



How Much Does Short-Term Health Insurance Cost? eHealth Reports That Applications for Short-Term Coverage Surged Over 130% in 2014, Prices Rose Slightly

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Looming Supreme Court Ruling on King V. Burwell Could Put Health Insurance Subsidies for Major Medical Coverage at Risk at a Time When eHealth Reports Increased Demand for Affordable Short-Term Coverage

MOUNTAIN VIEW, CA -- (Marketwired) -- 06/03/15 -- Today eHealth, Inc. (NASDAQ: EHTH), which operates eHealth.com, the nation's first and largest private online health insurance exchange, [published a report](#) describing the increased popularity of short-term health insurance plans in 2014, the year when major provisions of the Affordable Care Act (ACA) first came into effect. The company also published average premiums and deductibles for short-term health insurance plans selected by eHealth customers on a national and state-by-state basis.

Short-term health insurance plans do not meet the coverage requirements of the ACA and may leave consumers open to penalties on their federal taxes. However, short-term health insurance plans are available outside the ACA's nationwide open enrollment period and do not require consumers to experience a qualifying life event before they can enroll.

"We've seen a significant shift in the marketplace as consumers turn to affordable short-term coverage as an alternative to ACA-compliant health plans, even though these do not provide the same benefits and protections as major medical plans," said eHealth CEO and Chairman Gary Lauer. "We believe that interest in short-term coverage may increase dramatically if the Supreme Court rules for the plaintiff in the case of *King vs. Burwell* and the ruling results in the loss of health insurance subsidies for millions of Americans.

"The Department of Health and Human Services has said that it does not have a 'Plan B' if the Supreme Court rules for King," Lauer continued, "but consumers are likely to create their own Plan B if they can no longer afford their major medical coverage. For many, that may be short-term health insurance coverage."

Interest in short-term health insurance plans increased dramatically at eHealth in 2014

- Applications for short-term health insurance at eHealth increased over 130% between 2013 and 2014
- More than 60,000 consumers applied for short-term health insurance at eHealth in 2013
- More than 140,000 consumers applied for short-term health insurance at eHealth in 2014
- In 2013, 9% of all short-term applications at eHealth were declined, primarily for medical reasons; in 2014, that figure increased to 12%
- In 2014, 61% of the applications for short-term coverage at eHealth occurred outside of the open enrollment period
- Individuals between the ages of 18 and 34 made up over half (55%) of all short-term insurance applicants at eHealth in 2014

Short-term plans are typically less expensive than traditional major medical plans

- The average monthly premium for individual short-term plans purchased through eHealth in 2014 was \$110
- The average monthly premium for family short-term plans purchased through eHealth in 2014 was \$262
- By comparison, [average premiums](#) for individual major medical plans selected by unsubsidized eHealth shoppers during the 2015 open enrollment period were \$286 per month for individuals and \$727 per month for families
- Between 2013 and 2014, average monthly premiums for short-term plans purchased through eHealth increased 7% (from \$103 to \$110) for individuals and 17% (from \$224 to \$262) for families

Average deductibles are lower for individuals on short-term plans vs. major medical plans

- The average annual deductible for individual short-term plans selected by eHealth shoppers in 2014 was \$3,589; the average annual deductible for families was \$8,566
- By comparison, [average annual deductibles](#) for major medical plans selected by unsubsidized eHealth shoppers during the 2015 open enrollment period were \$4,120 for individuals and \$7,760 for families
- Between 2013 and 2014, average monthly annual deductibles for short-term plans purchased through eHealth increased 18% (from \$3,047 to \$3,589) for individuals and 26% (from \$6,816 to \$8,566) for families

Most affordable and least affordable states for short-term health insurance ¹

- California was the most expensive state for short-term health insurance at eHealth, with premiums averaging \$161 per month for individuals and \$419 per month for families
- Utah was the least expensive state for individuals at eHealth, with premiums averaging \$76 per month; Maine was the least expensive state for families at eHealth, with premiums averaging \$171 per month
- California had the highest deductible for individual short-term plans available through eHealth, at \$4,459 on average; North Carolina had the highest deductible for family short-term plans available through eHealth, at \$11,549 on average

- Minnesota had the lowest deductible for individual short-term plans available through eHealth at \$1,946 on average; Washington had the lowest deductible for family short-term plans available through eHealth, at \$3,490 on average

Most short-term enrollees first considered major medical plans

- A survey of eHealth customers who purchased short-term plans showed that nearly two-thirds (63%) had considered purchasing a major medical health insurance plan before purchasing short-term health insurance²

What should consumers know about the limits of short-term coverage?

