eHealth

eHealth, Inc. Announces Acquisition of PlanPrescriber, Inc.

May 3, 2010

Adds Powerful Decision Support Technology and Pharmacy Distribution Partners for Medicare Market

MOUNTAIN VIEW, CA, May 03, 2010 (MARKETWIRE via COMTEX) --eHealth, Inc. (NASDAQ: EHTH), parent company of eHealthInsurance.com and eHealthMedicare.com, today announced that it has acquired privately-held PlanPrescriber, Inc. (formerly known as Experion Systems, Inc.) for approximately $28.7 million in cash before giving effect to purchase price deductions, including transaction expenses, certain bonus plan payments and other employee related deductions.

PlanPrescriber provides powerful online and pharmacy-based tools to help seniors navigate Medicare health insurance options and choose the right plan. PlanPrescriber's primary website is http://www.planprescriber.com and the company is based in Maynard, Massachusetts. As a result of the transaction, PlanPrescriber has become a wholly-owned subsidiary of eHealth, Inc., and PlanPrescriber CEO Ross Blair will continue to manage the subsidiary.

Originally founded as Experion Systems in 2000 by Dr. Glen Urban, Professor and former Dean of the M.I.T. Sloan School of Management, PlanPrescriber has developed a proprietary and data intensive research and comparison shopping platform for Medicare-eligible individuals, allowing them to objectively compare Medicare prescriptions drug plans and Medicare Advantage health plans from all providers nationwide. The easy-to-use tool enables seniors to model expected costs among competing plans based on the specific medications they take. Seniors enter their zip code, Medicare status, and prescription drug requirements, and PlanPrescriber provides the senior with available Medicare plan options and estimated annual savings.

PlanPrescriber's decision support tools are licensed to and incorporated into the websites and pharmacy counters of a number of major pharmacy chains and retailers. These pharmacy partnerships also drive high quality Medicare traffic to www.planprescriber.com.

"The PlanPrescriber acquisition is highly strategic and a great example of what we are looking for in an acquisition partner. eHealth is continuing to build its retail Medicare initiative, which is a natural extension of eHealth's online individual and family health insurance business and a way to significantly expand our portfolio of offerings," said Gary Lauer, President and CEO of eHealth, Inc. "PlanPrescriber will help accelerate our penetration of the large and expanding senior market."

"At eHealth we're committed to giving seniors the information, choices and personal assistance they need in order to make the best decisions for their health insurance," said Bruce Telkamp, eHealth's Executive Vice President of Business and Corporate Development. "Incorporating the PlanPrescriber team, its powerful consumer-focused technology and its relationships with leading pharmacies will allow us to immediately offer seniors an online Medicare research and shopping experience, and do so with a national footprint. Our near-term plans with the new PlanPrescriber subsidiary will include the launch and integration of online enrollment capabilities into the PlanPrescriber platform. We are very pleased to have Ross and his talented team on board to help us achieve our goal of becoming the nation's technology distribution standard for Medicare products."

"Since our introduction of PlanPrescriber in 2006, we have helped millions of seniors understand their Medicare options," said Ross Blair, CEO of PlanPrescriber, Inc. "We always viewed eHealth as the leader in simplifying complex health insurance products online, and it is incredibly exciting for us now to integrate our technologies and teams to pursue the large and growing senior marketplace together."

About eHealth eHealth, Inc. (NASDAQ: EHTH), the parent company of eHealthInsurance and PlanPrescriber, is the nation's leading online source of health insurance for individuals, families, seniors and small businesses. Through the company's websites (http://www.eHealthInsurance.com, http://www.PlanPrescriber.com and http://eHealthMedicare.com), consumers can get quotes from leading health insurance carriers, compare plans side by side, and apply for and purchase individual and family, Medicare, small group, short-term and ancillary health insurance products. eHealthInsurance is authorized by more than 180 of the nation's leading health insurance companies and offers thousands of health plans. eHealth is licensed to sell health insurance in all 50 states and the District of Columbia, making it the ideal model of a successful, high-functioning health insurance exchange. Through its eCommerce On-Demand solution (eOD), (www.ehealth.com/eOD), eHealth is also a leading provider of on-demand e-commerce software services for health plan providers. eHealth, eHealthInsurance and PlanPrescriber are registered trademarks of the company.

Forward-Looking Statements This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These include statements regarding eHealth's plans with respect to Medicare and the seniors market, and the impact of the PlanPrescriber acquisition on these plans. These forward-looking statements are inherently subject to various risks and uncertainties that could cause actual results to differ materially from the statements made, including the risk that the acquisition disrupts current plans and operations; the risk that anticipated synergies and opportunities as a result of the transaction will not be realized; difficulty or unanticipated expenses in connection with integrating PlanPrescriber into eHealth; the risk that the acquired business does not perform as planned, including as a result of overall changes in the economy; risks associated with changes and developments in the structure of the health insurance system in the United States and healthcare system reform, eHealth's rate of growth, changes in the economy, weak economic conditions, consumer awareness of the availability and accessibility of affordable health insurance, and eHealth's success in marketing Medicare-related health insurance products. Other factors that could cause operating, financial and other results to differ are described in eHealth's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Securities and Exchange Commission and available on the investor relations page of eHealth's website at http://www.ehealthinsurance.com and on the Securities and Exchange Commission's website at www.sec.gov. eHealth does not undertake any obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

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