



Medicare Snapshot: AEP Costs, Trends, & Sentiments

November 2024

Introduction

This year's Medicare Snapshot report combines seven years of data on plan costs and selection trends with survey findings that shine a light on the experience of Medicare beneficiaries during an especially disruptive Annual Enrollment Period (AEP) and their expectations for the next Trump administration.

As described in this report, a significant majority of Medicare Advantage and Part D plan enrollees are seeing changes to costs and benefits under their current Medicare plans. With AEP half done, most have already begun reviewing their coverage options and many are enrolling in new Medicare plans for 2025.

Balancing changes in their Medicare coverage with cost sensitivity, Part D plan enrollees are selecting plans with notably higher premiums than last year, while Medicare Advantage enrollees are gravitating toward zero-dollar-premium plans in slightly greater numbers.

Notably, beneficiaries are upbeat about the future of Medicare and confident that the incoming Trump administration will prioritize their needs. In this report, they've outlined what they think the second Trump administration's top-three Medicare priorities should be.

eHealth's report is based on Medicare Advantage and Medicare Part D plans selected by beneficiaries through eHealth in the first half of AEP, from October 15 through November 8, 2024. Survey data is based on a poll of more than 500 Medicare beneficiaries drawn from the general population. Refer to the methodology note at the end of this report for more details.

Highlights

Medicare beneficiaries are counting on President-elect Trump: 64% say they are more confident in the future of Medicare after the election, while 72% of Medicare beneficiaries expect the incoming Trump administration to prioritize their needs; their top-three asks for the next administration are: 1) Negotiating with drug companies to reduce costs, 2) Lowering out-of-pocket costs, and 3) Strengthening Medicare Advantage.

Medicare Part D plan premiums are up: \$34 is the average monthly premiums for Medicare Part D plans selected by beneficiaries at eHealth in the first half of this year's Annual Enrollment Period (AEP), an increase of 17% over last year's average premium of \$29.

Demand for \$0-premium Medicare Advantage plans is up: 85% of Medicare Advantage plans selected at eHealth in the first half of AEP come with no monthly premium, up from 83% the year before; the average monthly premium for Medicare Advantage plans selected by shoppers is \$5, down from \$9 last year.

Most enrollees are seeing coverage changes for 2025: 79% of Medicare Advantage and Medicare Part D plan enrollees say costs or benefits are changing under their current plan; 88% have already begun reviewing their coverage options, while 63% of these say they have enrolled, or will enroll, in a new Medicare plan for 2025.

What makes selecting a Medicare plan so challenging: 88% of all Medicare beneficiaries say shopping for a Medicare plan is confusing and overwhelming; the three most confusing things they identified are 1) Understanding what's covered and what's not, 2) Making sense of copays and deductibles, and 3) Knowing whether their preferred doctors and hospitals are covered.

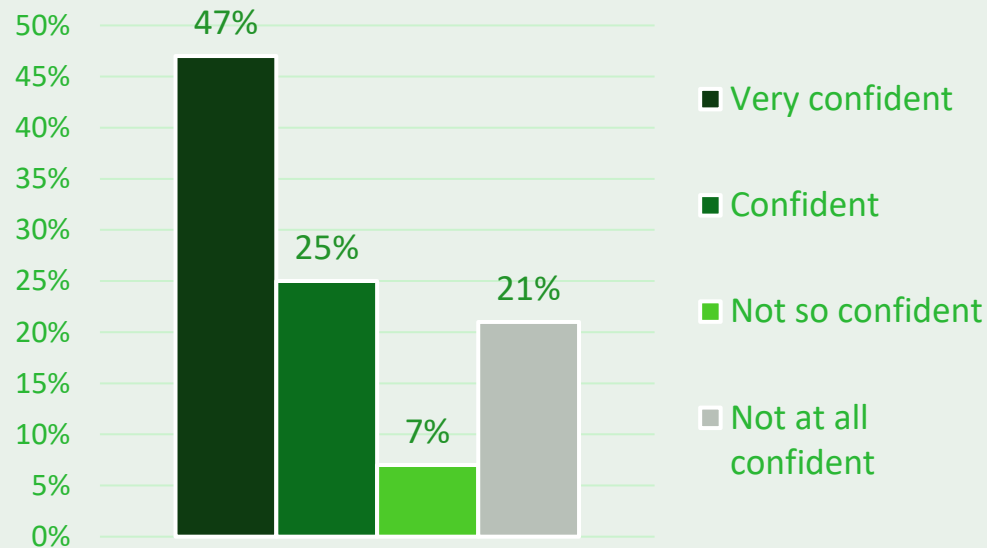
Working with licensed agents is a confidence booster: 60% of Medicare beneficiaries worry about their ability to find the right plan for themselves, but 87% say that working with a licensed agent increases their confidence when selecting a Medicare plan.

