

Medicare Index Report for 2023 Coverage

April 2023

Introduction

The publication of eHealth's sixth annual Medicare Index Report comes at a time of increased scrutiny of Medicare Advantage by government regulators and media. As demonstrated in this report, despite an increase in costs for 2023, premiums for Medicare Advantage plans remain significantly more affordable than other coverage options available today.

In a recent survey of more than 3,800 Medicare beneficiaries, eHealth found that 89% of Medicare Advantage enrollees are satisfied with their coverage; a strong majority also indicate they are unable to afford alternatives like Medicare Supplement. This is the context in which this year's Medicare Index Report is best understood.

This report examines cost and plan selection trends during Medicare's Annual Enrollment Period (AEP) for the 2018 through 2023 coverage years. Findings are based on plans selected by Medicare beneficiaries through eHealth between October 15 and December 7 of each year. As distinguished from other analyses of the Medicare market, eHealth's report focuses on the plans beneficiaries choose for themselves rather than on all plans available to them.

Medicare's AEP is the primary annual enrollment opportunity for Medicare Advantage and Part D plans. Medicare Supplement plans are not governed by the AEP timeframe but cost information for Medicare Supplement plans selected during this period is provided for comparison.

For additional information, refer to the Methodology section of this report.

Highlights

The average monthly premium paid for Medicare Advantage plans increased 50% year over year - \$9 is the average monthly premium for 2023 Medicare Advantage plans selected by eHealth shoppers during Medicare's Annual Enrollment Period (AEP), up from \$6 per month for 2022.

The popularity of \$0 premium Medicare Advantage plans declined for 2023 - 84% of eHealth customers selecting Medicare Advantage plans during AEP chose plans without a monthly premium, compared to 87% in 2022. This represents the first drop in the popularity of these plans since eHealth's first Medicare Index Report in 2018.

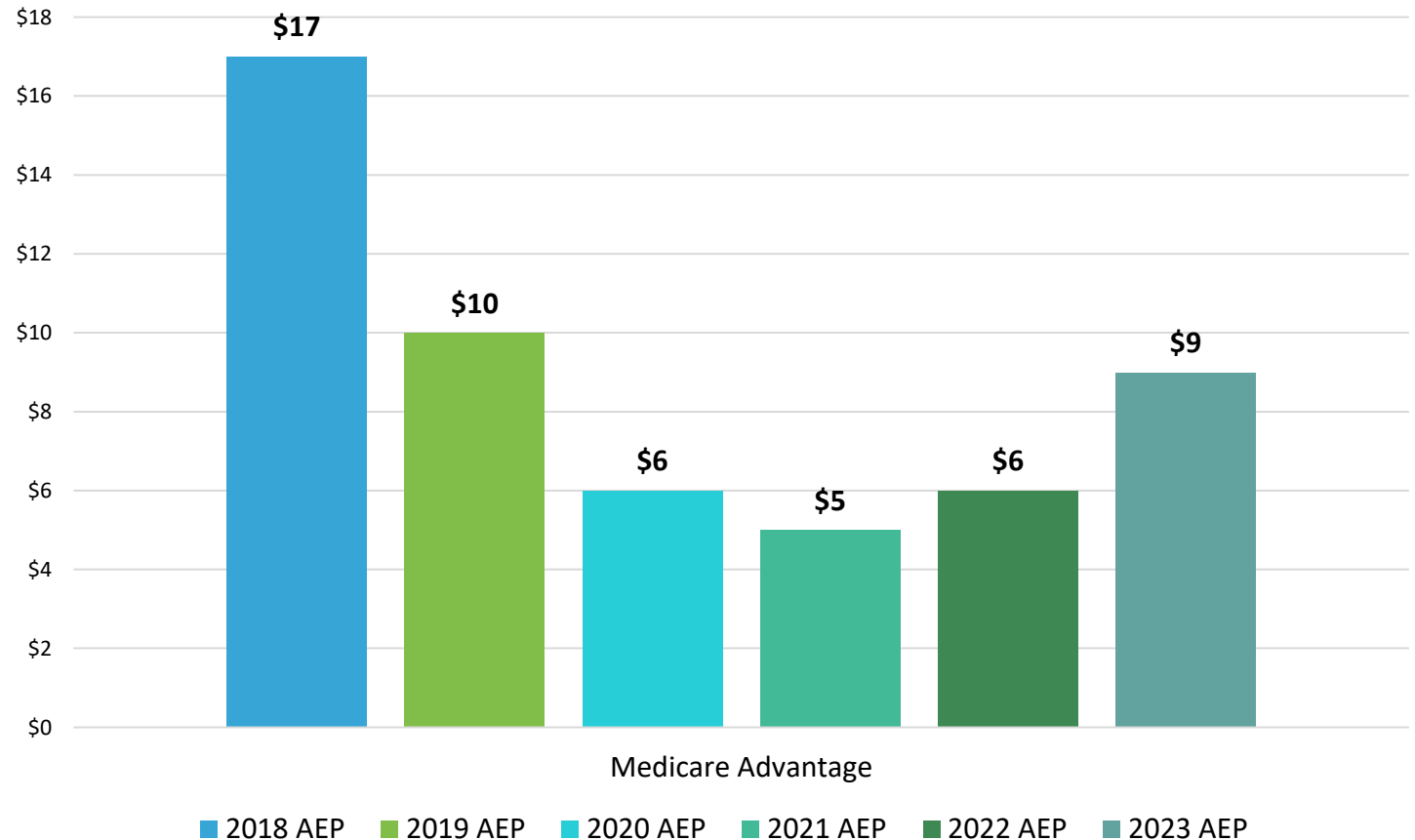
Part D premiums for 2023 also show a marked increase compared to last year - \$32 is the average monthly premium for stand-alone Part D plans selected during AEP, up 45% from \$22 in 2022.

