



Annual Enrollment Period: PlanPrescriber Outlines Pitfalls for Medicare Beneficiaries Enrolling in Medicare Coverage

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MAYNARD, MA, Oct 06, 2010 (MARKETWIRE via COMTEX) --

Today PlanPrescriber (www.planprescriber.com), a wholly-owned subsidiary of eHealth, Inc. (NASDAQ: EHTH), released a list of five Medicare pitfalls -- "Medicare Gotchas" -- that Medicare beneficiaries need to be aware of when enrolling in Medicare coverage during Medicare's Annual Enrollment Period (AEP). The following list of "Gotchas" are designed to help Medicare beneficiaries better understand their Medicare choices and options.

Medicare Gotchas

1. Drug Limitations (also known as "cost utilization measures") -- In some cases, a health plan that offers prescription drug coverage may place limits on the cases in which the medication is covered. These limits are typically set for individual medications. Therefore, while you may assume your drug is covered, it may only be covered after prior authorization, step therapy, or in certain doses and quantities (for example: only 10 milligrams per month of Lipitor, but not 100). Use PlanPrescriber's Medicare Part D plan comparison tool to view drug limitations for Medicare Part D plans in your area.

-- Quantity Limits -- In some cases, an insurance provider will pay only for particular dosages or quantities of a medication. It is important to make sure not only that your medications are covered by your Medicare prescription drug plan, but that your specific quantities and dosages are covered as well. Otherwise, you may have to pay out-of-pocket for those medications with dosages or quantities that aren't covered.

-- Step Therapy -- This is a drug limitation where your medication is covered, but before you can get the medication your physician must first try other, alternative medications to see if they work. If the alternative drugs are shown to be ineffective, eventually you will be able to get the preferred medication. Consumers who are concerned about having access to specific drugs may wish to find a prescription drug plan where their medications do not require step therapy.

-- Prior Authorization -- This limitation requires that one's physician or pharmacist request authorization from the health plan to obtain approval for coverage of a particular medication. If a specific medication requires your health plan's prior authorization and you do not receive it before filling the prescription, you will be responsible for the full cost of the medication.

For more information about drug limitations, go to: <http://www.planprescriber.com/medicare-part-d/drugs/limits/>

2. Annual Limits & the Medicare Prescription Drug (Part D) "Donut Hole" -- For 2010, once a beneficiary's health plan pays \$2,830 in medication costs, an individual is considered to have reached the Medicare "Donut Hole," in which they will be required to pay 100% of their medication costs until the individual's out-of-pocket expenses for drugs in the plan's formulary reach \$4,550 (the catastrophic coverage threshold). This can amount to total out-of-pocket costs beyond \$4,550, as the money you spend on any drugs that are not within your plan's list of covered medications do not count toward the threshold. The donut hole is an issue that affects over 4 million Medicare beneficiaries each year. If you reach the coverage gap this year and enter the Part D "donut hole," you will receive a one-time \$250 rebate check if you are not already receiving Medicare Extra Help. These checks began being mailed to beneficiaries in mid-June.

-- Catastrophic Coverage-- In 2010, once individuals in the donut hole reach the \$4,550 limit, they will receive catastrophic coverage, during which time beneficiaries only pay 5% of drug costs for the rest of the year. At the beginning of each year, prescription drug coverage resets and beneficiaries return to the plan's initial coverage.

To help you avoid the "donut hole":

- Consider plans offering drug coverage in the donut hole -- visit the Medicare Part D plan comparison tool to find prescription drug plans with gap coverage
- See if your medications have generic alternatives
- Use mail-order for discounted medications

For more information, go to:

- <http://www.planprescriber.com/medicare-part-d/donut-hole/>
- <http://www.planprescriber.com/medicare-part-d/donut-hole/2010-08-04/>

3. Different Pricing Models for Medicare Supplement Plans -- It is important to note that Medicare Supplement (or Medigap) plans A-N are standardized (except in states: MA, MN, WI), and the coverage associated with each individual Medigap plan is the same regardless of the state in which you reside or the insurance carrier providing the coverage. Medical costs, inflation and innumerable other issues impact the cost of all Medicare Supplement plans. However, Medicare Supplement plan premiums are determined by various pricing models as well as factors including age, gender, when a person enrolls, and whether or not they smoke.

There are three types of pricing models that account for the variation in Medigap plan costs: age-attained, community-rated, and issue-age.