Medicare & the Trump Administration

Medicare beneficiaries believe the Trump administration will prioritize their needs

- 72% of survey respondents express confidence the incoming Trump administration will prioritize their needs.
- Nearly half (47%) say they are “very confident” that president-elect Trump will make their needs a high priority
- An additional 25% are “confident” of the same.

“How confident are you that President-elect Trump will make the needs of Medicare beneficiaries a high priority?”



More than six in 10 think the Trump administration will help to secure Medicare's future

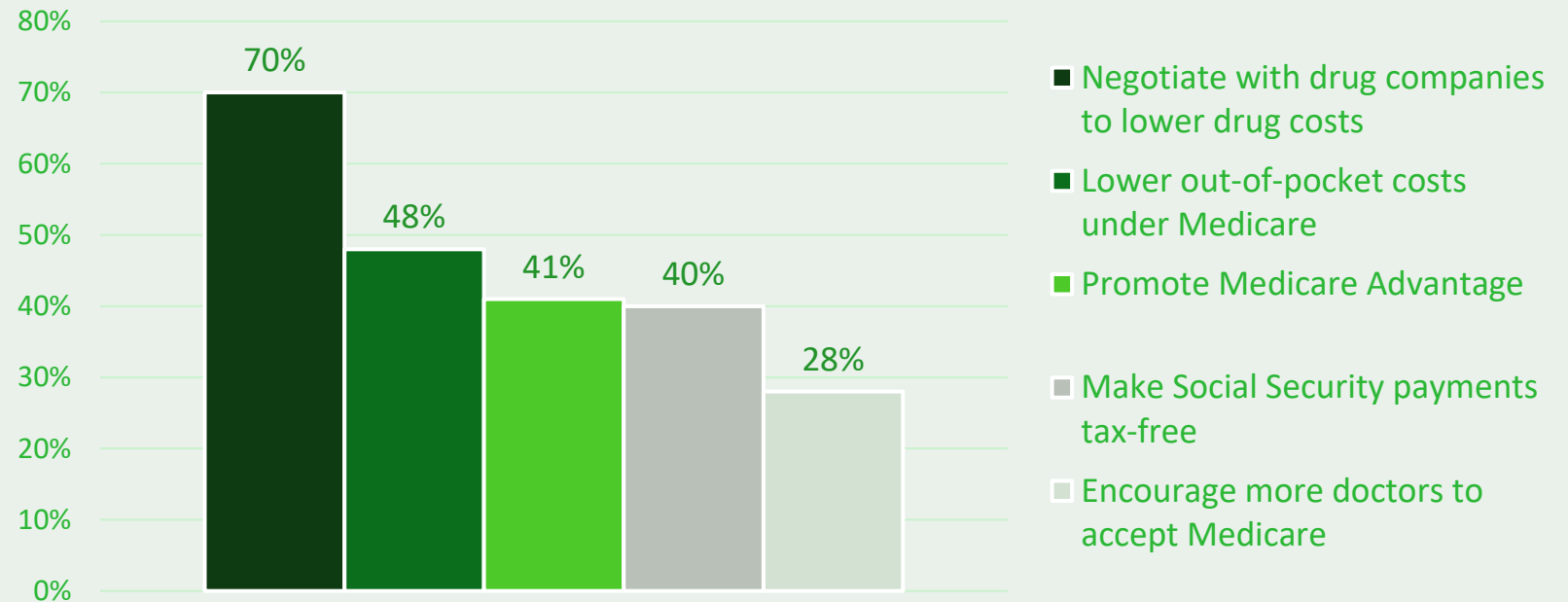
- 64% say they are “more confident” in the future sustainability of Medicare based on the outcome of the presidential election.

Medicare & the Trump Administration (cont.)

Medicare beneficiaries identify their top-three priorities for the incoming Trump administration

- 70% want the new administration to negotiate with drug companies to lower costs.
- 48% want to see lower out-of-pocket costs under Medicare.
- 41% want the incoming administration to take steps to strengthen Medicare Advantage.