Annual deductibles are down for Medicare Advantage and Part D plans - Medicare Advantage enrollees are paying deductibles 15% lower than last year (\$103 vs. \$121) while Part D plan enrollees have deductibles 9% lower than last year (\$389 vs. \$427).

Medicare Advantage: Average Monthly Premium

50% increase in average premiums paid for Medicare Advantage compared to 2022

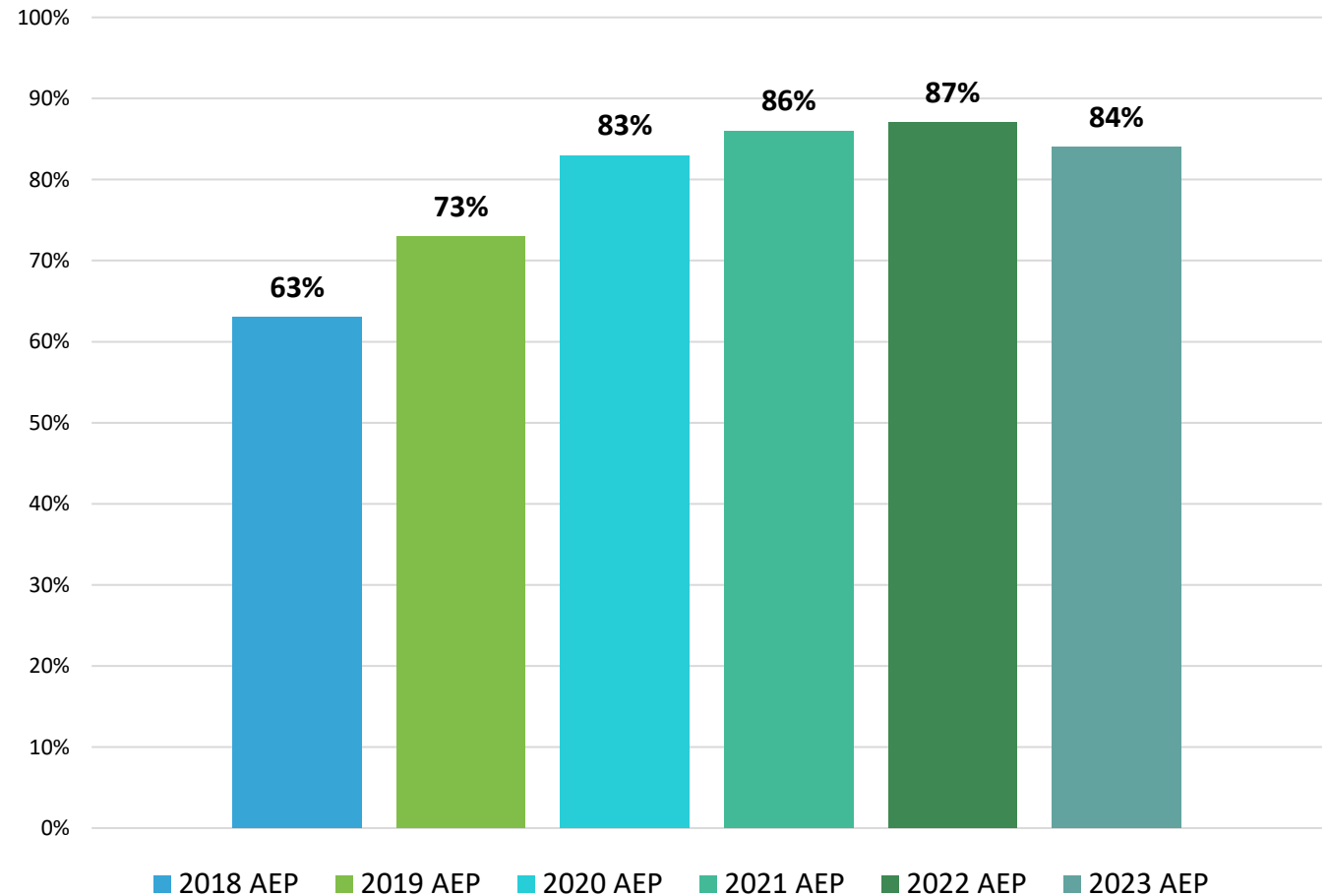
- \$9 per month was the average monthly premium for 2023 Medicare Advantage plans selected by eHealth customers, up from \$6 the prior year.
- This was the second year in a row in which eHealth tracked an increase in average premiums.
- In dollar terms average premiums remain relatively low due to high enrollment in \$0 premium plans.



