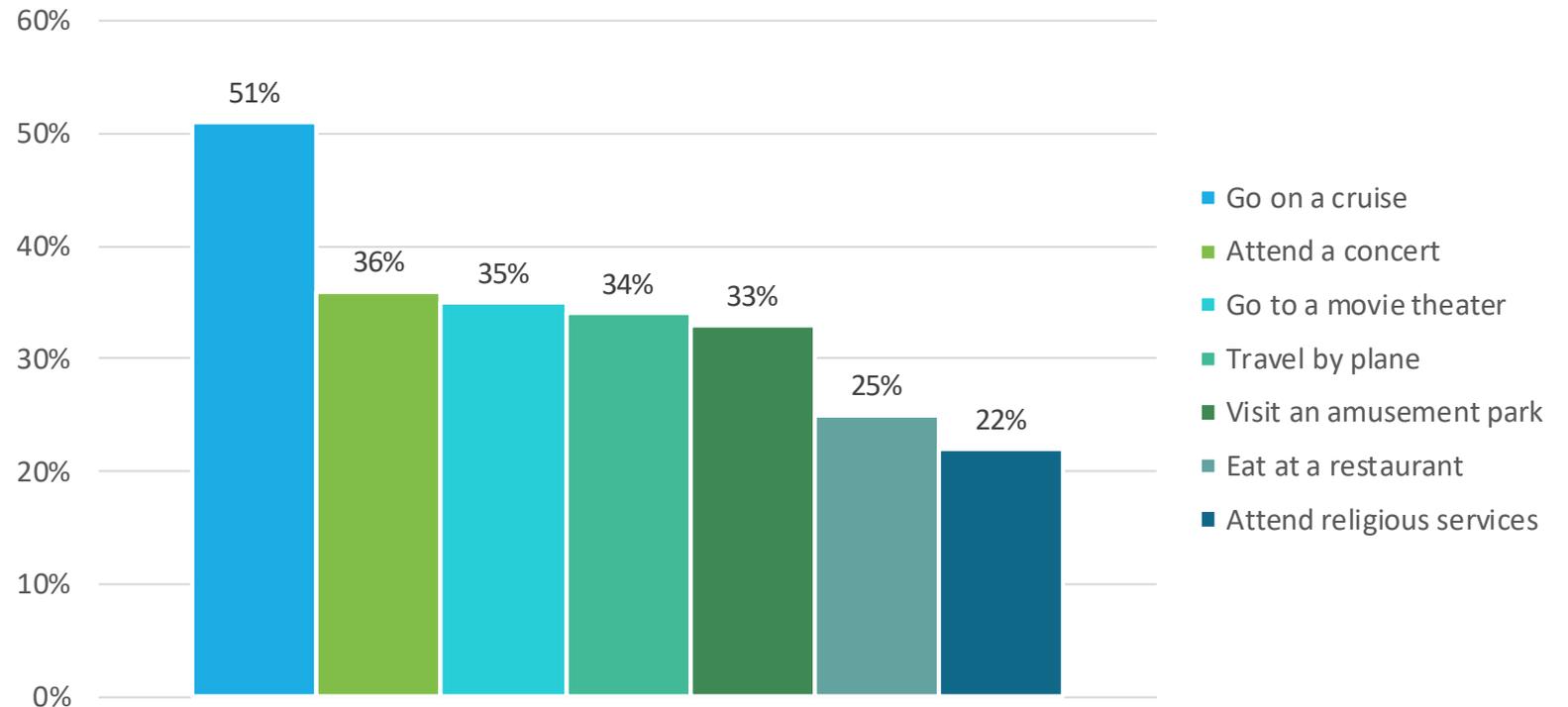
- 53% of general population respondents say proof of vaccination should be required for both domestic and international air travelers. About two thirds (67%) of Medicare beneficiaries agree.
- 16% of general population respondents say proof of vaccination should only apply to international air travelers.
- 31% say no proof of vaccination should be required for any air travel.

Expectations for Life After COVID

Many are likely to make lifestyle changes even after the pandemic is over

- 51% of general population respondents say they will be less likely to go on a cruise (among Medicare enrollees, that figure is 58%).
- About a third will be less likely to attend a music concert (36%), go to the movies (35%), travel by plane (34%) or visit an amusement park (33%).
- More than two in ten say they would be less likely to eat out (25%) or attend religious services (22%).