What are the top three things you think the Trump administration should do for Medicare beneficiaries? Choose only three.

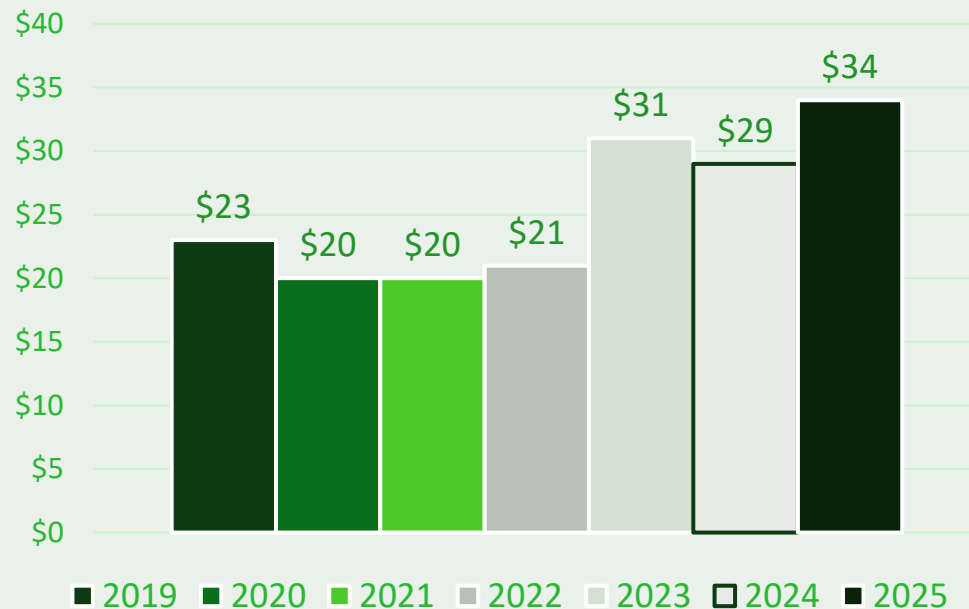


Medicare Part D Plans (First Half of AEP)

In the first half of this year's AEP, the average premium for Part D plans is up 17% from last year

- \$34 is the average monthly premium for 2025 Medicare Part D plans selected by eHealth customers in the first half of the current Annual Enrollment Period (AEP).
- \$29 was the average premium for 2024 coverage.
- \$31 was the average premium for 2023 coverage.

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



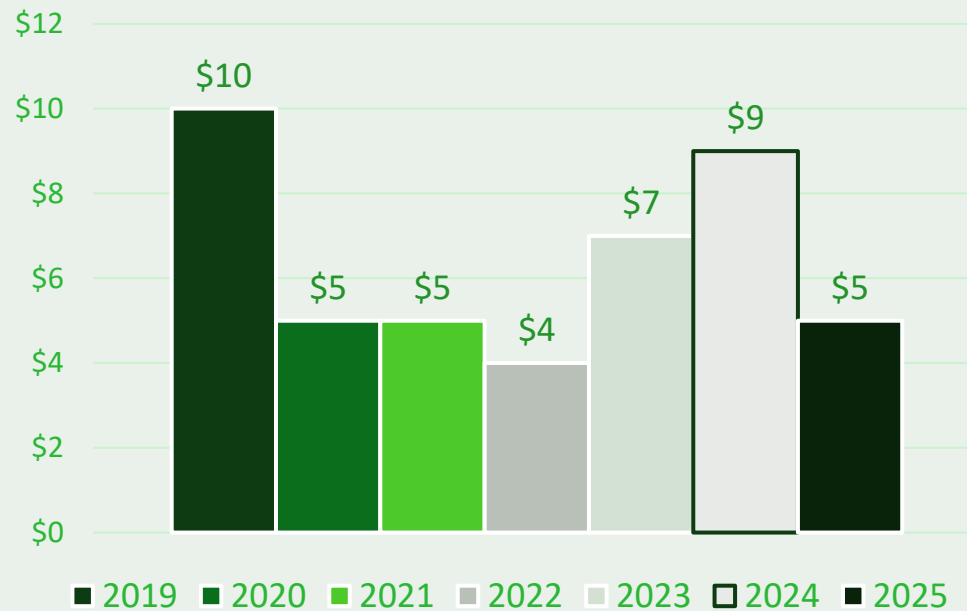
These findings are limited to stand-alone Part D prescription drug plans. Most Medicare Advantage plans also provide prescription drug coverage.

