



How Much Does Short-Term Health Insurance Cost? Individuals Paid Average \$67 per Month in 2011, eHealthInsurance Report Finds

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Jul 24, 2012 (Marketwire via COMTEX) --Today, eHealth, Inc. (NASDAQ: EHTH) the parent company of eHealthInsurance.com (<http://www.ehealthinsurance.com>), the leading online source of health insurance for individuals, families and small businesses, published a report on the 'Cost & Benefits of Short-Term Health Insurance Plans.' According to the report, in 2011 individuals paid \$67 per month on average for a short-term health insurance policy and had a \$1,821 deductible, while families paid \$153 per month on average for a short-term health insurance policy and had a \$1,877 deductible.

In addition to identifying average premiums and deductibles for individually-purchased short-term health insurance plans, this report highlights the average length of time a policyholder maintained their short-term coverage, which was six months (184 days), and the percentage of policies that provide key benefits, including prescription drug coverage and coinsurance levels.

The objective of eHealth's Cost & Benefits of Short-Term Health Insurance report is to provide a perspective on cost and benefit trends in the [short-term health insurance](#) market, based on the analysis of a geographically distributed sample of short-term medical insurance policies. The report analyzes health insurance plan data from a sample of over 17,000 individual and family short-term health insurance policies from 36 states and the District of Columbia. All plans were purchased through eHealthInsurance.com and had coverage in effect as of October, 2011. The full report is available for review in the [eHealth Media Center](#).

This is the first 'Cost and Benefits of Short-Term Individual Health Insurance Plans' report issued by eHealth, Inc. The company has been publishing similar reports on the cost and benefits of individual and family major medical plans since 2001. Licensed in all 50 states and the District of Columbia, eHealthInsurance is one of the few organizations with national source data reflecting consumer buying patterns and purchase prices in the individual and family health insurance market.

"For a decade now, our reports on the cost and benefits associated with non-group health insurance have provided valuable information to consumers about the costs associated with buying their own health insurance and the benefits they should expect in return for their investment," said Robert Hurley, Sr. Vice President of Sales & Operations for eHealth, Inc. "I'm excited to be lending the same visibility to other products we sell, because we know that informed consumers make the best choices."

Report Highlights - Active Policies Surveyed in October 2011:

- The average monthly premium paid for a short-term individual policy was \$67, while the average premium paid for a short-term family policy was \$153.
- Between October 2009 and October 2011, the average premium decreased 4.2% for individual short-term policies and decreased 5% for family short-term policies.
- The average deductible for individual short-term policies was \$1,821, and the average deductible for short-term family policies was \$1,877.
- Between October 2009 and October 2011, the average deductible increased 19.6% for individual short-term policies and 20.4% for family short-term policies.
- In 2011, the average female individual short-term policyholder paid \$69 per month for health insurance coverage, while the average male short-term policyholder paid \$64 per month.
- In 2011 the average deductible for a female individual short-term policyholder was \$1,792 (a 16% increase from 2009) while the average deductible for a male short-term policyholder was \$1,874 (a 17% increase from 2009).
- The maximum duration of short-term plans available on eHealthInsurance.com was as long as 365 days (one year) in some states in 2011, however the average maximum duration of a short-term plan purchased through eHealthInsurance was 184 days (approx six months); only 3.3% of enrollees retained coverage under their short-term policy for 300 days or more.
- In October 2011, 59% of all active short-term health insurance policyholders were between the ages of 25 and 44.
- In October 2011, policyholders between the ages of 45 and 64 made up 25% of active policies; 16% of active policies covered people ages 24 or younger.
- The average coinsurance for a short-term health insurance policy was 22%.
- Approximately 85% of short-term plans had coinsurance levels of 20% or less; altogether, 81% of short-term plans offered coinsurance of 20%, 2.4% had coinsurance of 30%, 3.3% of plans had coinsurance rates of 40% and 8% of plans had coinsurance of 50%.
- As of October 2011, 67% of all active short-term health insurance policies provided some form of prescription drug coverage.

Methodology Notes

- The report analyzes the costs and benefits associated with short-term health insurance plans sold through

eHealthInsurance.com in 36 states and the District of Columbia.

- State-specific data in this report is limited to states where eHealthInsurance has a minimum of 100 active short-term health insurance policies in 2011. States with fewer than 100 active policies were excluded from the reporting of state-specific prices and benefits.
- The 2011 plan data referred to in this report is derived from approximately 17,000 individual and family short-term health insurance policies in 36 states and the District of Columbia, and purchased through eHealthInsurance that were active in October 2011.
- 2010 plan data referred to in this report is derived from approximately 21,000 individual and family short-term health insurance policies in 36 states and the District of Columbia, and purchased through eHealthInsurance that were active in October 2010.
- 2009 plan data referred to in this report is derived from approximately 22,000 individual and family short-term health insurance policies in 36 states and the District of Columbia, and purchased through eHealthInsurance that were active in October 2009.
- This report analyzes monthly premiums paid on short-term individual and family health insurance policies in 2009, 2010, and 2011 along with some of the benefits and coverage levels associated with those plans.
- The data contained in this report represents only those consumers who shopped for and purchased short-term health insurance through eHealthInsurance.com.

For more information on report methodology, please refer to the full 2011 'The Cost & Benefits of Short-Term Individual and Family Health Insurance Plans' [report](#) in the eHealthInsurance media center, located at news.ehealthinsurance.com in the "research" section (http://news.ehealthinsurance.com/pr/ehi/document/C_and_B_ShortTerm_Ind_and_Fam_071312-1.pdf).

Short-Term Health Insurance vs. Major Medical Health Insurance

Individually purchased [short-term health insurance](#) policies differ from major medical [health insurance](#) policies in a number of ways. Most short-term policies last between six months and 364 days, and the insurance company is under no obligation to renew a short-term policy once the term of the policy has ended. By comparison, major [medical insurance](#) plans cannot be cancelled by the insurer except in cases of continued failure to pay or in case of fraud. While both plan types typically cover routine and emergency care as well as prescription drugs, major medical plans also typically covers preventive care, maternity benefits (in some cases with a rider), brand-name and generic prescription drugs, and chiropractic care. None of which are typically covered by short-term health insurance. Major medical insurance policies issued as of September 23, 2010 cannot place lifetime limits on most medical benefits available, while short-term health plans typically do limit the amount of coverage provided over the term length of the policy.

Enrollment in a short-term health insurance plan makes a person ineligible for any guaranteed issue or HIPAA plans, which a person typically enrolls in after they've exhausted 18 months of COBRA health insurance coverage. In scenarios governed by HIPAA rules, application for major medical health insurance or short-term health insurance can be declined, due to pre-existing medical conditions. However, short-term insurance is typically easier to qualify for, the application process is typically much shorter and coverage can typically begin much sooner. Additionally, short-term insurers can grant you coverage but exclude coverage of a pre-existing medical condition, something major medical plans cannot do. Some exclusions may still apply if your major medical plan does not cover pregnancy or labor and delivery, for example. In some instances there may be a waiting period before you're eligible for certain benefits on a major medical policy.

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](#).

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