- While some coverage may be better than no coverage, short-term plans do not meet the coverage requirements of the Affordable Care Act, potentially leaving you open to a penalty on your federal taxes
- Short-term plans typically do not cover things like preventive care, pre-existing conditions or maternity care, and may not cover prescription drugs
- Short-term plans typically last no longer than six months, after which you may have to re-apply for coverage again, and re-application limits may apply
- It is possible to be declined for short-term health insurance coverage based on your personal medical history and pre-existing medical conditions

For more information, read [eHealth's full report](#) or visit the eHealth [Media Center](#).

Methodology Note

The information presented in this report is based solely on short-term health insurance applications submitted by consumers shopping at eHealth.com during the 2013 and 2014 calendar years. As such, it presents a snapshot of the short-term health insurance market rather than a comprehensive survey of shopping trends nationwide or in each state. Only short-term products available for purchase through eHealth.com are included. For additional methodology information, please refer to methodology section of eHealth's Health Insurance Price Index report, published March 25, 2015.

Notes

1. Based on analysis of short-term health insurance plans for sale through eHealth on eHealth.com. Not all short-term health insurance plans in a particular state are available for sale through eHealth. As such, statistics derived from plans on eHealth.com may not be representative of the entire short-term health insurance market within a state or other geographical area. A plan available in a state may not be available throughout the entire state, so state-wide statistics may not be representative of the plans available in any particular geographical area within a state.

2. Based on a voluntary survey of eHealth customers who purchased short-term health insurance plans through eHealth.com. The survey was conducted between April 6 - April 18, 2015 and a total of 585 responses were collected.

eHealth

eHealth, Inc. (NASDAQ: EHTH) owns [eHealth.com](#), the nation's first and largest private health insurance exchange where individuals, families and small businesses can compare health insurance products from leading insurers side by side and purchase and enroll in coverage online. eHealth offers thousands of individual, family and small business health plans underwritten by many of the nation's leading health insurance companies. eHealth (through its subsidiaries) is licensed to sell health insurance in all 50 states and the District of Columbia. eHealth also offers educational resources and powerful online and pharmacy-based tools to help Medicare beneficiaries navigate Medicare health insurance options, choose the right plan and enroll in select plans online through PlanPrescriber.com ([www.PlanPrescriber.com](#)), eHealthMedicare.com ([www.eHealthMedicare.com](#)) and Medicare.com ([www.Medicare.com](#)).

For more health insurance news and information, visit the eHealth consumer blog: [Get Smart - Get Covered](#) or visit eHealth's [Consumer Resource Center](#).

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding possible changes in the short-term health insurance market in response to a possible outcome of the Supreme Court case *King v. Burwell* and other factors. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements, including but not limited to: the final outcome of the court case *King v. Burwell* and any other litigation related to the Affordable Care Act; the political, legislative, regulatory or other governmental or official responses to such litigation; the effect of any such litigation on consumers, insurance brokers and agents, insurance carriers, and insurance markets, particularly with respect to short-term health insurance; any new or revised laws or regulations or other actions taken by federal and state regulatory agencies, including the Department of Treasury, the Internal Revenue Service, the Centers for Medicare and Medicaid Services and state departments of insurance; eHealth's ability to enroll or service customers interested in short-term health insurance products, including over the Internet, telephone, online chat and other means; eHealth's ability to maintain availability to consumers of its Internet platform, call center and other ecommerce infrastructure, including on mobile devices or computers connected to the Internet; eHealth's ability to efficiently and timely process customer requests and applications; eHealth's ability to maintain a good working with insurance companies providing short-term health insurance products; consumer demand for and acceptance of short-term health insurance products; the ability of insurance companies to handle increased customer demand for short-term health insurance; and potential changes in laws, regulations and regulatory guidance, such as the Affordable Care Act and related regulations and rules, including the timing of the open enrollment period or any regulations affecting the market for short-term health insurance products. Other risks and uncertainties that can affect actual results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in eHealth's Annual Report on Form 10-K for the year ended December 31, 2014 and most recent Quarterly Report on Form 10-Q, which are on file with the SEC and are available on the investor relations page of eHealth's website at <http://www.ehealthinsurance.com> and on the Securities and Exchange Commission's website at www.sec.gov. All information provided in this press release is as of the date of this press release, and we undertake no duty to update this information unless required by law.

Attachment Available: http://www.marketwire.com/library/MwGo/2015/6/1/11G043362/Short-Term_Health_Insurance_Plans_in_the_Post-ACA_-144040324098.pdf

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