



ACA Index Report on Unsubsidized Consumers

August 2021

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The ACA's Unsubsidized Population, 2014-2021: A Cautionary Tale

Published since 2014, eHealth's ACA Index Reports have focused exclusively on cost and plan selection trends among Affordable Care Act (ACA) consumers not receiving federal subsidies in the form of advanced premium tax credits. We often referred to these as the ACA's "overlooked" or "forgotten" enrollees: middle-income Americans just beyond the reach of subsidy assistance who were asked to pay monthly premiums that were often seriously financially burdensome or else risk going uninsured.

Things changed this year. The plight of the ACA's forgotten consumers received noteworthy attention with the passage of the American Rescue Plan Act (ARPA) in March of 2021. ARPA included provisions to expand access to federal subsidies for consumers who had previously fallen off the "subsidy cliff" – that is, with incomes beyond 400% of the federal poverty level, beyond which subsidies were unavailable. Under ARPA, subsidies are now available to anyone who would need to pay more than 8.5% of their income for benchmark coverage.

In the post-ARPA context, it may be asked if this year's ACA Index Report is still relevant. We believe it is. Our 2021 findings are based on unsubsidized ACA customers who selected plans at eHealth during open enrollment for 2021 coverage (November 1 through December 15, 2020), before access to subsidies was expanded. Many of the consumers within the present report's data set will have applied for federal subsidies under ARPA after they were made available. However, ARPA's provisions have not yet been made permanent.

As such, we believe the current installment of eHealth's ACA Index Report presents a compelling record of the pre-ARPA market, from 2014 to 2021, and serves as a reminder of the cost burden millions of ACA enrollees may once again be asked to shoulder if expanded subsidy access is allowed to expire after 2022.

Report Highlights for 2021

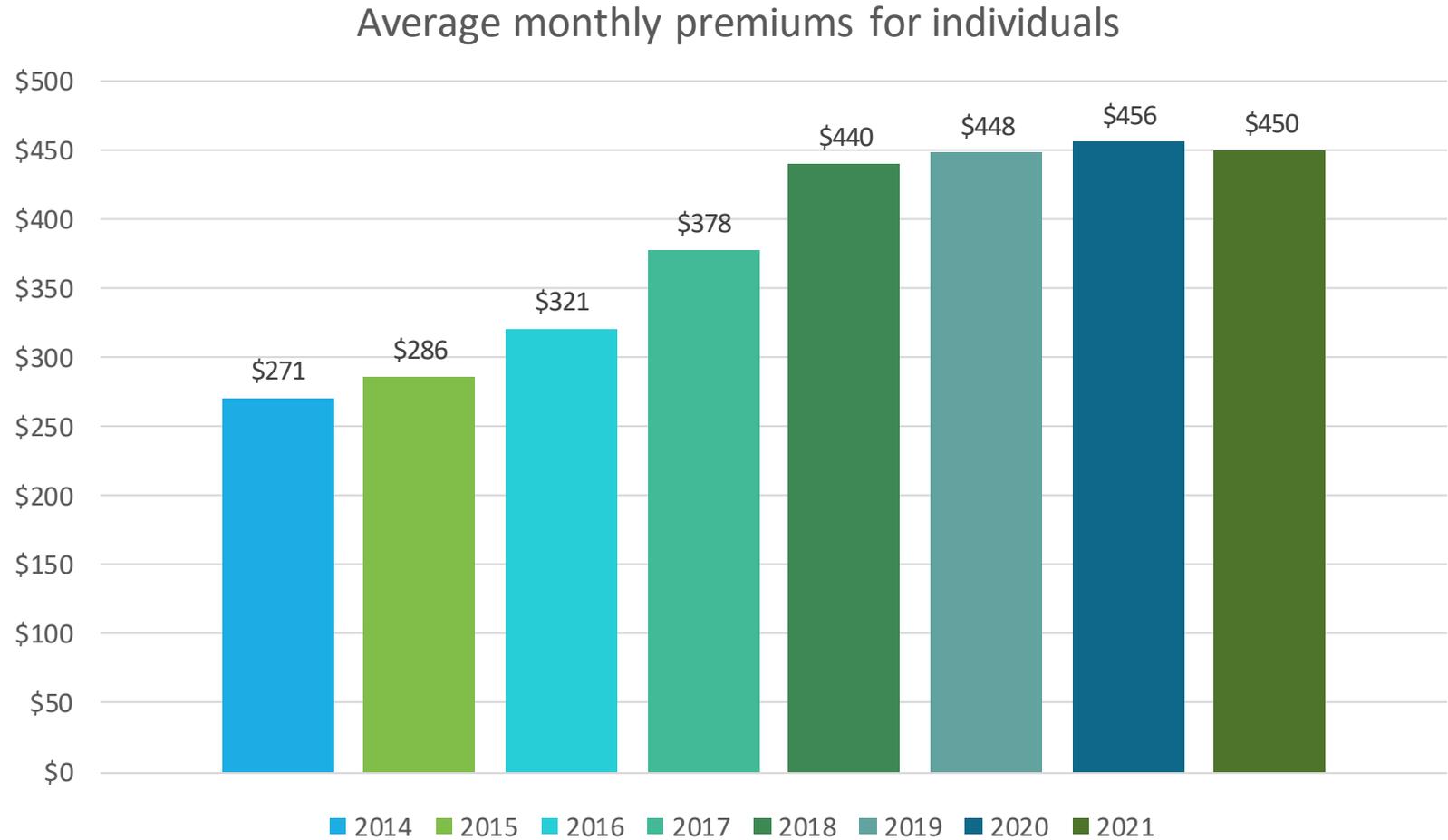
- **Average monthly premiums hovered near record highs:** Average individual premiums decreased 1% year over year, from \$456 to \$450 per month; average family premiums remained essentially unchanged, at \$1,157 per month.
- **Five-year trend lines marked a steep increase in premiums:** Since 2016, average premiums increased 40% while family premiums increased 39%.
- **Average deductibles continued to rise:** Average annual deductibles for individual plans increased 4% since 2019, while deductibles for family coverage increased 7% in the same period.
- **Annual potential costs for 4-person families topped \$25,000:** For 2021, the average family of four paid \$16,776 in annual premiums and faced an annual deductible of \$8,440.
- **Silver plans topped Bronze plans for the first time:** More unsubsidized consumers chose Silver plans (39%) than Bronze plans (36%) for the first time since eHealth began tracking trends in 2014.
- **EPO plans continued to increase in popularity:** As of 2021, EPO plans accounted for more than a third (35%) of all plan selections, while HMO plans accounted for about half (49%), and PPO plans for 17%.

