



## eHealth Obamacare Countdown: Your Fourth Step to Get Ready for Health Reform This Year

September 4, 2013

MOUNTAIN VIEW, CA -- (Marketwired) -- 09/04/13 -- Today eHealth, Inc (NASDAQ: EHTH) ([www.ehealthinsurance.com](http://www.ehealthinsurance.com)), which operates eHealthInsurance.com, the nation's first and largest private online health insurance exchange, published the fourth step in its six-step guide to help consumers prepare for health care reform and this year's new open enrollment period, which begins October 1, 2013.

Uninsured Americans and many who already buy their own major medical health insurance will need to purchase new coverage in 2014 that meets minimum federal standards in order to avoid paying a tax penalty -- "the mandate tax." In October of 2013, a new open enrollment period will provide these Americans with their first opportunity to research and compare new health insurance plans that meet the federal standards for major medical health coverage.

In order to educate consumers so that they can become better shoppers, eHealth created this six-step approach. In Step 1, eHealth detailed when consumers that already had health insurance might need to enroll in a new plan. In Step 2, eHealth outlined how the mandate tax and new subsidies would work under the Affordable Care Act (ACA). Step 3 explained how new health insurance plans and their benefits will be structured in 2014. Now, in Step 4, eHealth outlines some of the differences in the health insurance plans that will be available on state and federal health insurance exchanges and on private exchanges like eHealthInsurance.com.

**Step 4: Understand the new health insurance products that will be available on private exchanges in 2014** - The ACA doesn't create a one-size-fits-all health insurance market. Private online marketplaces like eHealthInsurance.com offer a broad range of health insurance plans from a number of different insurance companies to meet your individual needs.

Private exchanges will continue to offer major medical plans with varying deductibles and benefit levels, tiered provider networks, and other benefits that may not always be available on government exchanges. Expect private exchanges to also sell health insurance products you'd expect in most health benefit packages, like vision, dental, accident, short-term, critical illness and life insurance.

### **Qualified Health Plans vs. Health Plans with "Essential Health Benefits"**

- **Major Medical Plans with Essential Health Benefits** - According to the Affordable Care Act (ACA), any major medical health insurance plan offered in 2014 must cover 10 Essential Health Benefits (EHBs), provide a minimum actuarial value of 60% (described in Step 3), and be certified by a state's department of insurance. Policyholders who purchase and maintain health insurance plans that meet these standards for the entire year may be exempt from the mandate tax, subject to certain exceptions and grace periods set forth in the regulations.
- **Qualified Health Plans Eligible for Subsidies** - Under the ACA, a Qualified Health Plan (QHP) is a health insurance plan that meets EHB standards, is certified by an exchange and by the state's Department of Insurance. Those who are eligible for and wish to use a subsidy when purchasing a QHP need to enroll through a licensed agent who can work with the government exchange or through the state or Federal exchange. However, not all of the individuals applying for these health insurance plans qualify for a tax subsidy.
- **Catastrophic Health Plans** - The health care reform law also creates "catastrophic" health insurance plans for people under age 30. These types of plans do not qualify for premium subsidies, but they do make those who qualify to purchase them exempt from the mandate tax. Catastrophic plans will provide fewer benefits and have higher deductibles and cost-sharing.

### **Plans Available on Government Exchanges and Private Exchanges**

- **Essential Health Benefit (EHB) Plans** - Under the new law, those people who don't qualify for subsidies, or who do not want to use a subsidy, but wish to avoid the potential of being imposed the mandate tax have the option to still buy a QHPs through the government exchanges or buy a non-QHP plan that still meets the EHB standards through a private exchange.
- **Qualified Health Plans** - People who qualify for and want to use a subsidy to pay for a QHP may be able to research QHP plan data on some private exchanges, and enroll in a plan, so long as the private exchange meets government standards for enrolling people in QHPs. In some states you may be able to do this online at a private exchange, and in others you might work with a licensed agent, or other authorized assister, to enroll offline.
- **Other Essential Benefits** - Many consumers want benefits beyond what's provided in a major medical health insurance plan. Things like life insurance, dental insurance, vision insurance, critical illness insurance, and accident insurance are popular parts of many benefit packages offered by employers. Private exchanges like eHealthInsurance.com will offer these and other products, and some government exchanges may offer similar types of benefits.