Medicare Advantage Plans (First Half of AEP)

The average premium for Medicare Advantage plans selected in the first half of AEP is down

- \$5 is the average monthly premium for Medicare Advantage plans selected by eHealth customers in the first half of the current Annual Enrollment Period (AEP).
- \$9 was the average premium for 2024 coverage.
- \$7 was the average premium for 2023 coverage.

Average premiums for Medicare Advantage plans (by coverage year)



Demand for \$0-premium Medicare Advantage plans shows a slight increase

- 85% of eHealth customers selecting Medicare Advantage plans in the first half of AEP chose \$0-premium plans, compared to 83% the year before.
- The reduction in average premium for Medicare Advantage plans may reflect the increase in demand for \$0-premium plans and consumer cost-sensitivity due to inflation.

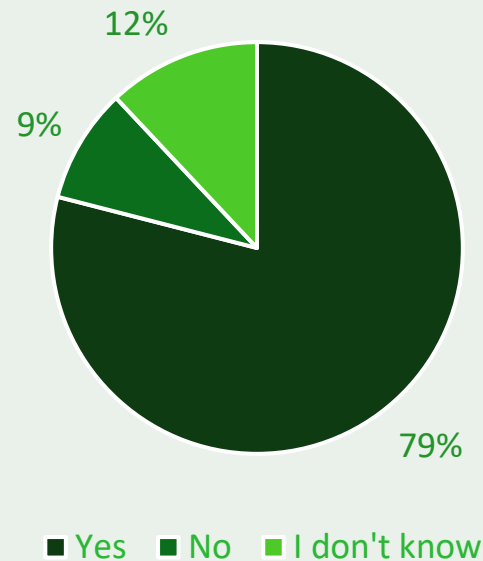
Refer to Methodology note at end of report regarding \$0-premium Medicare Advantage plans.

Market Disruption Drives Changes This AEP

Most Medicare Advantage and Part D plan enrollees report upcoming changes to their coverage

- 79% say their current Medicare plan will make changes to costs or benefits in the new year.
- 9% say their current Medicare plan will not make any changes to costs or benefits.
- 12% are uncertain.

Are costs or benefits under your current Medicare Advantage or Part D plan changing in 2025?



Many have started reviewing coverage options and plan to enroll in a new Medicare plan for 2025

- 88% of Medicare Advantage and Part D plan enrollees say they have already begun reviewing their 2025 coverage options.
- Of these, 63% say they have enrolled, or will enroll, in a new Medicare plan for 2025.
- 36% plan to stick with their current Medicare plan.

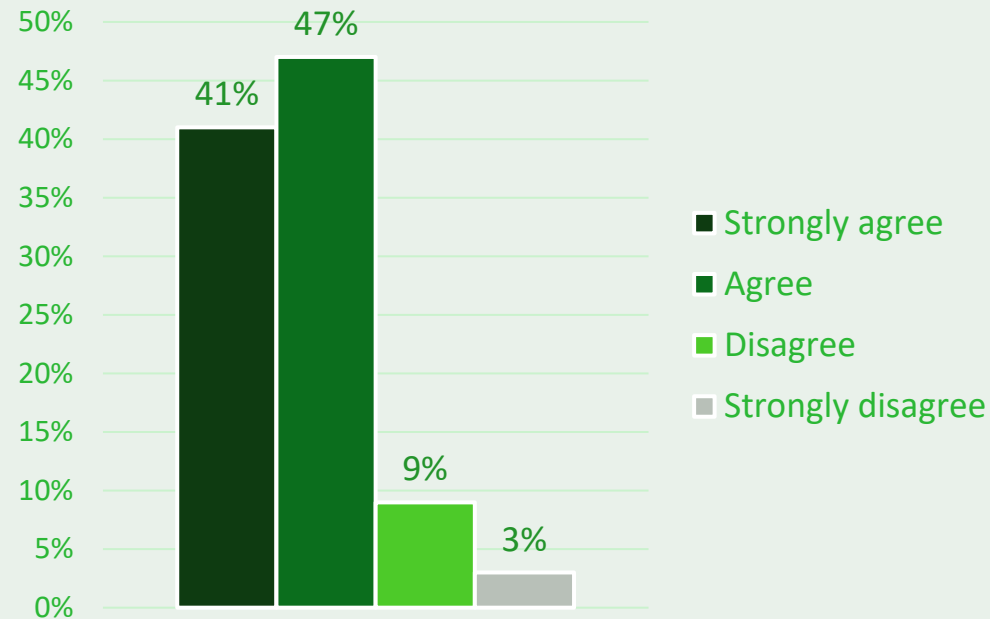
Data on this page based on responses from enrollees in Medicare Advantage and Part D plans only.