The Cost of Individual Coverage

Individual Premiums Showed Little Downward Movement

Average individual premiums decreased slightly for 2021 but remained high

- \$450 was the average monthly premium for unsubsidized consumers.
- This represents a 1% decrease from the prior year.
- However, 2021's average premium for unsubsidized individuals still represented a 40% increase over the past five years (since 2016) and a 66% increase since the ACA's launch in 2014.

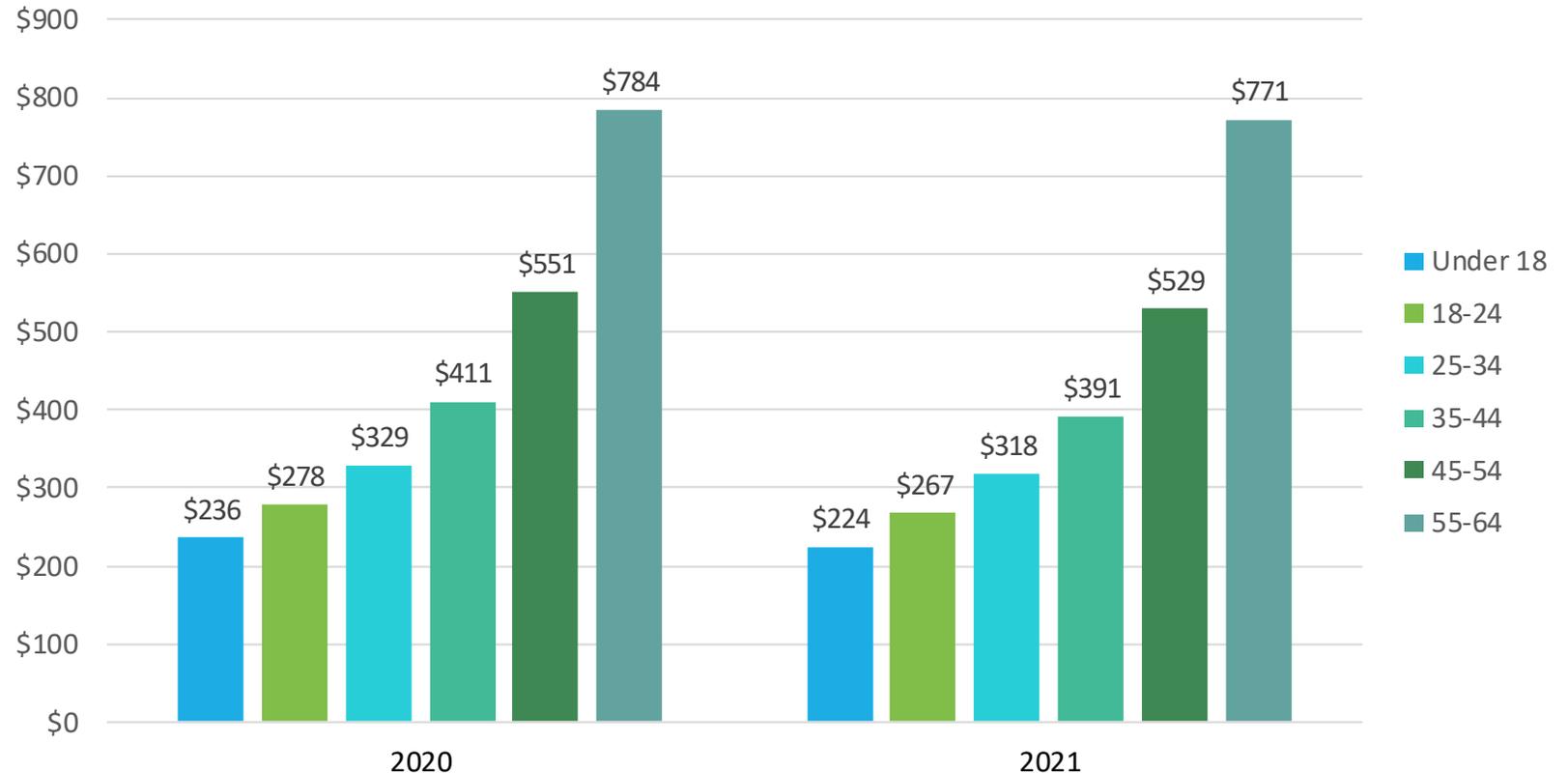


Average Monthly Premiums Decreased Across All Age Bands

Older ACA consumers paid nearly three times those age 18 to 24, but average premiums decreased since last year

- Average monthly premiums for those age 18 to 24 decreased 4%, from \$278 to \$267.
- Average monthly premiums for those age 35 to 44 decreased 5%, from \$411 to \$391.
- Average monthly premiums for those age 55 to 64 decreased 2%, from \$784 to \$771.

Average individual premiums by age (2020 and 2021)



Average Premiums Increased Only for EPO plans

Among the three major plan types, only two saw average individual premiums decline in 2021 compared to 2020

- Average premiums for HMO (Health Maintenance Organization) plans decreased 6% since last year (from \$445 to \$420).
- Average premiums for PPO (Preferred Provider Organization) plans decreased 2% since last year (from \$527 to \$518).
- Average premiums for EPO (Exclusive Provider Organization) plans increased 3% since last year (from \$435 to \$449).

