



Obamacare Premiums for 2018 Projected to Make Health Insurance Unaffordable for Many, eHealth Analysis Finds

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A 28% premium increase would make health insurance unaffordable for the average middle-class family of three with an annual household income between \$82,000 and \$166,000

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--Jun. 22, 2017-- A new analysis conducted by eHealth Inc., (NASDAQ:EHTH), finds that projected rate increases for 2018 health insurance plans would make health insurance unaffordable, according to the rules of the Affordable Care Act (the ACA or Obamacare), for 29% of individuals and 54% of families who bought their health insurance at eHealth during the 2017 open enrollment period. eHealth operates eHealth.com, the nation's first online health insurance exchange.

The eHealth analysis assumes the same group who bought health insurance for 2017 bought health insurance for 2018 at the projected 2018 rates. The analysis also uses federal poverty guidelines for 2017 to determine the income at which individuals and families become eligible for Obamacare subsidies.

The Affordable Care Act deems health insurance to be unaffordable if it costs more than 8.13% of a person's modified adjusted gross income ([MAGI](#) or household income) to pay for the lowest cost plan available. In areas of the country where the health insurance available through government-run marketplaces does not meet this affordability requirement, individuals and families can qualify for an exemption from Obamacare's individual mandate (the individual shared responsibility tax penalty).

For its analysis, eHealth looked at quoted health insurance premiums for the lowest cost bronze-level health insurance plan across all 50 states during the 2017 open enrollment period. eHealth then added 28% to the quoted monthly premiums to estimate costs for 2018. This percentage increase is based on estimates published by Oliver Wyman Health, which [projected rate increases](#) would range from 28% to 40% for 2018 health insurance plans.

With a 28% premium increase, the lowest cost bronze plan available in 2018 will cost the average unsubsidized family of three \$1,126 a month, which is unaffordable under ACA guidelines until the family's household income reaches \$166,245.

eHealth then compared those premiums to the self-reported income of over 2,087 customers who bought their own 2017 health insurance from eHealth.com and then later provided income information in response to a voluntary survey. eHealth found that, at projected 2018 prices, Obamacare plans would be unaffordable for 29% of individual shoppers and 54% of family shoppers in this group.

"What we're seeing now in Obamacare is death-spiral pricing, and in many states only the heavily subsidized will be able to afford coverage in 2018," said Scott Flanders, CEO of eHealth. "Obamacare made real improvements in the individual health insurance market by increasing access to health care for millions of Americans, but it has proven to be a deeply flawed piece of legislation that needs to be repaired or replaced in order to help people stay covered."

Flanders continued: "It's my sincere hope that our legislators can put politics aside, work together, and implement meaningful reforms to the Affordable Care Act so that millions of Americans are not priced out of the insurance market in 2018."

eHealth's Chief Data Officer Ian Kalin said: "It is clear from eHealth's customer analysis that entire segments of consumers are negatively impacted by health care's unaffordability. I'm very concerned about those middle-class families that are being priced out of the individual health insurance market."

Based on estimated 2018 premiums and ACA affordability guidelines, eHealth's analysis projects:

- **Affordable insurance:** Health insurance will be unaffordable for 29% of individuals and 54% of families, according to data from the 2017 eHealth customers that reported their income in a voluntary survey.
- **Individuals:** For the average individual, age 41, health insurance would be unaffordable if they earn between \$48,240 and \$71,820 per year.
- **Tax credits:** Obamacare tax credits are available to individuals with incomes below \$48,240 in the contiguous United States.
- **Families of 2:** For the average family of two, with a head of household age 41, health insurance would be unaffordable for those who earn between \$64,960 and \$150,086.
- **Tax credits:** Obamacare tax credits are available to families of two with incomes below \$64,960 in the contiguous United States.
- **Families of 3:** For the average family of three, with a head of household age 41, health insurance would be unaffordable for those who earn between \$81,680 and \$166,245.
- **Tax credits:** Obamacare tax credits are available to families of three with incomes below \$80,640 in the contiguous United States.
- **Families of 4:** For the average family of four, with a head of household age 41, health insurance would be unaffordable for those who earn between \$98,400 and \$200,141.
- **Tax credits:** Obamacare tax credits are available to families of four with incomes below \$98,400 in the contiguous United States.