Which activities are you less likely to engage in after the pandemic is over?



Snapshot: Public Policy Perspective

“Our nation must accelerate progress on improving quality of care while reducing non-value-added costs. Most of the levers are in the hands of individuals, providers, and employers, but legislators and policy makers have a key role to play as well. They should use what we have learned in managing COVID-19 in the past 16 months to create new incentives to mitigate the negative effects of the social determinants of health; for example, by increasing access to synchronous and asynchronous web-based services, and utilizing the infrastructure created to deliver COVID testing and vaccination for other important health care services.

“In our lifetimes both the public and the private sectors will remain indispensable in the delivery of health care services. Instead of an agenda to eliminate one or the other, the focus should be on collaboration and cooperation in achieving the best outcomes, delivered as efficiently and compassionately as possible.

“My advice for the Biden Administration as they tackle the nation’s health care challenges is: Do not let the ‘perfect’ become the enemy of the good. There is a lot of ‘low-hanging fruit’ achievable today – especially with the increased application of information technologies and web-based strategies. And we must increase the incentives to rapidly raise the number of health care providers in preparation for the ‘Silver Tsunami’ (the aging of the Baby Boomers), which is already in progress. Let’s do that by training more Americans rather than by luring talented men and women from other countries where they are vitally needed.”

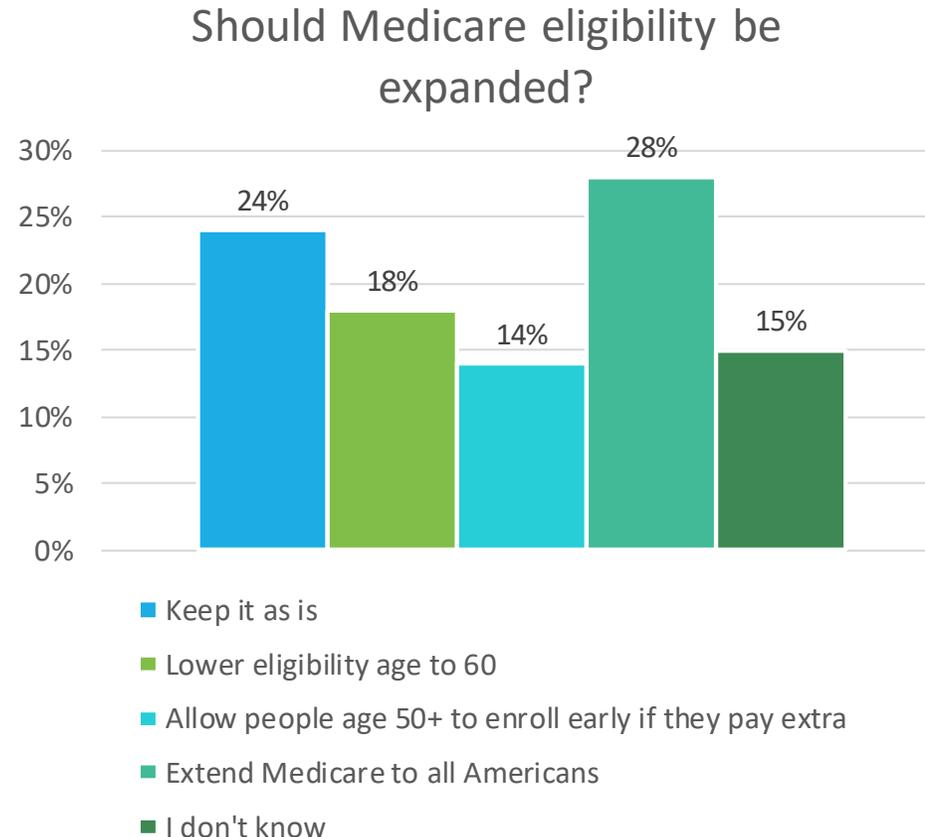
~ **Woodrow A. Myers Jr, M.D., former health commissioner for Indiana and New York City**

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The Future of the Medicare Program

Six in ten (60%) favor expanding Medicare in some form

- 28% of general population respondents favor expanding Medicare to cover all Americans.
- 18% favor lowering the standard Medicare eligibility age from 65 to 60.
- 14% say people age 50 and older should be able to enroll in Medicare early if they pay extra.



