



## eHealth ObamaCare Countdown: Your First Step to Get Ready for Health Care Reform This Year

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MOUNTAIN VIEW, CA -- (Marketwired) -- 05/21/13 -- Today eHealth, Inc (NASDAQ: EHTH), parent company of eHealthInsurance.com, the nation's first and largest private online health insurance exchange, published the first step in its six step guide to help consumers prepare for health care reform and this year's new open enrollment period, which begins Oct. 1, 2013.

Beginning in 2014, individuals and families who do not have major medical health insurance that meets minimum federal standards will be subject to a tax penalty, which has been dubbed "the mandate tax." The intricacies of the mandate tax will be explained in greater detail in Step 2.

### **Step 1: May, 2013: Find out if your current health insurance plan will need to change in 2014**

When the Affordable Care Act (ACA) was signed into law, it effectively created three classes of individually-purchased major medical health insurance plans:

- **Grandfathered plans:** Insurance policies purchased and active before March 23, 2010, when the ACA was signed into law. These plans do not have to meet all the requirements of the law.
- **Non-grandfathered plans:** Plans purchased after March 23, 2010, with coverage in effect before January 1, 2014. These purchases took place during the transition to a federally regulated individual health insurance market. All non-grandfathered plans meet some of the new benefit standards required by the ACA, and some plans include them all. Plans that don't meet all of the new benefit standards may need to be updated at some point in 2014.
- **New plans:** Insurance purchased after January 1, 2014. These plans include all the mandatory benefits required by ACA.

*Here's how the three types of plans differ:*

<b>Mandated Plan Benefits</b>	<b>Grandfathered Plan</b>	<b>Non-Grandfathered Plan</b>	<b>New Plan</b>
<b>Access to Lost Coverage Due to Exceeded Limits:</b> Those who lost coverage after exceeding a policy's lifetime limit may re-enroll in the same plan or one comparable.	<b>Required</b>	<b>NA</b>	<b>NA</b>
<b>Lifetime Coverage Limits:</b> No lifetime dollar limits on essential benefits.	<b>Required</b>	<b>Required</b>	<b>Required</b>
<b>Rescission Protection:</b> Insurers cannot rescind coverage unless intentional fraud is committed.	<b>Required</b>	<b>Required</b>	<b>Required</b>
<b>Rescission Appeals:</b> If insurers try to rescind coverage, customers have thirty days to appeal.	<b>Required</b>	<b>Required</b>	<b>Required</b>
<b>Children up to age 25:</b> Adults under 26 may rejoin a parent's plan under certain circumstances.	<b>Required</b>	<b>Required</b>	<b>Required</b>
<b>No Annual Coverage Limits:</b> Annual dollar limits on coverage go away.	<b>Not Required</b>	<b>Required</b>	<b>Required</b>
<b>No Cost-sharing for Preventive Services:</b> Insurers are required to cover certain preventive medical services without cost-sharing.	<b>Not Required</b>	<b>Required</b>	<b>Required</b>
<b>Community Rating:</b> Plans are no longer priced individually, based on a person's health.	<b>Not Required</b>	<b>Not Required</b>	<b>Required</b>
<b>Guaranteed Issue:</b> An individual's application for insurance can't be declined because of a pre-existing medical condition.	<b>Not Required</b>	<b>Not Required</b>	<b>Required</b>
<b>Essential Health Benefits:</b> Each plan must cover health benefits in ten categories deemed to be essential.	<b>Not Required</b>	<b>Not Required</b>	<b>Required</b>
<b>Actuarial Values:</b> Plans cover at least 60% of the total average annual costs an insurer expects to incur per customer.	<b>Not Required</b>	<b>Not Required</b>	<b>Required</b>

### **Non-Grandfathered Policyholders**

Although the timing is uncertain, the new health care law requires non-grandfathered plans to be updated to the new benefits standards. The table below outlines how, why and when some people in non-grandfathered plans may need to update their coverage:

<b>Why: Reasons a Plan Change May Be Required</b>	<b>Does Not Cover All Essential Health Benefits:</b> Starting in 2014, people on a Non-Grandfathered plan that does not cover all 10 essential health benefits may not be exempt from the individual mandate tax described above.
	<b>Does Not Meet Actuarial Value Requirements:</b> Starting in 2014, all non-grandfathered plans must cover at least 60% of the total average annual costs an insurer expects to incur per customer. If a plan doesn't cover at least 60% of the actuarial value, it may need to be updated for policyholders to avoid the

	individual mandate tax.
<b>How: Changes May Be Implemented in the Following Ways</b>	<b>Passive Reenrollment</b> - Some insurers may choose to proactively move customers to new plans that meet Affordable Care Act requirements, without requiring a signature or active reenrollment into a new plan.
	<b>Active Reenrollment</b> - Some insurers may require customers to actively opt into a new plan, which may even include acquiring new signatures.
	<b>Active Communication, Non-Enrollment</b> - If possible, some insurers may allow customers keep their existing plan, but make them aware that this plan no longer keeps them exempt from the individual mandate tax.
<b>When: Timing of Plan Changes May Vary</b>	<b>During the Initial Enrollment Period</b> - Some insurers may use passive reenrollment or active reenrollment to transition people from non-grandfathered plans to new plans between October 1, 2013 and March 31, 2014. This six month initial open enrollment period has been put in place because 2014 is the first year that major provisions of the law go into effect.
	<b>On A Plan's Renewal Date / Anniversary</b> - Some insurers may seek to conduct an active or passive reenrollment when that plan is up for renewal. Adoption of this approach may vary from insurer-to-insurer and from state-to-state, based in part upon that state's regulations.

**Additional Consumer Resources:**

- Shop for health insurance plans from over 200 of America's leading insurers at [eHealthInsurance.com](http://eHealthInsurance.com)
- Shop for Medicare plans from some of America's leading Medicare providers at [eHealthMedicare.com](http://eHealthMedicare.com)
- Download or request a FREE printed copy of our book, [Individual Health Insurance For Dummies, Health Care Reform Special Edition](#), produced in cooperation with For Dummies®, a branded imprint of Wiley, and co-authored by eHealthInsurance
- Follow eHealthInsurance's consumer blog, [Get Smart - Get Covered](#)
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**About eHealth**

eHealth, Inc. (NASDAQ: EHTH) is the parent company of [eHealthInsurance](#), America's first and largest private health insurance exchange where individuals, families and small businesses can compare health insurance products from leading insurers side by side and purchase and enroll in coverage online. eHealthInsurance offers thousands of individual, family and small business health plans underwritten by more than 200 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia. 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](http://www.planprescriber.com)) and through its Medicare website eHealthMedicare.com ([www.eHealthMedicare.com](http://www.eHealthMedicare.com)).

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