Percent of Medicare Advantage Enrollees Selecting \$0 Premium Plans

Enrollment in \$0 premium Medicare Advantage plans has crested and dropped slightly for 2023

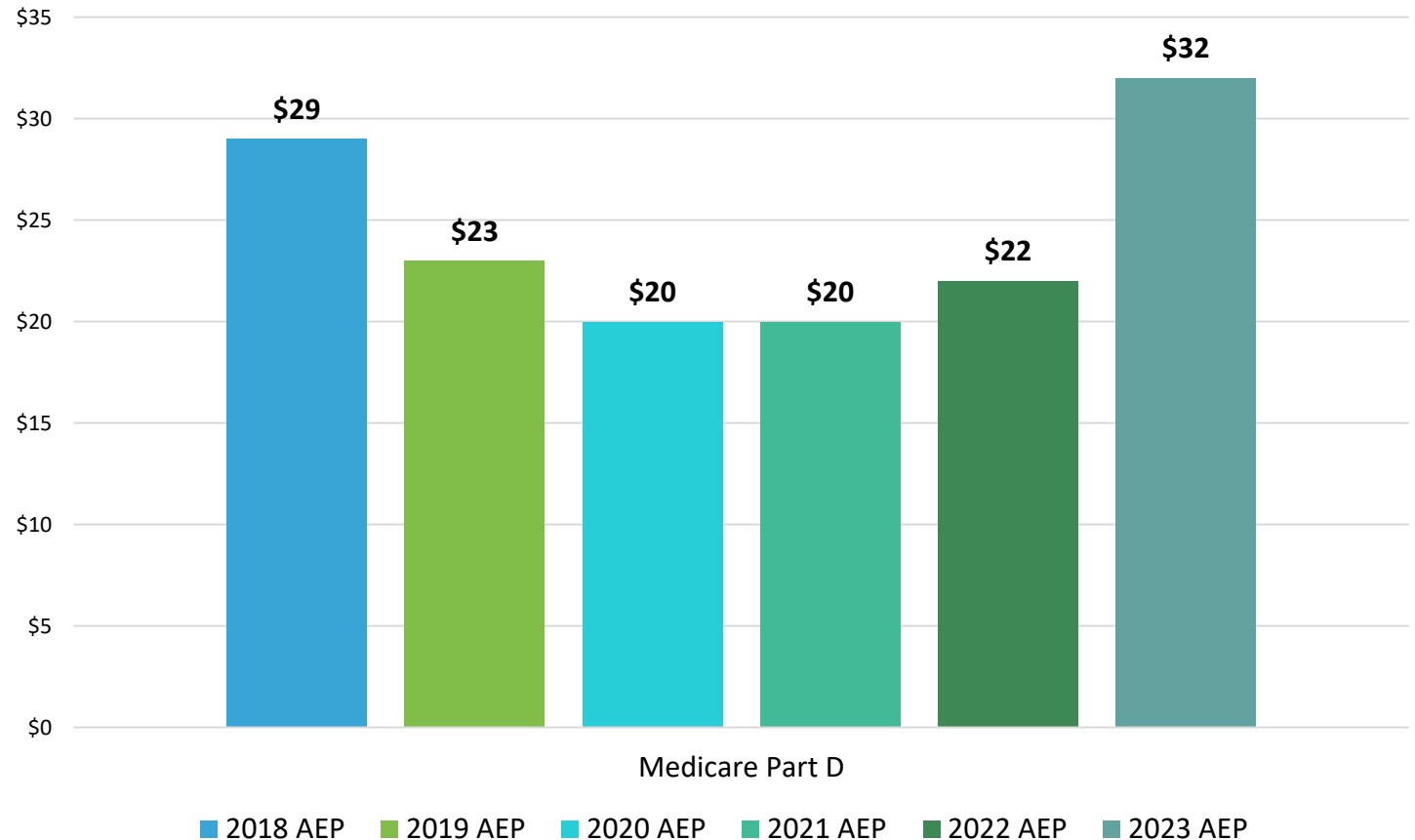
- 84% of Medicare Advantage plans selected by eHealth customers for 2023 coverage during AEP had a \$0 monthly premium.
- By comparison, 87% of Medicare Advantage plans had a \$0 monthly premium for the year before.
- That figure was 63% for 2018.