Current Medicare beneficiaries have a different take

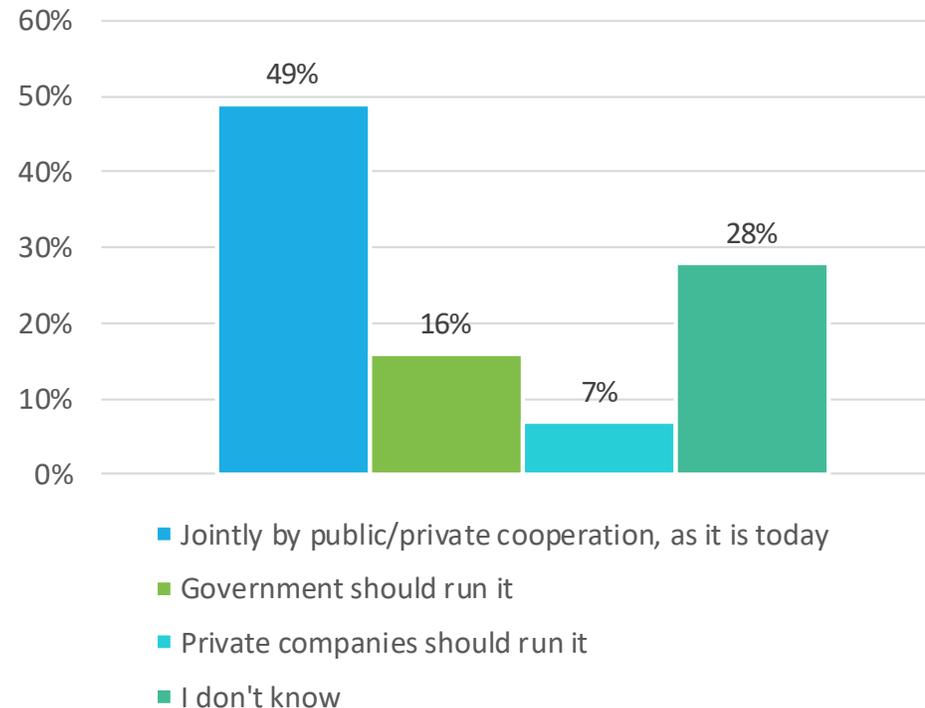
- 47% of current Medicare enrollees say the program should stay as-is, primarily for people age 65 and older. Only 24% of respondents from the general population audience feel the same.
- 21% of Medicare beneficiaries say Medicare should be expanded to cover all Americans.
- 13% favor lowering the eligibility age to 60; 10% would allow people age 50+ to pay to enroll early.

The Future of the Medicare Program (cont.)

Current beneficiaries favor a strong role for private enterprise in Medicare

- About half (49%) of Medicare beneficiary 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.
- 28% are unsure.

Who should run the Medicare program?*



Political differences correspond to different opinions on the future of Medicare

- Among general population survey respondents, 38% of Democrats favor allowing the government to run the Medicare program with no private sector cooperation, compared to only 13% of Republicans.
- 22% of Republicans favor allowing the private sector to run the Medicare program on its own, compared to only 4% of Democrats.

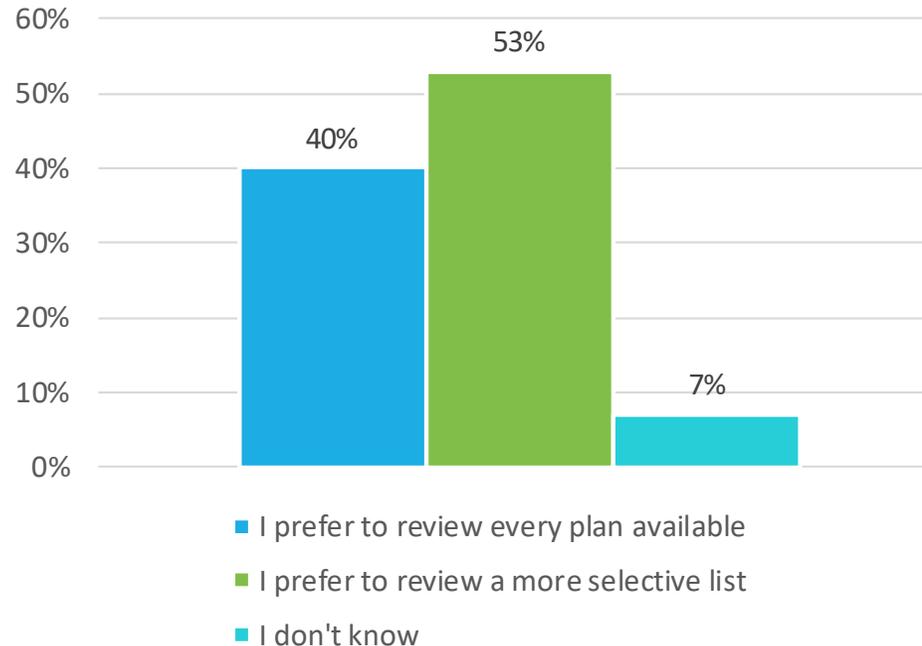
*This chart depicts responses from Medicare beneficiary respondents only.