Average individual premiums by plan type

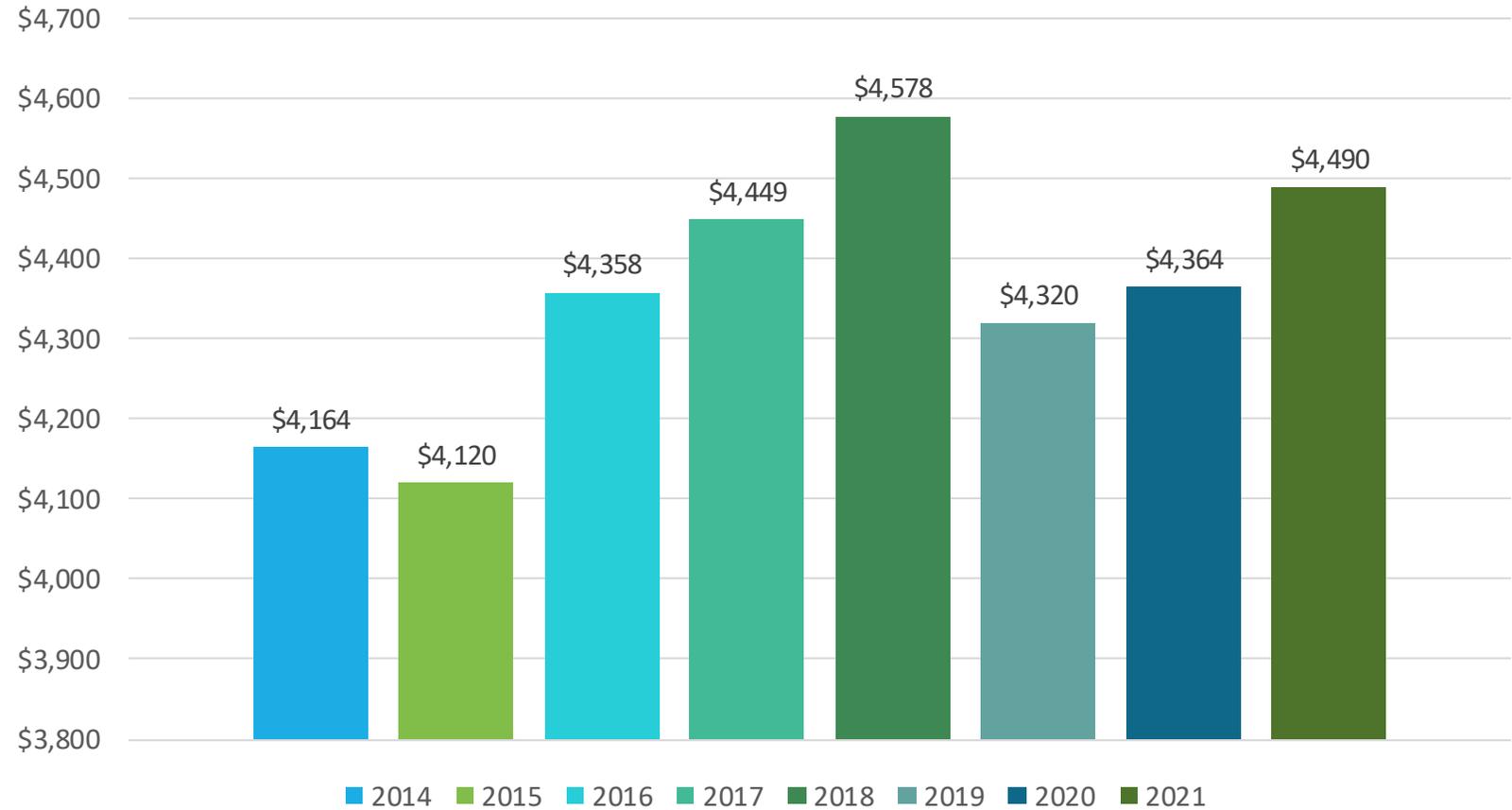


Individual Deductibles Increased for Second Year in a Row

Average individual deductible for 2021 was the second highest recorded since 2014

- \$4,490 was the average annual deductible for individual coverage for 2021.
- That represented a 3% increase over last year, and a 4% increase over 2019.
- Since 2014 the average annual deductible for individual coverage increased 8%.
- Average individual deductibles in 2021 were still 2% below their high in 2018.

