



Most Small Businesses Not Planning for Health Care Reform According to eHealthInsurance Survey

March 21, 2012

Survey of True "Small Businesses" Explores How Employers Feel About Health Care Reform, Why They Provide Coverage, and How Far They're Willing to Go to Save Money

MOUNTAIN VIEW, CA, Mar 21, 2012 (MARKETWIRE via COMTEX) --The majority (85%) of small businesses are not making changes or long-term plans based on health care reform legislation, according to a recent survey of small business owners released today by eHealth, Inc. (NASDAQ: EHTH), the parent company of eHealthInsurance.

Beginning in 2014, the Patient Protection and Affordable Care Act of 2010 (ACA) requires businesses with the equivalent of fifty or more full-time employees to provide health insurance coverage for their workers. However, businesses with fewer than 50 employees are exempt from this requirement, although employees may be required to purchase their own coverage.

eHealth's Small Employer Health Insurance Survey focuses on these small businesses, many of them family-run. Nearly nine-in-ten (88%) of the small businesses responding to the survey had ten employees or fewer. The survey was conducted anonymously online between February 10 and March 13, 2012 and gathered responses from a total of 236 small businesses that had purchased group health insurance policies through eHealthInsurance.com.

Based on their size (fewer than 50 employees) none of the businesses surveyed would be required by the ACA to offer health insurance coverage to employees in 2014. However, the majority (60%) planned to continue offering coverage for their employees in 2014. Among those employers who considered themselves knowledgeable about aspects of the ACA, a larger majority (69%) said they had no plans to stop offering coverage to employees. According to the survey, most employers feel they have a moral obligation to provide health insurance for employees or feel they need to continue to do so in order to recruit and retain talented workers.

Small businesses are still sensitive to health care costs, however, with nearly all respondents (95%) citing "affordability" as one of the two most important factors when choosing a plan. Small businesses are also open to creative solutions to reduce health coverage costs. Many are willing to drop benefits like dental and vision (58%) or consider raising deductibles and offering accident or critical illness coverage (74%) in order to keep costs lower and continue offering employees health insurance.

eHealth's Small Employer Health Insurance Survey report can be downloaded in full here or through the eHealth, Inc. Media Center.

Additional Survey Results

Among other results, eHealth's Small Employer Health Insurance Survey found the following:

- Nearly eight-in-ten small businesses (79%) report spending \$200 or more for health insurance per insured employees or dependent each month
- A majority (53%) said they required employees to contribute 10% or less of the total cost for their own or their dependents' monthly health insurance premiums
- More than six-in-ten (61%) reported that enrollee deductibles on their group health insurance plans were \$1,500 or less per year
- One-third of respondents (34%) said they might consider dropping employer-based group health insurance beginning in 2014
- A majority of respondents (53%) said that they always or sometimes impose waiting periods before allowing new employees to join the company health insurance plan
- More than four-in-ten (44%) said they felt a "moral obligation" to provide employees with health insurance
- Most small businesses identified "affordability" (95%) and "richness of benefits" (68%) as the two most important factors when choosing a health insurance plan
- Only six percent considered the insurer's brand a top-two factor when choosing a plan

Methodology

eHealth, Inc. conducted an anonymous online survey of 236 eHealthInsurance.com small business customers to gain insight into trends in customer behavior and sentiments about health care costs, health care reform legislation, and potential cost-saving strategies. The Small Employer Health Insurance Survey report summarizes those findings. The survey was emailed to a random sample of nearly 3,000 eHealthInsurance small business customers in 30 states plus the District of Columbia (AK, AL, AR, CA, AZ, NJ, FL, TX, MI, WA, MD, IN, DC, CO, VA, MO, TN, WI, NC, ID, SC, MN, DE, CT, LA, IA, MA, NE, NH, NM, WY). Results were collected between February 10 and March 13, 2012.

To read more about the survey's methodology, download the full Small Employer Health Insurance Survey report.

About eHealth eHealth, Inc. (NASDAQ: EHTH) is the parent company of eHealthInsurance, the nation's leading online source of health insurance for individuals, families and small businesses. Through the company's website, www.eHealthInsurance.com, consumers can get quotes from leading health insurance carriers, compare plans side by side, and apply for and purchase health insurance. eHealthInsurance offers thousands of individual, family and small business health plans underwritten by more than 180 of the nation's leading health insurance companies. eHealthInsurance 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 the company's eHealthTechnology solution (www.eHealthTechnology.com), eHealth is also a leading provider of health insurance exchange technology. eHealthTechnology's exchange platform provides a suite of hosted e-commerce solutions that enable health plan providers, resellers and government entities to market and distribute products online. eHealth, Inc. also provides powerful online and pharmacy-based tools to help seniors navigate Medicare health insurance options, choose the right plan and enroll in select plans online through its wholly-owned subsidiary, PlanPrescriber.com (www.planprescriber.com) and through its Medicare website www.eHealthMedicare.com.

For more health insurance news and information, visit the eHealthInsurance consumer blog: Get Smart - Get Covered.

For media inquiries, please contact:

Sande Drew
eHealth, Inc.
(916) 207-7674
sande.drew@ehealth.com

Kris Kraves
Cogenta Communications
(805) 527-7733 - direct
kris@cogentacom.com

SOURCE: eHealth, Inc.