Shopping for Medicare

Most Medicare beneficiaries want to select a plan from among a curated list of choices

- More than half (53%) say that when shopping for Medicare coverage they prefer to review choices from among a selective list of plan options.
- 40% say they prefer to review each and every Medicare plan option available to them in their area.
- 7% are uncertain.

Would you rather choose from among all available Medicare plans or a more selective set of options?*



Most Medicare beneficiaries are not dissuaded from working with a licensed agent, despite agents earning commissions

- 65% of Medicare beneficiary respondents say they are not bothered by the fact that a licensed agent or broker may earn a commission on sales.
- Licensed agents can provide personal help and advice to health insurance shoppers at no extra cost, since commission are already integrated into premiums.

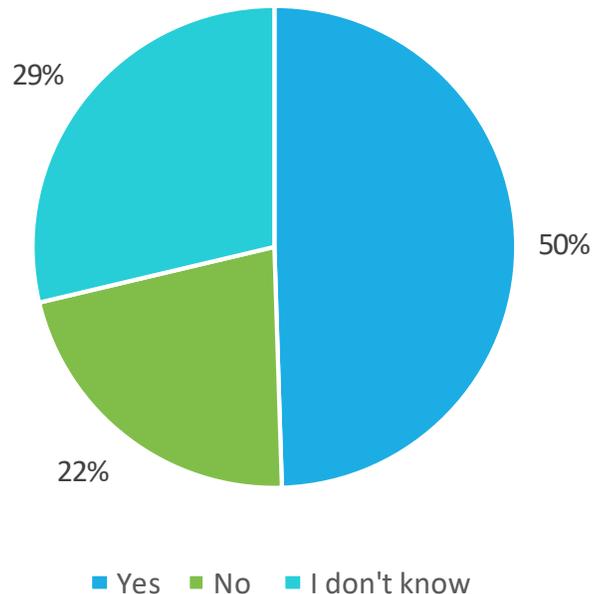
*This chart depicts responses from Medicare beneficiary respondents only.

The Future of the Affordable Care Act (ACA)

Half of Americans approve of more subsidy support for ACA plan enrollees

- Half (50%) of general population respondents say the temporary expansion of government-funded health insurance subsidies to lower the cost of coverage under the ACA should be made permanent.
- 22% feel the expansion of subsidies should not be made permanent; 29% are uncertain.

Should the Biden Administration's expansion of subsidies under the ACA be made permanent?



Proposal for automatic enrollment in ACA coverage gets lackluster support

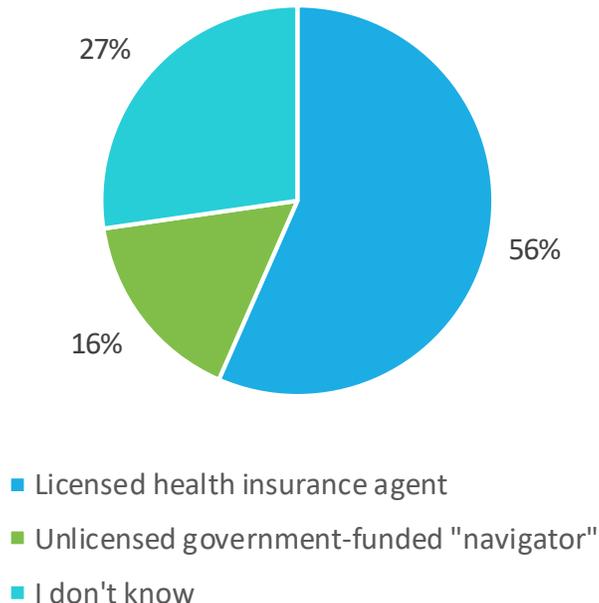
- Only 33% of general population respondents support proposals that would automatically enroll the uninsured into ACA health insurance plans.
- 44% say they would not support auto-enrollment in ACA coverage.
- 24% say they are unsure.

