



Health Insurers Offer Early Glimpse Into 2019 ACA Market Strategies as Congress Considers Stabilization Measures

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eHealth survey offers insurers' perspectives on how to cover more consumers, lower premiums, and position their plans to participate in the 2019 ACA market

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--Mar. 19, 2018-- As negotiations for a bipartisan plan to stabilize the Obamacare health insurance markets continue, eHealth, Inc. (Nasdaq: EHTH) (eHealth.com) has released results from a new survey of health insurance companies.

eHealth's analysis offers an early glimpse into how insurers plan to participate in Affordable Care Act (ACA) markets for the 2019 plan year and what they view as necessary legislative changes to expand coverage and stabilize the health insurance market under the ACA.

Key findings:

- **Most insurers intend to maintain or expand market participation in 2019:** Nearly six in ten insurers (58 percent) said they intend to either maintain or expand their current level of participation in ACA markets for 2019; 21 percent remain undecided
- **Looser essential health benefits ranked as most important for expanding coverage:** Nearly seven in ten respondents (68 percent) said allowing insurers to offer plans with relaxed benefit structures would attract more consumers to ACA markets, including young people under the age of 30
- **Reinstating cost-sharing reductions and funding reinsurance could lower premiums:** Nearly eight in ten insurers (79 percent) said legislation to introduce a reinsurance program was somewhat or very important, and nearly 40 percent said bringing back cost-sharing reductions would likely lead them to lower premiums

eHealth's survey was conducted on a voluntary, anonymous basis online by email invitation to a broad range of health insurers. Invitees included the industry's largest national non-profit and for-profit insurers, collectively covering more than 200 million Americans. Responses from a total of 19 insurance companies were collected between February 26 and March 12, 2018.

MARKET STRATEGIES FOR 2019

ACA Market Participation

Nearly one-third (32 percent) of insurers responding to eHealth's survey said they intend to maintain their current level of participation in the market, while another 26 percent said they intend to broaden it. Only 5 percent said they intend to shrink their participation in the ACA market for 2019, though 21 percent said their strategy was undecided at this time.

Only 6 percent of respondents said they intend to increase health insurance premiums by more than 10 percent in 2019.

While 21 percent of respondents said they are currently not participating in the ACA market, only 16 percent indicated that they intended to stay out of the market next year.

Among those insurers who had already exited the ACA market, half (50 percent) said they might be enticed back by looser essential health benefit requirements. A quarter (25 percent) said legislation introducing a reinsurance program might bring them back into the market.

Changes to Health Plan Offerings

When asked what changes they were likely to make next year, 29 percent of insurers said they intend to add to the number of plans they offer. Twenty-four percent said they intend to restrict their provider networks, while nearly 18 percent report plans to expand their network of providers.

Only 18 percent of insurers surveyed said they intend to reduce the number of plans they offer in ACA markets for the 2019 plan year.

ATTRACTING MORE PEOPLE INTO THE INSURANCE MARKET

Relaxing Essential Health Benefit Requirements

When asked about ways to improve the ACA market and make it more attractive to a wide range of consumers, including those under the age of 30, most insurers described changes that would allow them to offer less-costly coverage options.

Sixty-eight percent of insurers said that being able to offer plans with greater flexibility around essential health benefits than allowed under current law was critical to enticing more people into the market; more than half (58 percent) suggested loosening health benefits requirements specifically for people under the age of 30. Thirty-seven percent suggested expanding age band ratings beyond the current 3:1 ratio.

More than a third (37 percent) of insurers responding to the survey said broadening the availability of premium subsidies would likely help to expand coverage. The same number (37 percent) expressed interest in making additional subsidies available to people under age 30. Eleven percent said repealing the provision of the ACA allowing young people to stay on a parent's plan until age 26 would help to expand coverage and stabilize the market.

Expanding Short-term and Association Health Plans

More than half (52 percent) of respondents said that allowing short-term plans with coverage periods beyond 90 days would encourage more people to buy some form of health insurance.

Sixty-seven percent of insurers expect more consumers to sign up for short-term health plans if the maximum duration for these policies is expanded beyond 90 days and fewer to sign up for ACA-compliant coverage; only 20 percent thought the change would have no significant effect on their ACA business. (For additional insights, refer to eHealth's [recent report](#) on the short-term market.)

Just 6 percent of insurers responding to eHealth's survey said they plan to sponsor an association health plan in response to the Trump administration's new rules.

STABILIZING THE ACA MARKET, 2019 PREMIUMS

Reinsurance Funding

Forty-two percent of insurers said legislation introducing a reinsurance program would help to stabilize the market.

Reinstating Cost-sharing Reduction Payments

Forty-two percent of insurers said that reinstating the ACA cost-sharing reduction payments, which the Trump administration ceased making in late 2017, is likely to have a positive impact on the market's stability. Nearly four in ten (39 percent) said doing so would likely lead their company to reduce monthly premiums or slow the rate of premium increases. Twenty-eight percent of insurers said that reinstating cost-sharing reduction payments would not impact premiums.

Repeal of the Individual Mandate's Tax Penalty

The majority of insurers – nearly 56 percent – said the penalty's repeal will make no difference in their approach to the ACA market. Twenty-two percent said it will lead their company to institute higher premium increases for 2019. Just 6 percent say the tax penalty's repeal will likely cause them to leave the market entirely.

About eHealth

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