



Health Reform and Your Health Care Costs: eHealthInsurance Outlines Ten Ways to Save Money Today

March 16, 2010

MOUNTAIN VIEW, CA, Mar 16, 2010 (MARKETWIRE via COMTEX) -- With the future of health reform still uncertain, Americans struggling to pay doctors' bills and health insurance premiums need to take matters into their own hands to minimize health care costs. Today, eHealthInsurance (NASDAQ: EHTH), the leading online source of health insurance for individuals, families and small businesses, released a series of tips to help consumers take control of their health care and insurance costs during challenging economic times.

Ten Ways to Save Money on Health Care and Health Insurance:

1. Lock in That Rate -- When purchasing private health insurance for yourself or your family, keep in mind that your insurance company may be able to periodically increase your monthly premiums. One way you can temporarily protect yourself is to look for a "rate guarantee" when shopping for coverage.

Work with a licensed broker that represents a large variety of health insurance companies to find out which companies offer rate guarantees. Some carriers may automatically lock in your rate for the first year of your policy. Others may offer to lock in your rate for a longer period in return for an additional fee each month. For example, a carrier may include a rate guarantee for the first 12 months and then offer to extend the rate guarantee to a total of 24 months if you pay an extra \$21 per month. Do the math to make sure you're saving money compared to a rate increase that might make your coverage unaffordable.

2. Right-size Your Health Insurance Plan -- If your current health insurance plan is getting too expensive to keep but you're afraid of being declined for new coverage based on your medical history, make sure you explore your options. Work with an online broker that has the experience and resources to negotiate with your carrier directly -- you may be able to switch to a less expensive plan. By staying with the same insurer, you may be able to transfer to a more affordable plan without undergoing medical underwriting and running the risk of being declined.

There are trade-offs, of course. You may need to accept a higher deductible in return for a lower monthly premium, but the new plan may still provide you with valuable protection in case of serious illness or injury, and you may be able to trim a substantial amount from your monthly bill. Make sure you ask questions and get as much information before making a final decision.

3. Negotiate Your Medical Bills -- Did you know that you may be able to save up to 30% off your medical bills by negotiating with your medical care provider?(1)

Health insurance allows you to benefit from discounted rates for health care services which your insurance company has negotiated with providers ahead of time. If you're currently uninsured, you're not benefiting from those discounted rates, so the charges listed on your medical bill may be substantially more than others are expected to pay. Talk to your doctor or your hospital's billing department to see if you can negotiate a discount by paying up front or creating a payment plan.

Even if you have health insurance, that doesn't mean all your medical procedures are automatically covered. If you're seeing an out-of-network physician or receiving medical services not covered by your insurance plan, you may be charged the full, non-negotiated rate. In these circumstances, even insured patients should negotiate their bills.

To learn more about negotiating medical bills, visit the Healthcare Blue Book website to find suggested prices for many standard medical services. If you're surprised by an especially high medical bill and want help negotiating payment, you may also want to work with a professional medical bill negotiator. Some negotiators are paid only on a contingency basis based on how much they are able to save you.

4. Consider Generic-only Prescription Drug Coverage -- Find out if health insurance companies in your area offer generic-only prescription drug coverage for some of their plans. If you rarely use prescription drugs but don't want to go entirely without Rx coverage, you may be able to save on your monthly premiums. As a supplement to your insurance coverage, a prescription discount card may help mitigate the cost of a brand-name drug, should it become necessary to take one. Just be sure that any discount card you purchase is accepted by your local pharmacy.

5. Shop Smart When Shopping a la Carte -- When shopping for private health insurance, you can save money by only considering plans that offer the specific benefits you need. For example, average individual health insurance customers can save \$77 per month on premiums when they select an insurance plan without maternity benefits(2) in states where these plans are allowed.

By selecting an insurance plan that excludes benefits like robust maternity coverage (not necessary for a single male, for example) or chiropractic and mental health coverage, you may see significant savings on your monthly premiums. Given the choice between going uninsured and cutting benefits for services you may not need, limited coverage is better than none at all.

6. Moonlighting with Your Health Insurance Plan -- If you can no longer afford your share of the premium for an employer group health insurance plan, consider your options in the private health insurance market during your next open enrollment period. While it may not always offer the same benefits, coverage purchased on your own is sometimes less expensive than what your employer may require you to contribute toward your monthly premiums. Employer-sponsored coverage is especially valuable for those with pre-existing medical conditions who may be declined for coverage elsewhere, but healthy individuals should consider all of their options before selecting a health insurance option.