The Future of the Affordable Care Act (cont.)

Most express a higher level of trust in licensed agents than government navigators

- 56% of general population respondents say they would prefer to work with a licensed agent than an unlicensed navigator when enrolling in a health insurance plan.
- 16% say they would rather work with an unlicensed navigator.
- 27% are uncertain.

Who would you rather get assistance from if you were purchasing health insurance?



Republicans and people who buy their own health coverage are more likely to prefer working with a licensed agent

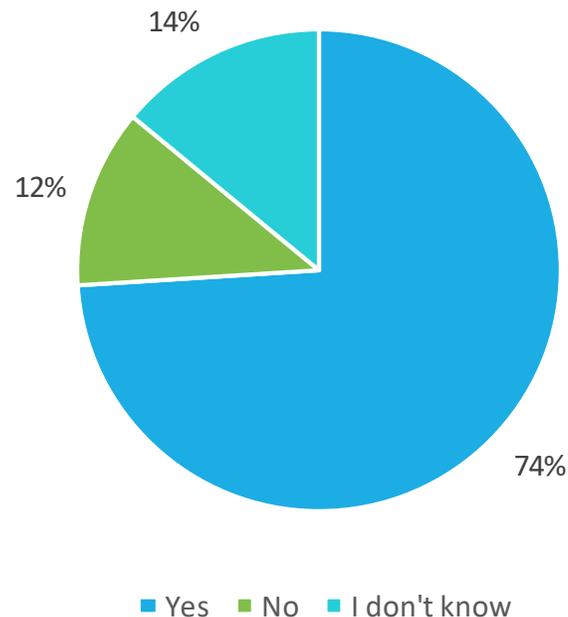
- 71% of Republican voters would rather work with a licensed agent, compared to 50% of Democratic voters.
- Two thirds (66%) of respondents who purchase their own health insurance say they would prefer working with a licensed agent than an unlicensed navigator.

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?



Medicare beneficiaries and Democrats are most likely to support government action on drug costs

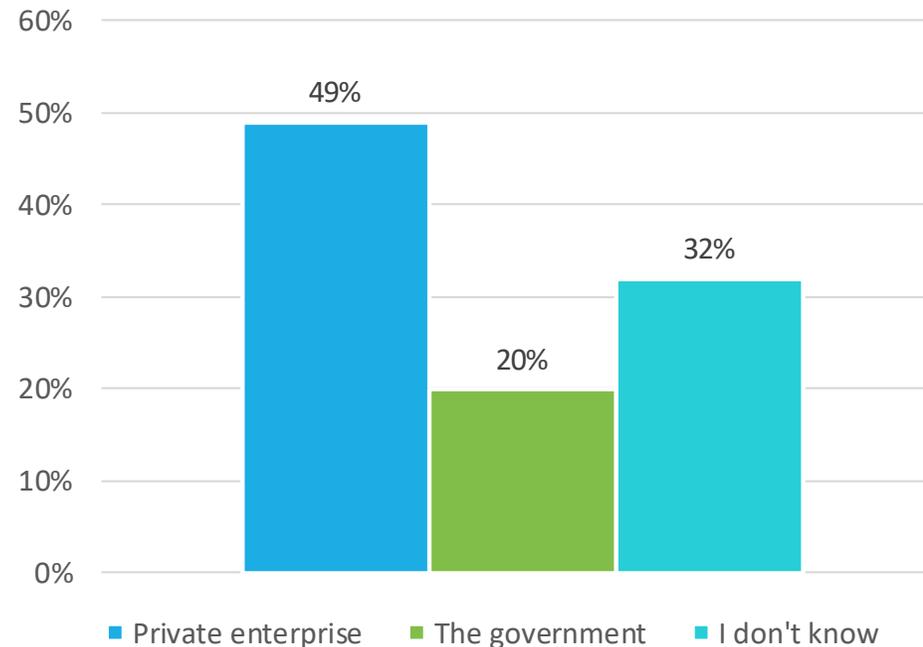
- 86% of Medicare beneficiaries support the federal government negotiating with drug companies to reduce prescription drug costs.
- 84% of Democratic voters support the federal government directly negotiating on costs with pharmaceutical companies, compared to 64% of Republicans.