Individuals

Age of applicant	2017 lowest cost bronze (monthly)	2017 lowest cost bronze (annual)	2018 projected bronze (monthly w/ 28%)	2018 projected bronze (annual w/ 28%)	2018 MAGI income needed to afford coverage
18-24	\$202.00	\$2,424.00	\$258.56	\$3,102.72	\$38,163.84
25-34	\$269.00	\$3,228.00	\$344.32	\$4,131.84	\$50,822.14
35-44	\$307.00	\$3,684.00	\$392.96	\$4,715.52	\$58,001.48
45-54	\$416.00	\$4,992.00	\$532.48	\$6,389.76	\$78,594.83
55-64	\$629.00	\$7,548.00	\$805.12	\$9,661.44	\$118,836.90
Average (Age 41)	\$380.14	\$4,561.68	\$486.58	\$5,838.95	\$71,819.81

Two-person families

Age of applicant	2017 lowest cost bronze (monthly)	2017 lowest cost bronze (annual)	2018 projected bronze (monthly w/ 28%)	2018 projected bronze (annual w/ 28%)	2018 MAGI income needed to afford coverage
18-24	\$395.00	\$4,740.00	\$505.60	\$6,067.20	\$74,627.31
25-34	\$503.00	\$6,036.00	\$643.84	\$7,726.08	\$95,031.73
35-44	\$538.00	\$6,456.00	\$688.64	\$8,263.68	\$101,644.28
45-54	\$773.00	\$9,276.00	\$989.44	\$11,873.28	\$146,042.80
55-64	\$1,199.00	\$14,388.00	\$1,534.72	\$18,416.64	\$226,526.94
Average (Age 41)	\$794.40	\$9,532.80	\$1,016.83	\$12,201.98	\$150,085.90

Three-person families

Age of applicant	2017 lowest cost bronze (monthly)	2017 lowest cost bronze (annual)	2018 projected bronze (monthly w/ 28%)	2018 projected bronze (annual w/ 28%)	2018 MAGI income needed to afford coverage
18-24	\$652.00	\$7,824.00	\$834.56	\$10,014.72	\$123,182.29
25-34	\$675.00	\$8,100.00	\$864.00	\$10,368.00	\$127,527.68
35-44	\$730.00	\$8,760.00	\$934.40	\$11,212.80	\$137,918.82
45-54	\$951.00	\$11,412.00	\$1,217.28	\$14,607.36	\$179,672.32
55-64	\$1,297.00	\$15,564.00	\$1,660.16	\$19,921.92	\$245,042.07
Average (Age 41)	\$879.93	\$10,559.16	\$1,126.31	\$13,515.72	\$166,245.08

Four-person families

Age of applicant	2017 lowest cost bronze (monthly)	2017 lowest cost bronze (annual)	2018 projected bronze (monthly w/ 28%)	2018 projected bronze (annual w/ 28%)	2018 MAGI income needed to afford coverage
18-24	\$653.00	\$7,836.00	\$835.84	\$10,030.08	\$123,371.22
25-34	\$862.00	\$10,344.00	\$1,103.36	\$13,240.32	\$162,857.56
35-44	\$947.00	\$11,364.00	\$1,212.16	\$14,545.92	\$178,916.61
45-54	\$1,134.00	\$13,608.00	\$1,451.52	\$17,418.24	\$214,246.49
55-64	\$1,529.00	\$18,348.00	\$1,957.12	\$23,485.44	\$288,873.80
Average (Age 41)	\$1,059.34	\$12,712.08	\$1,355.96	\$16,271.46	\$200,140.99

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 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 Medicare.com (www.Medicare.com), eHealthMedicare.com (www.eHealthMedicare.com) and PlanPrescriber.com (www.PlanPrescriber.com).

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