- **Gap Insurance** - Under the ACA a person may be uninsured for up to 3 months without being subject to the mandate tax. The health care reform law also creates new "open enrollment" periods when a person is guaranteed to be able to enroll in a major medical health insurance plan. Outside of open enrollment, you may have to wait to get major medical insurance. Short-term medical insurance, or "gap" insurance plans, will be available on some private exchanges to help people supplement protect against illness or injury outside of any available enrollment window.

**Defining the Ideal Essential Benefits Package** - In 2014, eHealthInsurance.com and other private exchanges will continue offering a variety of supplemental insurance products to help consumers round out their benefit needs. Most people want to have a choice when it comes to the types of insurance they need for their families. eHealth surveyed 1,100 of its own customers in July of 2012 to determine which type of insurance -- outside of major medical health insurance -- they felt was most important. While life insurance was the clear winner, our customers had a wide range of opinions as to what types of insurance were critical to have.

<b>Most important insurance benefit after health insurance</b>	
Life	36%
Dental	28%
Accident	20%
Critical illness	13%
Vision	3%

**Tiered Provider Networks** - Some Qualified Health Plans offered by insurers on the exchanges (and off of exchanges) will have limited provider networks in order to keep the plan's costs down. These lower cost plans would limit the number of doctors a customer could at the plan's "preferred rate" and may have higher copayments if you want to see doctors out of the plan's network.

The most widely publicized example is in California, where 13 insurers have filed to offer QHPs on California's state exchange, with access to about 80% of California's practicing physicians and hospitals. But, some of the state's larger insurers also plan to have plans on the exchange with provider networks that cover as few as 36% of the physicians in their entire physician network.

#### **Additional Consumer Resources:**

- Visit eHealth's Affordable Care Act Resource Center at [www.eHealth.com/affordable-care-act](http://www.eHealth.com/affordable-care-act)
- Follow eHealthInsurance's consumer blog, [Get Smart - Get Covered](#)
- Browse our answers to real-life health insurance questions on [Yahoo Answers](#)
- Follow eHealthInsurance on [Facebook](#) and [Twitter](#)

#### **About eHealth**

eHealth, Inc. (NASDAQ: EHTH) operates eHealthInsurance.com, 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 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. eHealth, Inc. also provides powerful online and pharmacy-based tools to help Medicare beneficiaries navigate Medicare health insurance options, choose the right plan and enroll in select plans online through eHealthMedicare.com ([www.eHealthMedicare.com](http://www.eHealthMedicare.com)) and PlanPrescriber.com ([www.planprescriber.com](http://www.planprescriber.com)).

For more health insurance news and information, visit the eHealthInsurance consumer blog: [Get Smart - Get Covered](#) or visit eHealth's Affordable Care Act Resource Center at [www.eHealth.com/affordable-care-act](http://www.eHealth.com/affordable-care-act).

#### **Forward-Looking Statements**

This press release contains forward-looking statements, including statements regarding the Patient Protection and Affordable Care Act and related regulations, the need to purchase new coverage in 2014, the timing of the new open enrollment period and the ability to compare new health insurance plans during it, the types of plans that will be offered in 2014 and their benefits, the types of plans private exchanges will sell, the ability to research and enroll in a QHP through a licensed agent, private exchange and a government-run exchange, and the doctor network and other benefits of QHPs. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements, including, but not limited to, the ability of private exchanges to enroll individuals into qualified health plans and to satisfy conditions and requirements to do so; changes in laws and regulations relating to health care reform; private exchanges ability to integrate with government-run exchanges; government-run exchange readiness; and government approvals of plans, rates, and other matters. Other risks and uncertainties that can affect actual results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in eHealth's Annual Report on Form 10-K for the year ended December 31, 2012 and most recent Quarterly Report on Form 10-Q, which are on file with the SEC and are 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](http://www.sec.gov). All information provided in this Current Report on Form 8-K is as of the date of its filing, and we undertake no duty to update this information unless required by law.

[Embedded Video Available](#)

**For media inquiries, please contact:**

Sande Drew  
eHealth, Inc.  
(916) 207-7674

[sande.drew@ehealth.com](mailto:sande.drew@ehealth.com)

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

Source: eHealthInsurance