Average annual deductibles for individual coverage



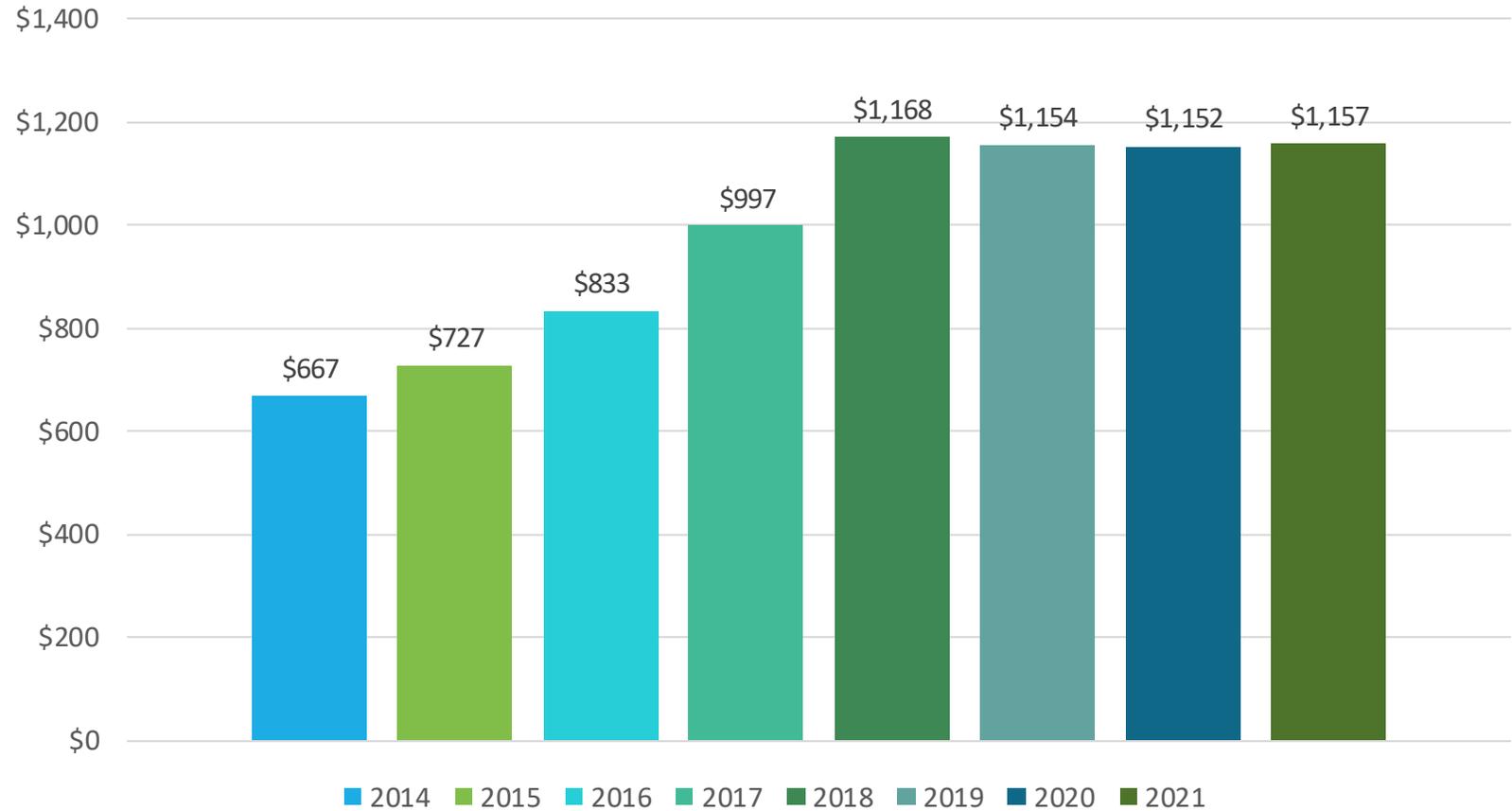
The Cost of Family Coverage

Family Premiums Remained Near Record Highs

Average premiums were over \$1,100 per month for unsubsidized families

- \$1,157 was the average monthly premium for family coverage (two or more people), a figure that has not changed significantly since 2018.
- However, 2021's average premium for unsubsidized families still represented a 39% increase over the past five years (since 2016) and a 73% increase since the ACA's launch in 2014.

