



eHealth Study: Medicare Advantage Beneficiaries Could Have Saved \$634 in 2013 on Prescription Drugs

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Customers With Stand-Alone Prescription Drug Plans Had Potential to Save an Average of \$649 (\$54 per Month) on Prescription Drugs

MOUNTAIN VIEW, CA -- (Marketwired) -- 09/18/13 -- According to data released today by eHealth, Inc. (NASDAQ: EHTH), only fourteen percent (14%) of people who used eHealth's online Medicare plan comparison tools were in the Medicare Advantage Prescription Drug plan (MAPD) with the lowest total out-of-pocket costs on prescription drugs available to them. The research also revealed that less than six percent (6%) of people who used eHealth's comparison tools to compare prices in stand-alone Medicare Prescription Drug plans (PDPs) were in the PDP with the lowest total out-of-pocket costs available to them.

Users who switched to the plan with the lowest total out-of-pocket costs on prescription drugs in 2013 could have saved an average of \$649 over their existing PDP and an average of \$634 over their existing MAPD, according to the study.

eHealth's analysis of Medicare prescription drug coverage was generated from over 17,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2013 Medicare Annual Enrollment Period, between October 15 and December 7, 2012. Over 11,000 user sessions were used to compare stand-alone PDPs, and over 6,000 user sessions were used to compare MAPD plans.

eHealth's study underscores the value of reviewing one's stand-alone Prescription Drug Plan and Medicare Advantage Prescription Drug coverage during Medicare's Annual Enrollment Period (AEP). A 2010 study by the Robert Wood Johnson Foundation found that only about 10 percent of Medicare Part D plan participants change their coverage annually¹. The year's AEP will take place between October 15, and December 7, 2013.

In eHealth's analysis, user sessions were defined by unique visits to eHealthMedicare.com or PlanPrescriber.com during AEP where customers entered their zip code, the name of their existing stand-alone Prescription Drug Plan or Medicare Advantage Prescription Drug Plan, and the names, dosages and frequency of prescription drugs they were taking, if any.

The Medicare plan comparison tool at eHealthMedicare.com and PlanPrescriber.com compares users' existing plans to other plans available in their areas. The tool calculates the users' known prescription drug costs, including monthly premiums, co-pays, coinsurance and deductibles. The tool then provides each user with an estimate of their total out-of-pocket costs for the year, which includes a plan's monthly premiums and cost-sharing for prescription drugs.

Why Out-of-Pocket Costs For Prescription Drugs Change

Changes to one's prescribed medications aside, the price a Medicare beneficiary pays for his or her prescription drugs can change significantly each year because many Medicare prescription drug plans change the pricing, benefit tiers and formularies of their drug plans from year to year. Typical changes that are made may include:

- The drugs covered by a plan
- The plan's monthly premiums
- The plan's annual deductible, coinsurance and co-payments
- The plan's drug tiers, which are used to assign different coinsurance and co-payments to specific drugs

Any one of these changes can affect what an enrollee pays out of pocket for his or her drugs on the same PDP or MAPD from one year to the next. In some cases, the lowest-cost plan for an enrollee's particular drug regimen in one year may not be the lowest-cost plan in the following year.

Cost Savings for Plan Switchers

After calculating all costs -- including monthly premiums, co-pays and deductibles -- eHealth's analysis of 2012 session data found that switching to the plan with the lowest overall out-of-pocket costs could have saved the average user with a PDP \$649 in 2013, or \$634 for the average user with an MAPD plan.

Cost Savings for Persons New to Medicare

eHealth's analysis also found that in 2013 the average Medicare beneficiary without any Part D coverage could save an average of \$1,266 on prescription drug costs by enrolling in a PDP, and an average of \$1,402 on prescription drug costs by enrolling in a MAPD plan. These savings estimates are based on user sessions in which the shopper entered one or more drugs into one of eHealth's Medicare plan comparison tools, but did not list any existing prescription drug coverage.

Plan Type	Average Savings by Switching Plans 2013	Average Savings by First-Timers 2013	Percent of Users in Lowest-Priced Plan
Stand-Alone Prescription Drug Plan	\$649	\$1,266	5.7%
Medicare Advantage	\$634	\$1,402	13.8%

The actual savings estimated during user sessions can vary depending on things like geographic location, plan selection and other factors. The

benefits and coverage may also vary between plans. The average savings presented in this report are based on user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com only.

Survey Methodology

This report analyzes more than 17,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2013 Medicare Annual Election period (also called Annual Enrollment Period or AEP), which took place between October, 15 and December, 7, 2012. During that time there were over 11,000 user sessions in which a person identified their current Medicare Prescription Drug Plan (PDP) and one or more prescription drugs they were taking. In addition, over 6,000 user sessions occurred in which a person identified their current Medicare Advantage Prescription Drug (MAPD) plan and one or more prescription drugs they were taking. The information users were required to provide in order to be counted as currently enrolled in a PDP or MAPD plan included their zip code and the name of their existing PDP or MAPD plan. In these user sessions, customers also included the names, dosages and frequency of any prescription drugs they were taking. Their average savings were calculated by subtracting the customer's total estimated out-of-pocket spending on their current plan -- including monthly premiums, deductibles, coinsurance and co-payments -- from the estimated out-of-pocket spending on the plan recommended by eHealth's Medicare plan comparison tools on eHealthMedicare.com and PlanPrescriber.com. For price comparison, this study assumes no changes in prescription or medical needs, as well as no changes in rates or drug prices during the applicable time period.

NOTE: Medicare beneficiaries base their plan selections on a variety of priorities, including price. eHealth encourages people to consider their specific needs in deciding which plans to select during AEP. Plan data listed in this report might change based on additional data received from the Centers for Medicare & Medicaid Services (CMS) at a date later than the active date of the data or later than the published date of this report.

Notes:

¹ Robert Wood Johnson Foundation, RWJF-Funded Study Finds Medicare Part D Too Complex for Many Doctors, July 29, 2010, <http://www.rwjf.org/humancapital/product.jsp?id=66208>

About eHealth, Inc.

eHealth, Inc. (NASDAQ: EHTH) operates [eHealthInsurance](#), 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. eHealthInsurance offers thousands of individual, family and small business health plans underwritten by more than 200 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia. eHealth, Inc. also provides 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 eHealthMedicare.com ([www.eHealthMedicare.com](#)) and PlanPrescriber.com ([www.planprescriber.com](#)).

For more health insurance news and information, visit the eHealthInsurance consumer blog: [Get Smart - Get Covered](#).

Medicare has neither reviewed nor endorsed this information.

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