7. Think Again about COBRA Coverage -- eHealthInsurance has identified over twenty states(3) where families can save over \$500 per year on average by purchasing coverage on their own rather than enrolling in subsidized COBRA(4). The federal COBRA subsidy has made COBRA health insurance more affordable to laid-off workers and their dependents, but it may still be too expensive for many.

Eligibility for the COBRA subsidy is currently set to expire after March 31, 2010 (though pending legislation may extend that period), and those who first began receiving the subsidy are due to roll off after May 31, 2010. As such, COBRA coverage may soon get more expensive for many more. Without the subsidy, family COBRA premiums averaged \$13,332 per year nationwide(4). By comparison, average annual health insurance premiums for families that purchased their own coverage through eHealthInsurance.com were \$4,596 per year, a savings of over \$8,700(4).

Please note: COBRA coverage is the best option for some people, particularly for those with pre-existing medical conditions. So, consider your options carefully and don't drop or decline your COBRA coverage until you have been accepted for coverage under another plan.

8. Split up the Family -- Different people have different health insurance needs, and this is true within families too. You may be able to save money by covering family members under two or more separate health insurance plans. For example, if one family member has heart disease or diabetes, you'll want to keep that person covered under an employer-sponsored health plan or COBRA, since they could be declined for coverage elsewhere. However, you may want to cover your healthy teenager, for example, under a more affordable individual health insurance policy of his or her own.

Ask your Human Resources representative or benefits administrator to learn how much you can save by removing a dependent from your employer-sponsored plan. Then go to an online marketplace with a large selection of health insurance plans in your area to compare that amount to quotes for privately-purchased health insurance. Be sure not to drop any existing coverage for a dependent until he or she is officially accepted for coverage under a new health plan.

9. Take Another Look at Health Savings Accounts -- For 2010, the IRS allows individuals to save \$3,050 and families to save \$6,150, tax free, in an FDIC-insured health savings account (HSA).

An HSA is a tax-advantaged savings account used in conjunction with an HSA-eligible health insurance plan. HSA-eligible plans are major medical health insurance plans that often come with a higher deductible, and lower monthly premiums, than many other plans. HSAs allow you to deposit a portion of your pre-tax income into a savings account, earn interest tax-free and use those funds to pay for qualified medical expenses, including copayments and deductibles. Unused money accrues tax-free from year to year. Visit eHealthInsurance's HSA page for more information and savings calculators.

10. You May be Eligible for Public Health Coverage Programs -- According to the Foundation for Health Coverage Education (FHCE), nearly half of those who are uninsured are eligible for public programs but are not enrolled(5). If you're presently uninsured and can't afford to purchase coverage on your own, or may not qualify due to pre-existing medical conditions, you're more likely than most to suffer from dire financial consequences associated with unexpected medical bills. Be sure to do your homework and understand what government-sponsored health insurance options are available to you. FHCE provides a state-by-state look at the public programs available in your area. Visit their website at coverageforall.org or call them toll-free at 800-234-1317.

Notes: (1) SOURCE: New York Times, March 13, 2009: http://www.nytimes.com/2009/03/14/health/14patient.html?_r=2 (2) Based on comparison data from page 23 of eHealth, Inc.'s December 2009 Report: The Cost And Benefits Of Individual And Family Health Insurance Plans Report (http://news.ehealthinsurance.com/pr/ehi/document/Cost_and_Benefit_Report_2009.pdf) (3) States include: AL, AZ, AR, FL, ID, IN, IA, KS, KY, MI, MN, MS, MO, NE, NM, NC, OH, OK, SC, SD, TN, UT, WI, WY. For more information, see eHealth's February 8, 2010 press release: <http://news.ehealthinsurance.com/pr/ehi/forgotten-health-insurance-consumers-153592.aspx> (4) Based on data from Families USA December 2009 Special Report: Expiration of COBRA Subsidy (<http://www.familiesusa.org/assets/pdfs/expiration-of-cobra-subsidy.pdf>); and from eHealth, Inc.'s December 2009 Report: The Cost And Benefits Of Individual And Family Health Insurance Plan, cited above. (5) http://www.coverageforall.org/uninsured/uninsured_truths.htm

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