Average monthly premiums for families

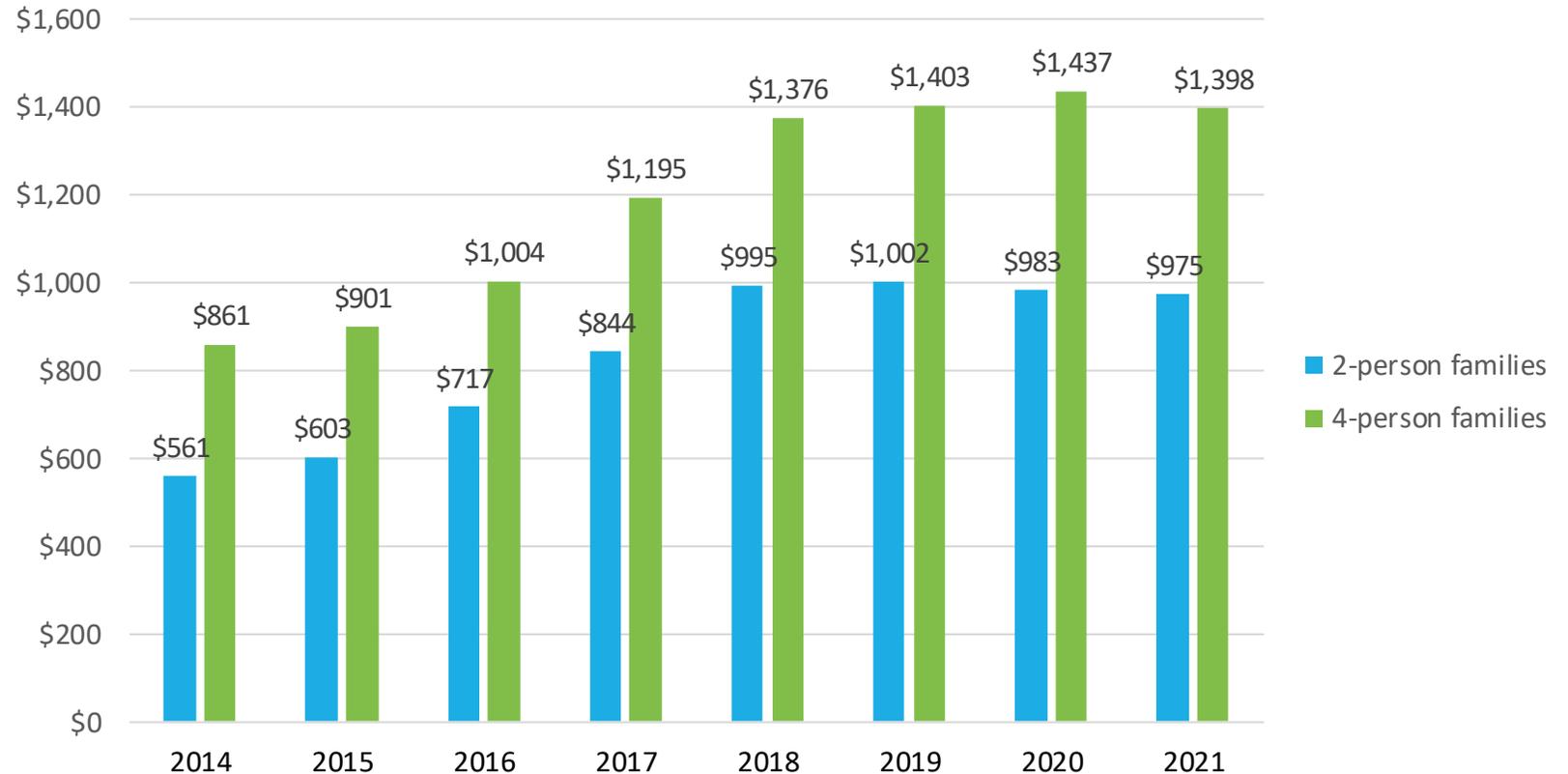


Families of Four Still Paid Nearly \$1,400 Per Month

Premiums for 4-person families have hovered in the \$1,350-\$1,450 range for four years

- Average premiums for 4-person families decreased 3% between 2020 and 2021 (from \$1,437 to \$1,398).
- However, 2021's average premium for 4-person families was still 62% higher than in 2014.
- Over the course of a year, unsubsidized 4-person families paid an average of \$16,776 in premiums alone (not counting an average deductible of \$8,440 for 4-person families).

