



Medicare Snapshot: AEP Costs & Trends

November 2023

Introduction

eHealth's Medicare Snapshot: AEP Costs & Trends report is unique. While other organizations produce landscape analyses of the Medicare market as a whole, eHealth focuses on what Medicare beneficiaries are actually selecting for themselves during the first half of the Annual Enrollment Period (AEP). This year's report covers six years of insightful trendline data.

Medicare beneficiaries bring their own personal considerations and preferences to bear when choosing new plans for 2024. Some look for plans that will cover their preferred doctors or their prescription drugs. Others look for a familiar brand name. Affordable monthly premiums and out-of-pocket costs play a decisive role for many.

eHealth's latest snapshot report highlights average premiums and plan selection trends for Medicare Advantage and Medicare Part D prescription drug plans selected by beneficiaries through eHealth in the first half of the current Annual Enrollment Period, from October 15 through November 8, 2023.

We will continue to monitor plan selection trends through the end of AEP on December 7, 2023. Look for our seventh-annual comprehensive Medicare Index Report on 2023 coverage in the first half of 2024.

Highlights

- **Zero-premium Medicare Advantage plans remain popular, but demand has hit a plateau:** 66% of all Medicare Advantage plans come with no monthly premium*, but they're popular with enrollees. eHealth found that 83% of beneficiaries choosing Medicare Advantage plans selected zero-premium plans. Nevertheless, demand for zero-premium plans is lower than in prior years: 84% of beneficiaries chose zero-premium plans for the 2023 coverage year; for 2022, that figure was 88%.
- **The average premium for Medicare Advantage plans is higher for the second year in a row:** \$9 is the average monthly premium among Medicare Advantage plans selected by beneficiaries shopping for 2024 coverage at eHealth, compared to \$7 in the same period last AEP and \$4 the year before.
- **Average premiums for Medicare Part D prescription drug plans remains historically high:** \$29 is the average monthly premium for Part D plans selected by Medicare beneficiaries at eHealth, down slightly from \$31 in the same period last AEP, but still significantly higher than eHealth tracked for the 2019 through 2022 coverage years.

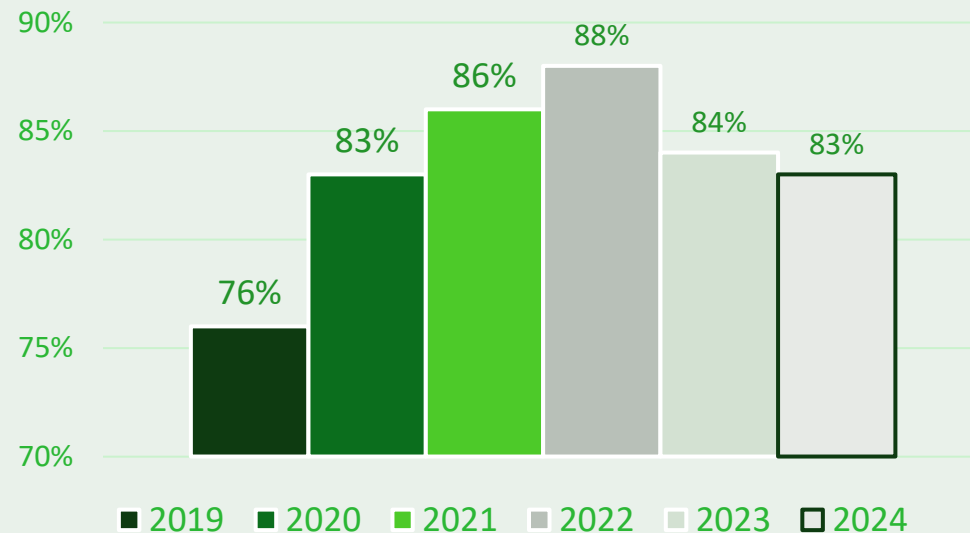
* Source: KFF's [Medicare Advantage 2024 Spotlight](#)

Medicare Advantage Plans

Demand for zero-premium Advantage plans has reached a plateau

- 83% of Medicare Advantage enrollees shopping at eHealth selected zero-premium plans this year, compared to 84% last year and 88% the year before.
- This year's demand for \$0 plans matches that for the 2020 coverage year.

Percentage of Medicare Advantage enrollees selecting \$0 premium plans (by coverage year)



Those enrolling in Medicare Advantage plans with no monthly premium still pay the Medicare Part B premium, which is typically taken from their Social Security benefit.