Part D Plans: Average Monthly Premium

45% increase in average premium paid for stand-alone Part D plans

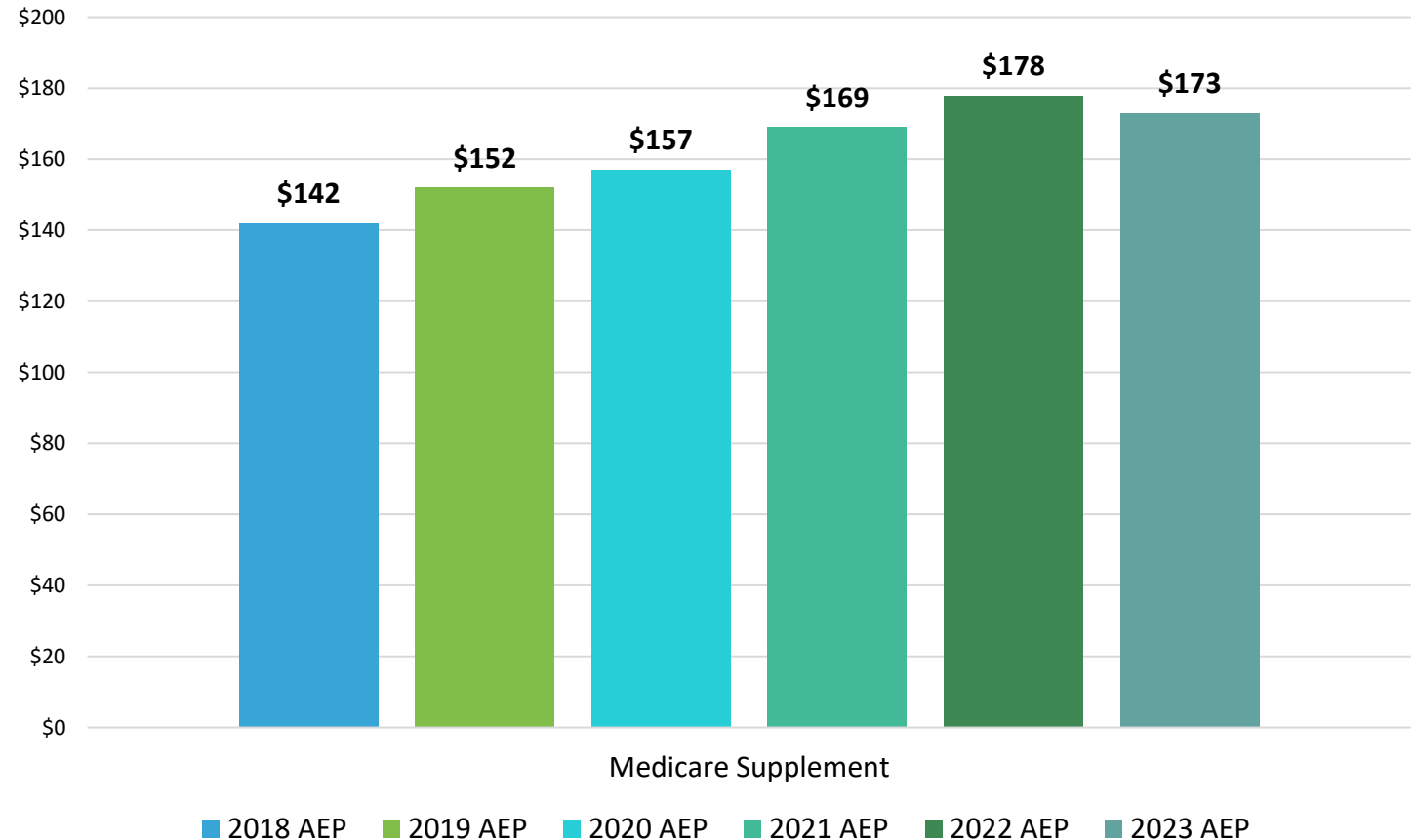
- \$32 per month was the average monthly premium for 2023 Medicare Part D plans selected by eHealth customers, up from \$22 the prior year.
- This was the second year in a row eHealth tracked an increase in average premium, and the highest since we began reporting this figure in 2018.
- The increase in average premiums may result from a number of factors including coverage of new costly drugs.