Innovation in Health Care

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

- About half (49%) 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 53%.)
- 20% feel that the government does a better job than private enterprise. (Among Medicare beneficiaries that figure is 14%.)
- 32% are uncertain.

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

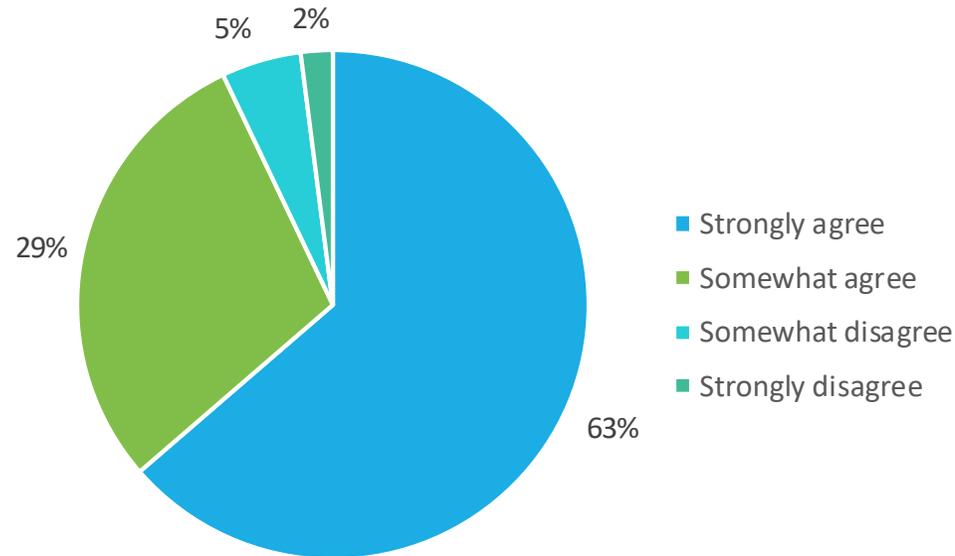
- Majorities of both Republicans (70%) and Independents (52%) say private enterprise does a better job with technology and innovation in health care.
- By contrast, only 37% of Democratic voters felt the same way; 29% of Democratic voters say government does a better job with health care technology and innovation.

Leveraging Medical Claims for Customized Care

Most consumers feel strongly that their medical claims history belongs to them

- Nearly two thirds (63%) of general population respondents strongly agree that they should be able to share their claims history with the individuals and institutions of their choice. (81% of Medicare beneficiaries feel the same.)
- An additional 29% say they “somewhat agree” with that statement.
- Only 7% express disagreement.

“My medical claims history belongs to me and I should be able to share it with whomever I want.”



Most consumers would opt to share their claims history with an agent if it helped them get better plan recommendations

- More than half (54%) of general population respondents say they would share their claims history with a licensed agent if it helped them find a more optimal plan for their personal needs and budget. (59% of Medicare beneficiaries felt the same.)
- 20% say they would not opt to share their claims history with an agent; 26% are uncertain.

Findings from Our Survey of Health Insurance Companies

Snapshot: Insurer Perspective

“COVID had an enormous impact on how Americans view the current health care landscape, and the public’s appetite for new solutions.

“The massive spike in unemployment caused many consumers to see what a difficult position they were in when they lost their group insurance through their employer and had to find other options on their own. Many jumped at the opportunity to obtain ACA-compliant coverage (especially those that were above the old subsidy lines but fall beneath the new ones). I think the pandemic will go down in history as possibly the single largest factor leading to the resurgence of the ACA market.

“It’s also led to an explosion in telehealth benefit utilization as suddenly the option to receive health care services from home became tangible for individuals that wanted to do everything in their power to avoid exposure to the virus. I think that this will continue to be a growing segment as many consumers who never would have considered utilizing it in the past now see the benefits. As technological advancements continue to improve the consumer experience, this option will become even more attractive.

“Finally, between the fallout from the pandemic and the current political leadership there appears to be a very good chance that the Medicare eligibility age is reduced. If/when that happens, it will have a big impact on the market as an entirely new demographic of individuals will be aging in at the same time.”