The Challenge of Finding Coverage

Almost nine in 10 Medicare beneficiaries find shopping for coverage confusing and overwhelming

- 41% of all Medicare beneficiaries “strongly agree” that selecting a Medicare plan for their needs and budget is confusing and overwhelming.
- An additional 47% “agree” with that sentiment.
- Only 12% do not find the process confusing or overwhelming.

“Shopping for a Medicare plan is confusing and overwhelming.”



Beneficiaries identify the top-three most confusing things about shopping for Medicare plans

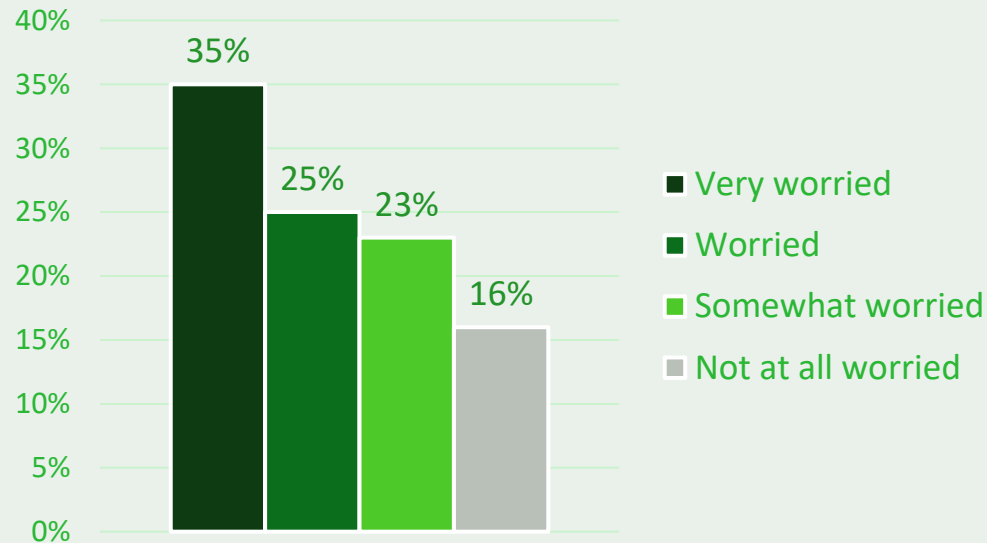
- The #1 most confusing thing (cited by 62% of respondents) is “understanding what’s covered and what’s not” when reviewing plans.
- #2 is “understanding copays and deductibles” (cited by 59%).
- #3 is “knowing whether my preferred doctors and hospitals are covered” (cited by 57%).

The Challenge of Finding Coverage (cont.)

Six in 10 worry about their ability to find affordable Medicare coverage

- 35% of Medicare beneficiaries are “very worried” they won’t be able to find the Medicare coverage they need at a price they can afford.
- An additional 25% are “worried.”
- 23% say they are only “somewhat worried,” while 16% are “not at all worried.”

How worried are you about your ability to find the Medicare coverage you need at a price you can afford?



Almost nine in 10 say working with a licensed agent makes them more confident when selecting a Medicare plan