Medicare Supplement: Average Monthly Premium

Average Medicare Supplement premiums show modest decrease for the first time since 2018

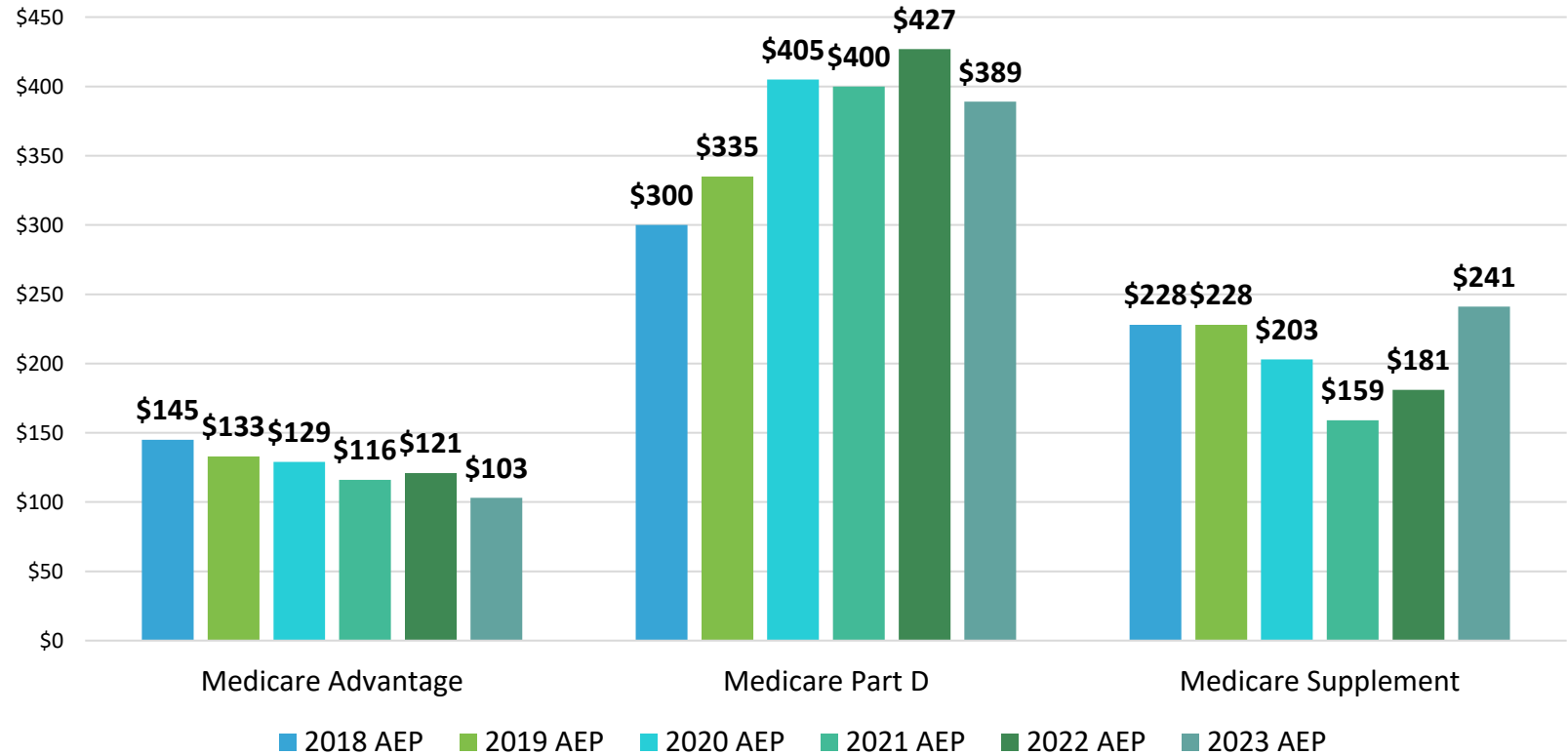
- \$173 per month was the average monthly premium for Medicare Supplement plans selected by eHealth customers during AEP for 2023, down from \$178 the prior year.
- Enrollment in Medicare Supplement plans is not governed by the annual nationwide Medicare Annual Enrollment period, but data on plans selected during this period of provided for the purposes of comparison with other products.



Average Deductible by Medicare Product

Average deductibles decreased Medicare Advantage and Part D plans while increasing for Medicare Supplement

- \$103 was the average deductible for 2023 Medicare Advantage plans selected by eHealth customers, down 15% from 2022 (\$121).
- \$389 was the average deductible for 2023 Part D plans, down 9% from 2022 (\$427).
- By comparison, \$241 was the average deductible for Medicare Supplement plans, up 33% from 2022 (\$181).



Additional out-of-pocket costs beyond the annual deductible may apply for some plans and products.

Methodology

Findings presented in this report are based on submitted applications for Medicare insurance products received by eHealth during the Annual Enrollment Period (AEP) for 2023 coverage, which occurred between October 15 and December 7, 2022. More than 160,000 submitted applications were included in this analysis for 2023 coverage. Historical data is reproduced from reports previously published by eHealth. For the purposes of this report, “Medicare Advantage” plans include both those that offer prescription drug coverage and those that do not. Only data generated by eHealth customers during the specified time period was considered in this report. Dollar values are rounded to the nearest full dollar.

Enrollment in Medicare Supplement plans is not governed by the AEP time period, but Medicare Supplement plans selected by eHealth customers in this period are included in the report for the purposes of comparison.

Although eHealth offers many Medicare insurance products from a number of insurance companies, eHealth does not offer all products available to consumers and the products available through eHealth may vary over time and by region.

No information relevant to eHealth 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

For over 25 years, eHealth, Inc. (Nasdaq: EHTH) has expertly guided American consumers with innovative technology and licensed advisor support to help them find health insurance and related options. Through its proprietary health insurance marketplace at [eHealth.com](https://www.eHealth.com), eHealth has connected more than eight million members with quality, affordable coverage. eHealth offers Medicare Advantage, Medicare Supplement, Medicare Part D, individual, family, small business, and ancillary plans from approximately 200 health insurance companies nationwide. For more information about eHealth, please visit us at [eHealth.com](https://www.eHealth.com), or follow us on [LinkedIn](#), [Facebook](#), [Instagram](#), and [Twitter](#).