~ **Michael J. Zundel, National Director of Recruiting at UnitedHealthOne**

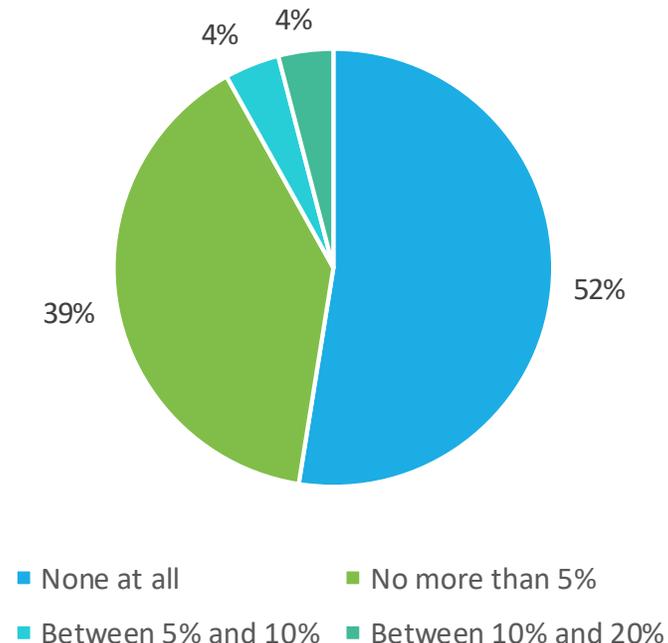
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The Pandemic's Impact on Premiums

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

- About half (52%) say they do not anticipate raising rates at all as a result of the pandemic.
- 39% say they do expect to raise rates as a result of the pandemic, but no more than 5%.
- 4% anticipate raising rates 5-10%; another 4% anticipate raising rates 10-20%.

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



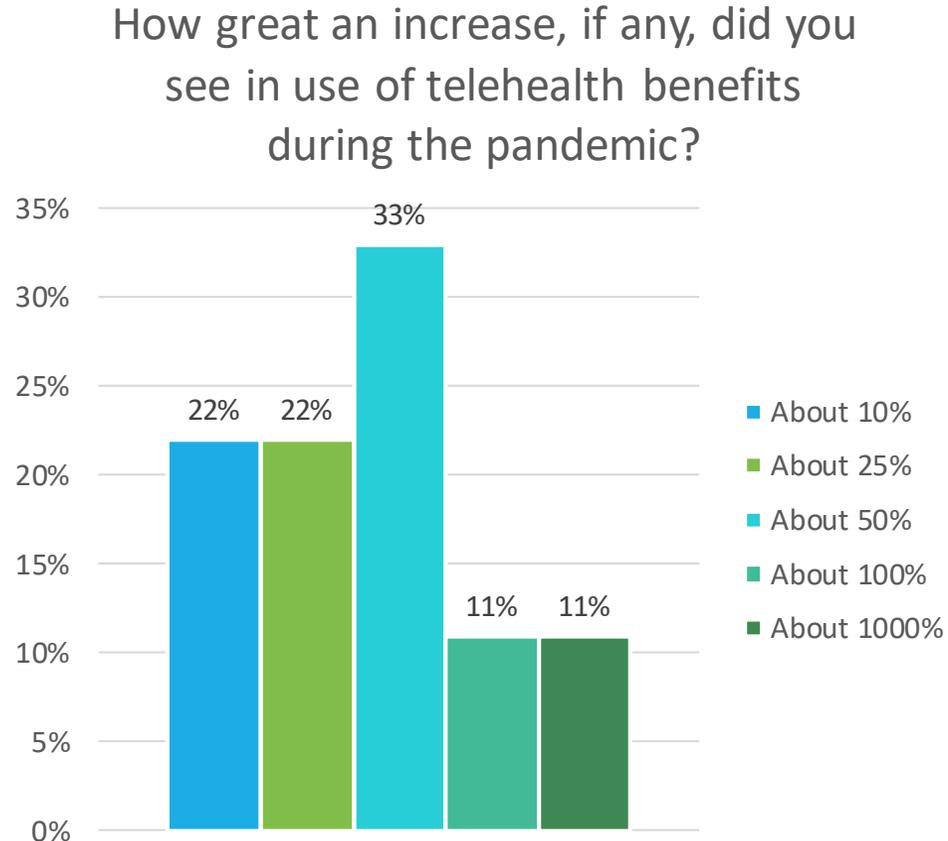
Some insurers plan to make changes to plan benefits as a result of the pandemic

- A third of insurers say they are either very likely (4%) or somewhat likely (29%) to make changes to plan benefits due to the COVID pandemic.
- Among these, 86% say any changes are likely to occur in their telehealth and mental health benefits; 43% say they may make changes to substance abuse benefits.

