



Five Health Insurance Pitfalls College Grads Should Avoid

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eHealth survey results among young adults show their idea of a fair price for health insurance is a fraction of today's market average; eHealth provides helpful guidance for college grads looking for coverage

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--May 21, 2018-- As millions of college students prepare to graduate, many will for the first time face important decisions about their health insurance coverage. A new survey by eHealth, Inc. (NASDAQ:EHTH) (eHealth.com) identifies some of the challenges young adults may face when determining the right health insurance plan for their needs, and pitfalls to avoid when searching for coverage. Highlights from the [survey](#) of eHealth customers include:

- Fifty-two percent of young adults age 18-24 identified \$100/month or less a "fair" price for health insurance, yet the average unsubsidized individual in that age band is paying \$257 per month*.
- More than 60 percent of young adults claim that all plans should provide coverage for maternity care, birth control, and mental health care; however, fewer than 40 percent are willing to pay higher premiums for these services.
- Seventy-six percent of young adults said that health care/insurance was among their top three issues when it comes to voting, which may play a factor in this fall's midterm elections.

Based on its survey and experience serving the health insurance needs of thousands of young adults every year, eHealth has identified the five most common health insurance pitfalls made by recent grads, and offers insights about how to avoid them:

Health Insurance Pitfalls for Recent Grads and Young Adults

Sticking with Mom and Dad's plan when moving out of state.

If you're still covered by your parents' health insurance policy, but plan to leave the state once you graduate, think about getting your own coverage. [A recent eHealth survey](#) found that 27 percent of young adults age 18-24 said affordable out-of-pocket costs (deductibles and copayments) were the most important consideration when choosing a health plan. Health insurance plans typically require you to pay a lot more out of your own pocket – in some cases you'll get no help from insurance at all – when you get medical care from doctors and hospitals that don't participate in your health plan's provider network; networks generally include only health care providers located within a particular region. If you're moving to a new state after graduation, you'll likely lose access to your current plan's in-network providers, meaning going to the doctor will get a lot pricier. Contact your insurance company to make sure you know how your coverage works (or doesn't) in your new city, and shop for a new plan if you'll need it.

Failing to take advantage of health insurance subsidies.

Seventy-three percent of young adults said they earn \$50,000 or less per year, making many of them potentially eligible for subsidies that would lower their monthly health insurance premiums. Government subsidies are available to those earning less than 400% of the federal poverty level (about \$49,000 annually). Eligibility depends in part on your estimated income for the year. It may be tempting to low-ball your income to get more subsidy help, but be aware that if you earn more than estimated you may need to pay back some or all of those subsidy dollars at tax time.

Enrolling in a catastrophic plan when you qualify for subsidies.

Fifty percent of young adults age 18-34 chose catastrophic plans at eHealth.com during the last open enrollment period, paying \$201 per month on average*. "Catastrophic" plans cost less than other major medical plans and are primarily available to people under age 30, so young adults understandably flock to them. However, you can't use government subsidies to help pay premiums for a catastrophic plan. If you qualify for government subsidies based on your income, you may be able to get more robust coverage (with silver or bronze plans, for example) at a lower price than buying an unsubsidized catastrophic plan.

Thinking you're off the hook for the tax penalty this year .

It's never a good idea to go uninsured, but healthy young people are sometimes tempted to do it. You might be doubly tempted if you already heard that the tax penalty for going uninsured was repealed. But the repeal doesn't take effect until 2019, meaning if you go without health insurance coverage for more than two consecutive months in 2018 you may still face a hefty penalty on your federal tax return. In eHealth's survey, only 25 percent of young adults age 18-24 considered themselves well informed about the repeal of the ACA's tax penalty for going uninsured. Some young adults who don't qualify for subsidies and can't afford major medical coverage turn to short-term coverage instead, so as not to go entirely uninsured, but be aware that short-term plans do not protect against the 2018 tax penalty.

Not taking advantage of a qualifying life event to shop for coverage.

There's a brief nationwide open enrollment period around each November when anyone can sign up for a new self-purchased health insurance plan. Outside of that, you need to experience what's called a "qualifying life event." Getting married, having a child, moving to a new coverage area, or the loss of other qualifying forms of coverage are among the life events that can earn you sixty days in which to sign up for a new health plan. Know when you've had a qualifying life event and make the most of it!

Notes:

*See eHealth's [December 20, 2017 press release](#).

About eHealth

eHealth, Inc. (NASDAQ: EHTH) owns eHealth.com, a leading private online health insurance exchange where individuals, families and small businesses can compare health insurance products from brand-name insurers side by side and purchase and enroll in coverage online and over the phone. 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, exceptional telephonic support, 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 or over the phone through Medicare.com (www.Medicare.com), eHealthMedicare.com (www.eHealthMedicare.com), goMedigap (www.goMedigap.com) and PlanPrescriber.com (www.PlanPrescriber.com).

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