



eHealth CEO Gary Lauer Testifies on Health Savings Accounts In Front of Key Congressional Committee

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WASHINGTON, D.C., June 30, 2006 - The CEO of eHealth, Inc., parent company of eHealthInsurance, told a key Congressional committee on Wednesday that health savings accounts (HSAs) appear to have appeal as an affordable health insurance option for many Americans. Gary Lauer, who had been invited to testify before the House Ways and Means Committee, also made several recommendations on steps Congress could take to make HSAs more attractive and beneficial to lower-income individuals and families, as well as small businesses.

In his testimony, Lauer cited statistics from a new eHealthInsurance study that suggests broad acceptance of HSAs across income levels. The study found that 42 percent of people who purchased HSA-eligible health insurance plans through the company were at least 40 years old; 45 percent have household incomes of \$50,000 or less; 25 percent earn \$35,000 or less a year; and 41 percent were uninsured prior to selecting their HSA plan.

"While HSAs may not meet the needs of every American, they appear to have broad appeal to a fairly large segment of the American population," Lauer testified at the hearing on health savings accounts. He said HSAs "appear to be a viable solution for many people and businesses looking to have affordable access to care, while insuring themselves against catastrophic financial loss."

HSAs team low-premium, high-deductible health plans with bank accounts where consumers and their employers can contribute tax-free dollars for their health care.

Lauer recommended enabling individuals and families to deduct the cost of health insurance from their taxes, like businesses currently can. "This would make health insurance more affordable for individuals and families who purchase health insurance on their own," Lauer testified. "Equal tax treatment here is simply about fairness and equality."

He also recommended providing tax credits to low-income people who buy their own health insurance but don't earn enough to make the deduction a financial benefit. "This refundable credit should be provided regardless of the type of health insurance they buy," he said. "The point is to get these families covered."

The law also should be expanded to allow the tax-free dollars saved in HSA accounts to be used to pay for premiums as well as health care, Lauer said. "Allowing employees to use this money to pay for health insurance they buy would encourage more small businesses to provide simple, affordable, and predictable funding to their employees, who would then have the opportunity to use their savings account to pay for their health insurance premiums," he said.

About eHealthInsurance

Since its founding in 1997, eHealthInsurance (www.ehealthinsurance.com) has become the nation's leading online source of health insurance for individuals, families and small businesses. eHealthInsurance offers more than 5,000 health plans underwritten by more than 140 of the nation's leading health insurance companies. The company is headquartered in Mountain View, California.

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