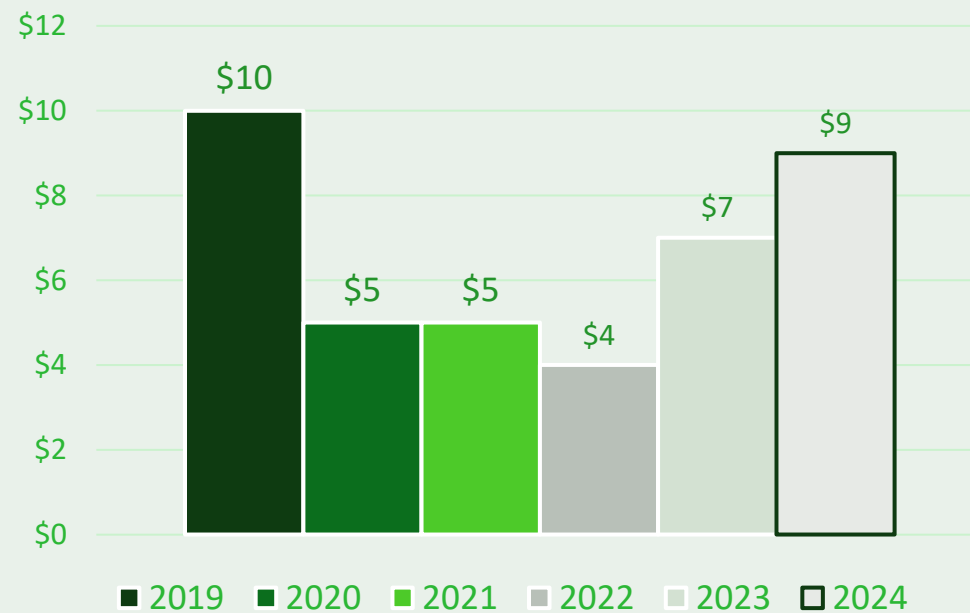
Medicare beneficiaries may intentionally select Medicare Advantage plans with higher monthly premiums based on several considerations, including out-of-pocket costs and provider networks.

Medicare Advantage Plans (cont.)

Average Medicare Advantage premium rises for the second year in a row

- \$9 is the average monthly premium for Medicare Advantage plans selected by eHealth customers in the first half of the current Annual Enrollment Period.
- \$7 was the average premium for 2023 coverage.
- \$4 was the average premium for 2022 coverage.

Average premiums for Medicare Advantage plans (by coverage year)



Medicare Advantage premiums are still significantly lower than Medicare Supplement premiums

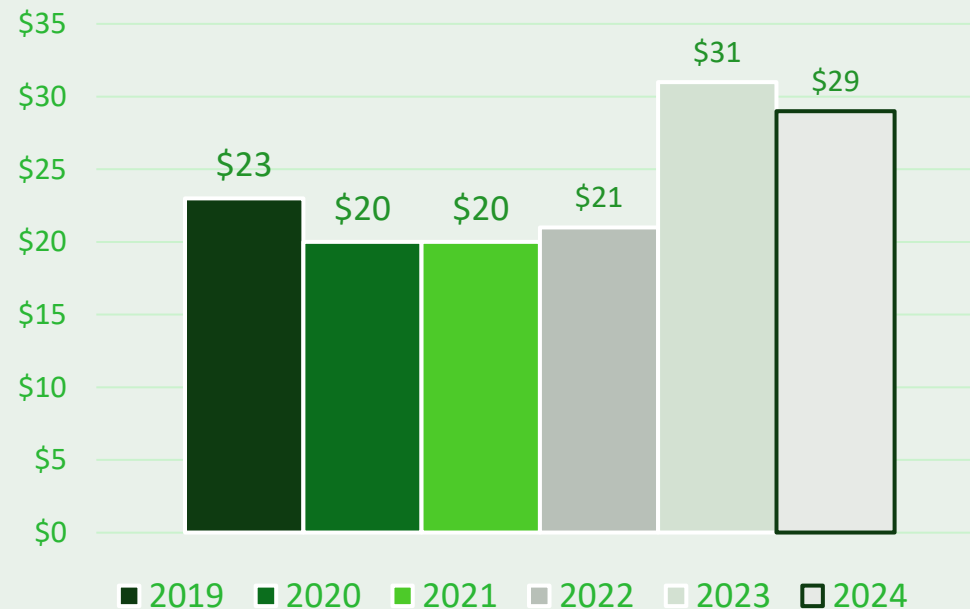
- \$193 is the average monthly premium for Medicare Supplement plans selected by eHealth customers during the same period this year.
- Medicare Advantage and Medicare Supplement plans do not provide identical coverage, but the premium comparison illustrates the relative affordability of Medicare Advantage.

Medicare Part D Plans

Average premium for Part D plans remains relatively high compared to recent years

- \$29 is the average monthly premium paid for Medicare Part D plans selected by eHealth customers during the current Annual Enrollment Period.
- \$31 was the average premium for 2023 coverage.
- \$21 was the average premium for 2022 coverage.

Average premiums for Medicare Part D plans (by coverage year)



These findings are limited to stand-alone Part D prescription drug plans. Most Medicare Advantage plans also provide prescription drug coverage.

Methodology Note

Cost and plan selection data in this report are based on Medicare insurance plans selected by through eHealth's during the first half of Medicare's Annual Enrollment Period for 2024 coverage, from October 15 through November 8, 2023. Data from prior years reflect findings previously published by eHealth, covering approximately the same period.

For the purposes of this report, Medicare Advantage plans include Medicare Advantage Prescription Drug (MAPD) plans as well as Medicare Advantage plans not offering drug coverage. All dollar values have been rounded to the nearest full dollar; percentages have been rounded to the nearest full percentage point.

While eHealth provides a broad range of Medicare Advantage plans to choose from, it does not offer all available plans in every state.

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.

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