Average monthly premiums by family size

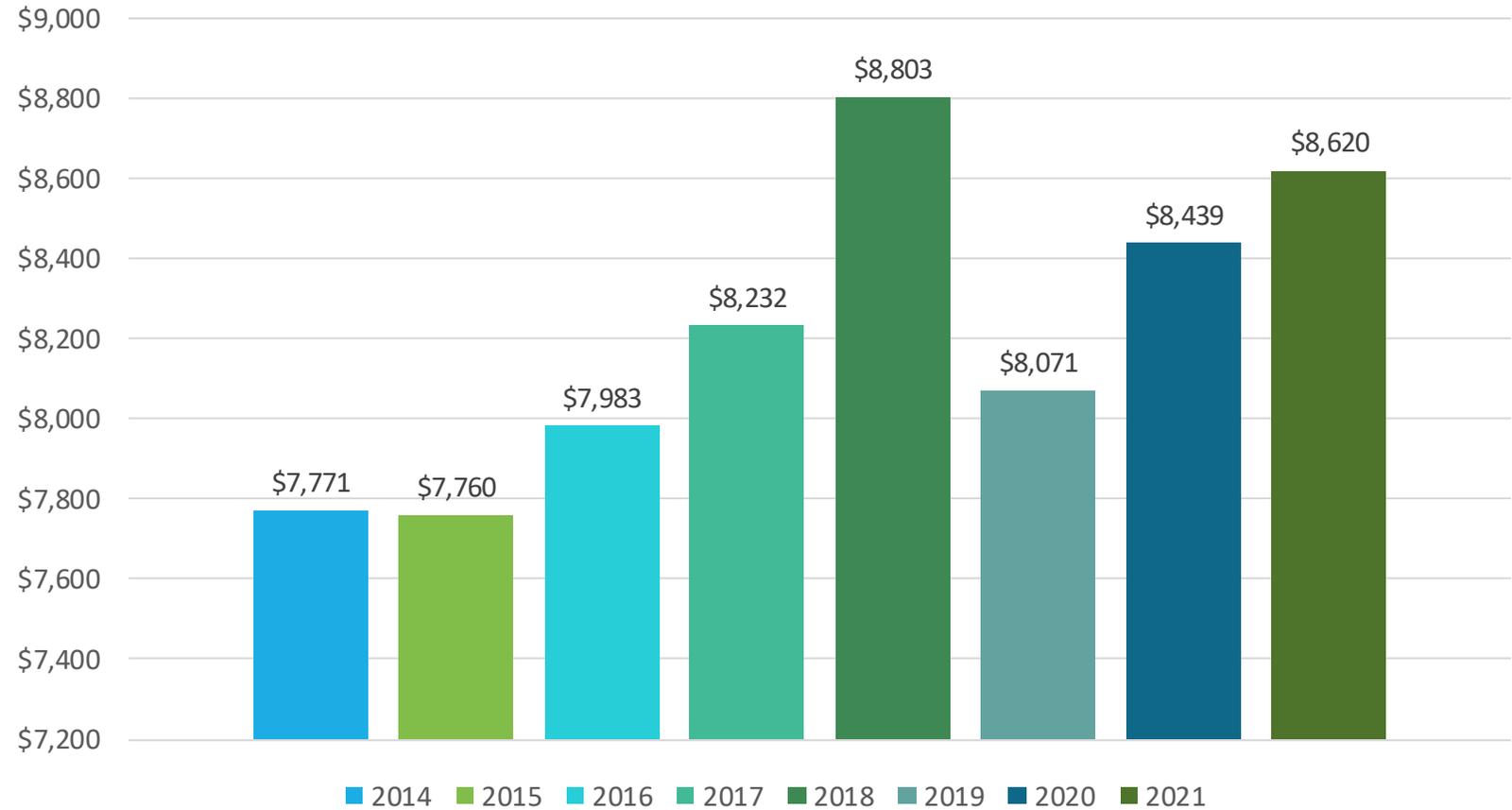


Family Deductibles Increased for Second Year in a Row

The average family deductible for 2021 was the second highest recorded since 2014

- \$8,620 was the average annual deductible for family coverage for 2021.
- That represented a 2% increase over last year, and a 7% increase over 2019.
- Since 2014 the average annual deductible for family coverage increased 11%.
- Average individual deductibles in 2021 were still 2% below their high in 2018.