Utilization of Telehealth & Mental Health Benefits

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

- 22% report an increase in telehealth utilization of about 10%; another 22% report an increase of about 25%.
- 33% report an increase in telehealth utilization of 50%.
- 22% report an increase in telehealth utilization of about 100% or greater.



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

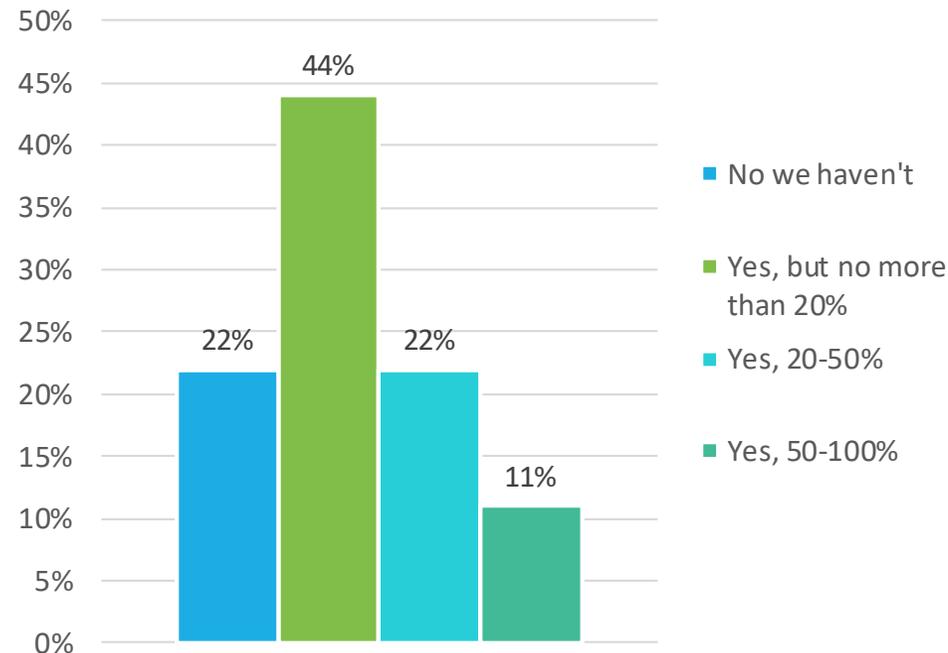
- 44% report an increase in use of mental health benefits of about 10%.
- 22% report an increase in use of mental health benefits of 25%.
- 11% report an increase in use of mental health benefits of about 100%.
- 22% report no increase in use of mental health benefits.

Delayed Care & Future Underwriting Risks

Most insurers report an increase in non-COVID care among members

- 44% of respondents say they've seen an increase in non-COVID care of 20% or less.
- 22% report an increase in non-COVID care of 20-50%.
- 11% report an increase in non-COVID care of 50-100%.
- 22% say they have seen no increase in non-COVID care among members.

Have you seen an increase in non-COVID care since the low point of the pandemic?



Many insurers are concerned about future underwriting risks resulting from the shut-down

- 50% of insurance company respondents express concern about the potential long-term underwriting risks associated with the economic shut-down, social distancing, and other restrictions on social life since the COVID pandemic began.

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 May 1 and May 13, 2021 and more than 4,700 responses were collected. These include the collection of 2,231 responses from a general population audience sample obtained through a third-party vendor at eHealth's direction; the collection of 2,575 responses from Medicare beneficiaries who purchased a Medicare insurance plan through eHealth; and the collection of 26 responses from insurance industry representatives working for health insurance companies with whom eHealth has a relationship. Unless 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 is based on respondents voluntarily identifying themselves as more likely to vote for candidates from either the Democratic or Republican parties; those reporting 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 180 health insurance carriers across fifty states and the District of Columbia.