- Age-attained plans base the monthly premium on your age. An age-attained plan may be very affordable when a person turns 65, but the premium will increase as they age.
- Community-rated plans offer the same premium rates for all enrollees. While the premiums may increase due to inflation, the premiums will not increase each year due to age.
- Issue-age plans determine the premium from the age at which the senior was first enrolled in the company's plan. The monthly premium may increase due to inflation and other factors, but will not increase because a person ages. While premiums do not increase each subsequent year after a person enrolls, a person who enrolls at age 75 will pay higher premiums than a person who enrolls at age 65.

There are pros and cons to each model, so talk to a licensed agent about the Medicare Supplement plan you're considering and how that plan is rated. You can use the PlanPrescriber Medicare Supplement plan comparison tool to compare premiums for Medigap plans in your area.

For more information, go to:

- <http://www.planprescriber.com/medigap/>

4. Medicare Enrollment Periods -- It is important to note when you must sign up for Medicare Parts A, B, and D. In some cases, if you do not sign up within the proper time period, you may have to pay a penalty.

- Part A Penalty -- If you are not getting Social Security or Rail Road Benefits, you will not be automatically signed up for Medicare Part A. In this case, you must actively sign up for Medicare Part A. If you do not sign up for Part A when you first become eligible, you may have to pay a higher monthly premium. In this situation, you will have to pay a 10% higher premium for two times the number of years that you could have been enrolled in Part A, but weren't (eg. if you were eligible but joined after 3 years, you would pay the higher premium for 6 years). To avoid the Part A penalty, contact Social Security 3 months before you turn 65, and if you need to sign up for Part A, do so when you first become eligible for Medicare during the Initial Enrollment Period.*
- Part B Penalty -- If you fail to sign up for Part B when you first become eligible, you may have to pay a penalty for late enrollment for as long as you have Medicare. Your monthly premium for Part B could go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it. To avoid the Medicare Part B premium penalty, sign up for Part B during your Initial Enrollment Period.*

-- Part D Penalty -- If you did not join a Medicare drug plan when you first became eligible and didn't have other creditable prescription drug coverage**, you may have to pay a late enrollment penalty of 1% for every month that you were eligible for Medicare but did not have creditable prescription drug coverage. This penalty would be added to your Part D plan premium, and the penalty amount could increase every year. You may also have to pay a penalty if you had a break in your Medicare drug coverage or other creditable drug coverage for at least 63 days in a row. To avoid paying the Part D penalty, join a Medicare Part D plan when you first become eligible, and do not go more than 63 days in a row without a Medicare drug plan or other creditable coverage.

Notes for this section: *The Initial Enrollment Period for Part B consists of the month of your 65th birthday, the three months before, and the three months after the month you turn 65. **Creditable prescription drug coverage is coverage that is expected to pay on average at least as much as Medicare's standard prescription drug coverage (eg. coverage from an employer or union).

5. Formulary changes -- It is very important to check your Medicare Part D Prescription Drug Plan each year because insurers may change drug formularies each year. Not only do you want to make sure you enroll in a Part D plan that covers your medications, but you may find that new Part D plans are available with lower cost sharing, premiums and/or deductibles.

You have the option to switch your Medicare prescription drug coverage each Annual Election Period. In 2010, the AEP occurs November 15 through December 31. The AEP in 2011 and beyond runs from October 15 through December 7 of every year. Use a Medicare Prescription Drug Plan comparison tool like the one available at PlanPrescriber.com to compare premiums, deductibles, drug coverage, and estimated annual costs. You may be able save hundreds of dollars by switching your drug coverage.

About PlanPrescriber.com PlanPrescriber (www.planprescriber.com), a wholly-owned subsidiary of eHealth, Inc., is the leading provider of unbiased comparison tools and educational materials for Medicare Advantage, Medicare Part D Prescription Drug Plans, and Medicare Supplement insurance products. Medicare beneficiaries can take advantage of PlanPrescriber's no cost online advisor tools by logging on to www.PlanPrescriber.com, or by navigating to the Medicare sections of national pharmacy chain web sites, including Wal-Mart, Rite Aid, Kroger and others. PlanPrescriber is a tool designed to help Medicare recipients find a Medicare plan that covers their specific medical and prescription drug needs at the lowest possible out-of-pocket cost. Medicare has neither reviewed nor endorsed the information provided by PlanPrescriber.

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