Average annual deductibles for family coverage

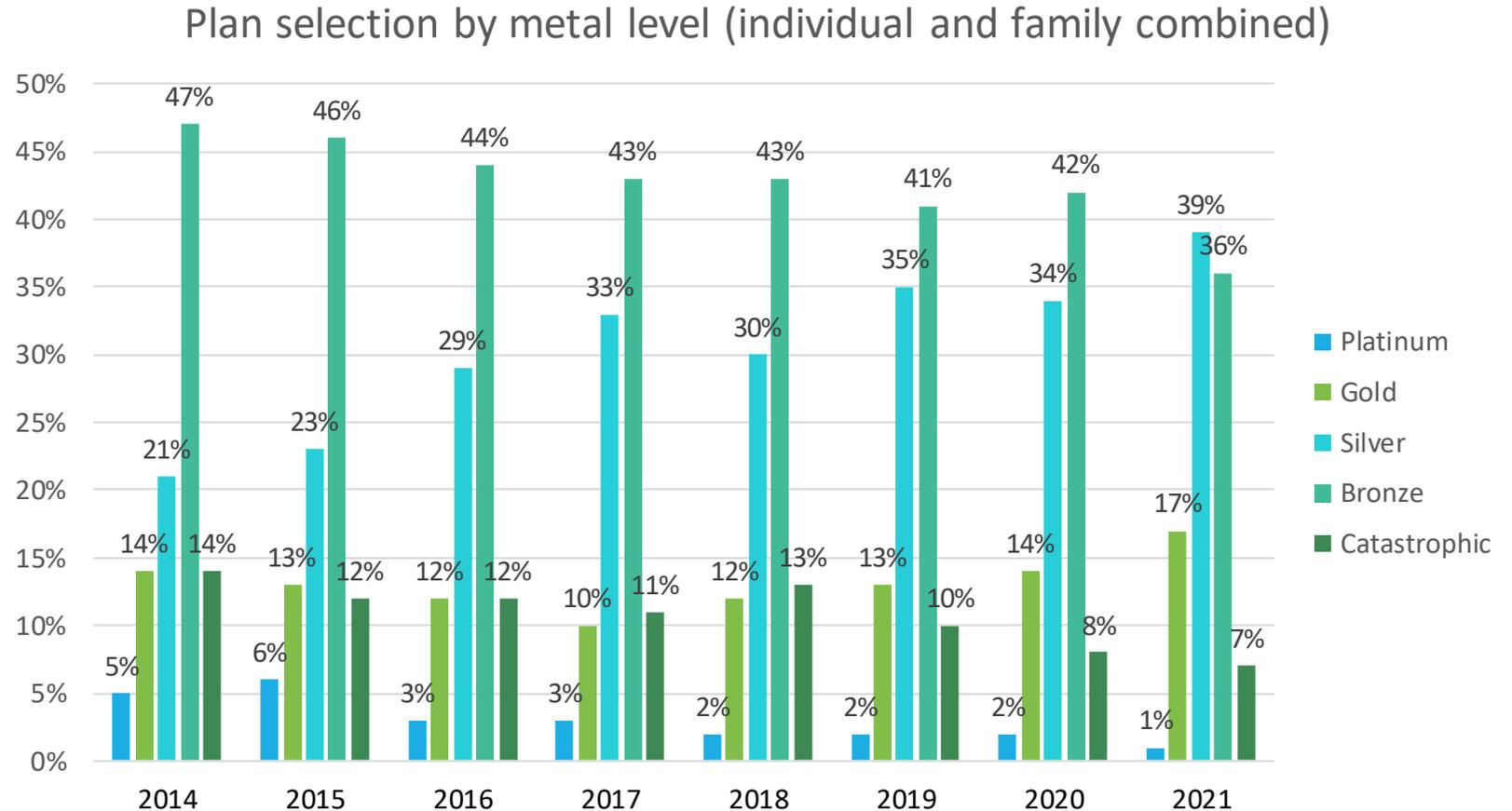


Overall Plan Selection Trends

Silver Plans Overtook Bronze Plans for the First Time

eHealth has noted increasing enrollments in Silver plans among the unsubsidized since 2014

- 39% of individuals and families chose Silver plans for 2021, compared to 34% the year before.
- 36% chose Bronze plans, compared to 42% the year before.
- 17% chose Gold plans, compared to 14% the year before.