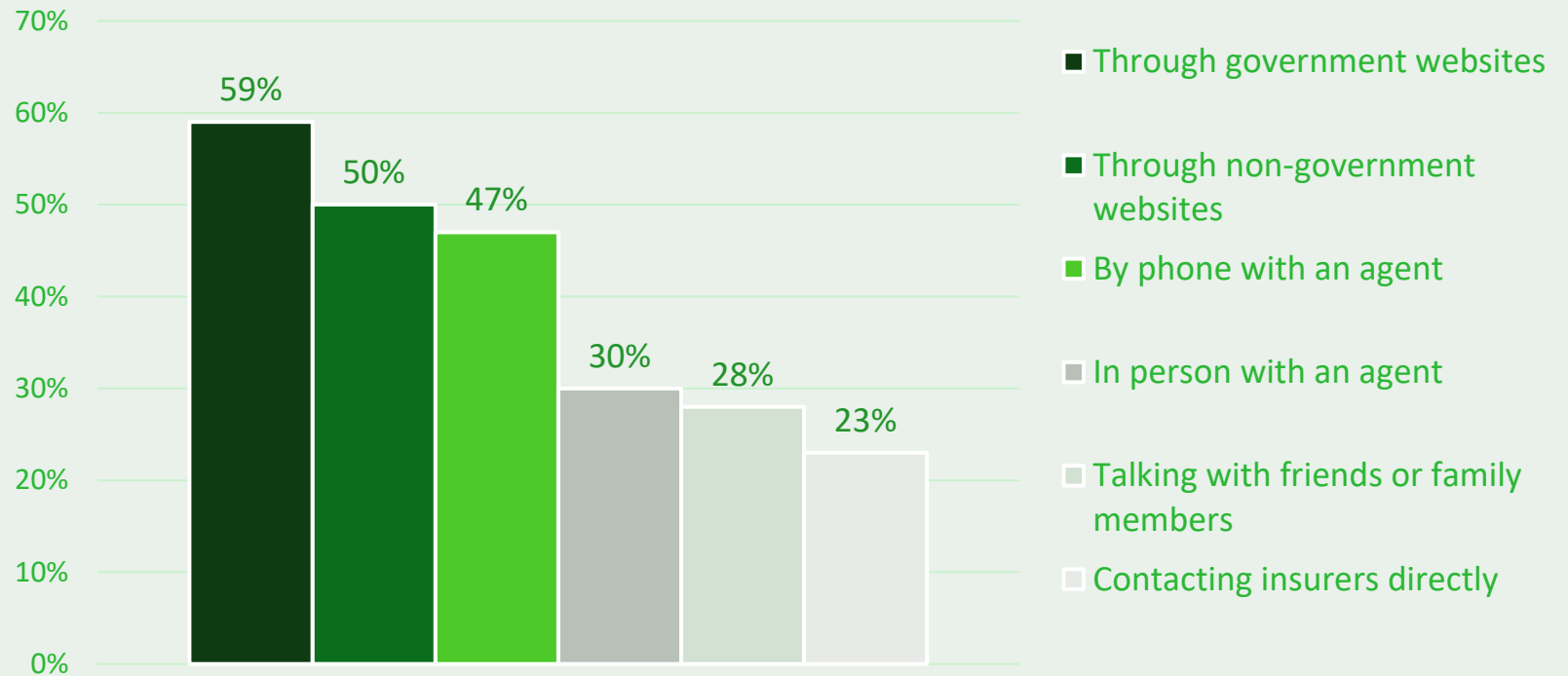
- 47% “strongly agree” that they feel a lot better about their Medicare plan choice when they work with a licensed agent.
- An additional 40% “agree” with that sentiment.
- Overall, 81% say they have worked with a licensed agent in the past.

How Medicare Beneficiaries Review Options

Beneficiaries rely heavily on online tools and websites when researching options

- 59% of Medicare beneficiaries use government websites (e.g. Medicare.gov) to review their coverage options.
- 50% use non-government websites (e.g. licensed online marketplaces) to review their Medicare options.
- 47% speak with a licensed agent by phone, and 30% meet in person with an agent.

When you review your Medicare coverage options, how do you go about it? Select all that apply.



Methodology Note

Cost and plan selection data in this report are based on tens of thousands of Medicare insurance plans selected through eHealth during the first half of Medicare’s Annual Enrollment Period (AEP) for 2025 coverage, from October 15 through November 8, 2024. Data from prior years reflect findings previously published by eHealth, covering approximately the same time period each year. Survey data included in this report is based on a poll of 518 Medicare beneficiaries drawn from the general population. The survey was conducted through a third-party survey vendor.

Throughout this report, all dollar values have been rounded to the nearest full dollar; percentages have been rounded to the nearest full percentage point. Totals may add to slightly more or less than 100% due to rounding.

For the purposes of this report, “Medicare Advantage” plans include Medicare Advantage Prescription Drug (MAPD) plans as well as Medicare Advantage (MA) plans not offering drug coverage. While eHealth provides a broad range of Medicare Advantage plans to choose from, it does not offer all available plans in every state.

Regarding \$0-premium Medicare Advantage plans: 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.

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.

About eHealth (NASDAQ: EHTH)

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Media inquiries, please contact: pr@ehealth.com