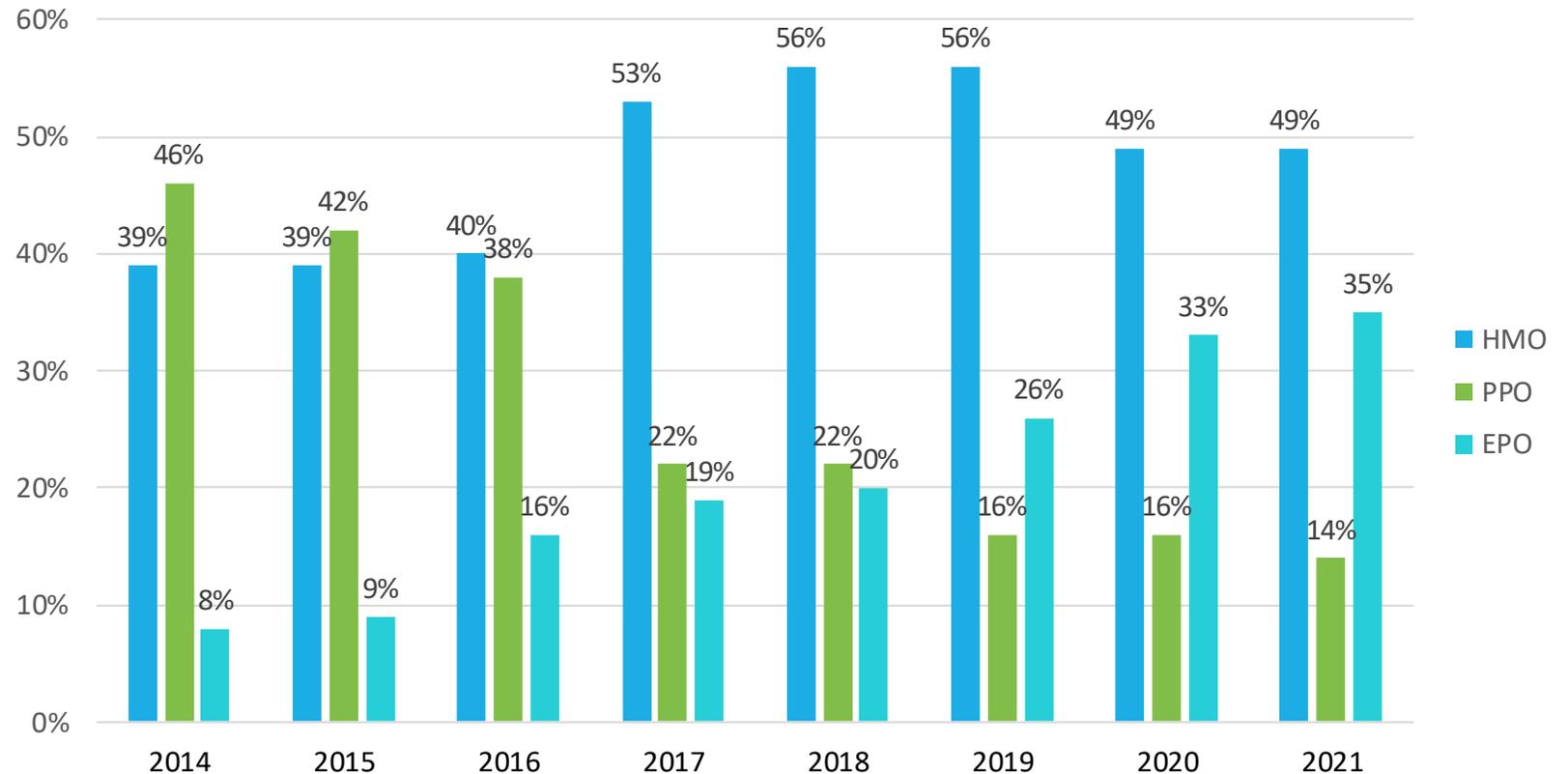


EPO Plans Continued to Expand Their Popularity

HMO-style plans made up about half of all plan selections among the unsubsidized

- 49% of individual and family consumers chose HMO (Health Maintenance Organization) plans in 2021, the same as last year.
- 14% chose PPO (Preferred Provider Organization) plans, compared to 16% last year.
- 35% chose EPO (Exclusive Provider Organization) plans, compared to 33% last year.

Plan selection by plan type (individual and family combined)



Methodology

Information presented in this report is based solely on rates quoted for health insurance applications submitted by unsubsidized consumers through the company's website, eHealth.com, in the specified time period. It does not offer a comprehensive view of costs for all plans available, whether through eHealth, through government exchanges, through private exchanges other than eHealth, or directly from insurance carriers. Data collected and presented in this report is based on over 7,000 unsubsidized individual and family health insurance applications submitted through eHealth.com between November 1, 2020 and December 15, 2020. Comparisons are drawn between consumer selections during prior open enrollment periods and plan years based on data previously published by eHealth. Although eHealth was able to facilitate subsidy applications and enroll qualifying consumers in subsidy-eligible plans in many states during open enrollment periods between the 2014 and 2021 open enrollment periods, information from these customers is not included in this report. Dollar figures in the report have been rounded to the nearest full dollar. Percentages have been rounded to the nearest full percentage point and may add to slightly less or more than 100% due to rounding. Premium and deductible and metal level data given in this report are based on information provided by the insurance carriers to eHealth.

Not all submitted applications result in an enrollment. It is possible for an applicant to withdraw his or her request for coverage after submitting an application, or for an application to be declined for certain reasons. In addition, some applicants may choose to cancel a plan even after their application has been approved and they have been enrolled. No financial data relevant to eHealth's business should be drawn from this report.

The average national premiums and additional data included in this report are based on individual and family health insurance applications submitted through eHealth (and not involving government exchanges) for the period noted. Certain applications missing key data fields relevant to the report may have been removed from the sample. Average costs published in this report present a snapshot of national average health insurance premiums based solely on the behavior of eHealth's unsubsidized, off-exchange customers, and do not necessarily represent the average costs of all individual or family health insurance plans purchased across the country through all sources. In order to provide a more representative snapshot of costs and trends, application submission data from the state of Ohio for the 2019 and 2020 plan years have been excluded from this report due to the exceptional nature of products sold in that state by eHealth.

The analysis presented in this report is based solely on health insurance plans offered by and applied for through eHealth.com. Results may not reflect the full scope of all individual and family health insurance products on a national basis. Each individual's or family's health insurance premium is based on many factors, including but not limited to geography, age, type of plan, individual plan benefits chosen, and others that may not be fully reflected in this report.

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 50 states and the District of Columbia.