



## The Cost of Short-Term Health Insurance: Individuals Paid \$69 per Month in 2012, eHealth Report Finds

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### eHealth Releases 2013 Cost and Benefits of Short-Term Health Insurance Report: Short-Term Policies for Families Cost \$160 per Month in 2012

MOUNTAIN VIEW, CA -- (Marketwired) -- 09/17/13 -- Today, eHealth, Inc. (NASDAQ: EHTH) ([www.ehealth.com](http://www.ehealth.com)), which operates eHealthInsurance.com, the nation's first and largest private online health insurance exchange, published a report on the 'Cost & Benefits of Short-Term Health Insurance Plans.' The report found that on average individuals paid \$69 per month for a short-term health insurance policy in 2012, while families paid an average of \$160 per month. According to the report, the average deductible for an individual short-term plan was \$2,901 while the average deductible for a family plan was \$2,984.

Short-term health insurance plans are not guaranteed to be renewable, and the eHealth report found that more than nine in ten (94%) short-term health insurance policies had a maximum duration of six months (180 to 185 days). Slightly over half (52%) of all short-term plans sold to individuals and families covered prescription drugs.

The goal 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 an analysis of a geographically distributed sample of short-term medical insurance policies. The report analyzes health insurance plan data from a sample of over 14,000 individual and family short-term health insurance policies from 45 states and the District of Columbia. All plans were purchased through eHealth.com and had coverage in effect as of October 2012. The full report is available in the [eHealth Media Center](#).

eHealth, Inc. has been publishing Cost and Benefits reports on individual and family major medical plans since 2001, and on short-term health insurance plans since 2012. Licensed in all 50 states and the District of Columbia, eHealth 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.

#### Report Highlights:

- The average monthly premium paid for a short-term individual policy in 2012 was \$69, while the average monthly premium paid for a short-term family policy was \$160.
- Between October 2011 and October 2012, the average premium increased 3% for individual short-term policies and increased 5% for family short-term policies.
- The average deductible for individual short-term policies in 2012 was \$2,901, and the average deductible for short-term family policies was \$2,984.
- Between October 2011 and October 2012, the average deductible increased 59% (\$1,821 to \$2,901) for individual short-term policies and 59% (\$1,877 to \$2,984) for family short-term policies.
- In 2012, female individual short-term policy holders paid an average of \$71 per month for coverage, while male short-term policy holders paid an average of \$66 per month.
- In 2012 the average deductible for a female individual short-term policy holder was \$2,935 while the average deductible for a male short-term policy holder was \$2,866.
- In 2012, the maximum duration of short-term plans available on eHealth.com was as long as one year in some states; however the average maximum duration of a short-term plan purchased through eHealth was approximately six months (between 180 to 185 days); only 4.2% of policy holders enrolled in a short-term policy with a maximum duration of 300 days or more.
- In 2012, policy holders between the ages of 25 and 34 accounted for 44% of active short-term policies purchase through eHealth.
- Policy holders age 24 and under accounted for 27% of active short-term policies in 2012.
- Policy holders between the ages of 35 and 64 accounted for 30% of all active short-term policies in 2012.
- In 2012, the majority of short-term policies (75%) had 20% coinsurance; less than one-in-five (17%) had coinsurance of 50%; less than one-in-twenty (4%) had 0% coinsurance, and the same number (4%) had coinsurance of 40%.
- In 2012, over 55% of all active short-term individual policies provided prescription drug coverage and 52% of all active short-term family policies provided prescription drug coverage.

#### Methodology Notes

- The report analyzes the costs and benefits associated with short-term health insurance plans sold through eHealth.com in 45 states and the District of Columbia.
- State-specific data in this report is limited to states where eHealth has a minimum of 100 active short-term health insurance policies in 2012. States with fewer than 100 active policies were excluded from the reporting of state-specific prices and benefits.

- The 2012 plan data referred to in this report is derived from approximately 14,000 individual and family short-term health insurance policies in 45 states and the District of Columbia, all purchased through eHealth and with coverage in effect as of October 2012.
- 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, all purchased through eHealth and with coverage in effect as of October 2011.
- This report analyzes monthly premiums paid on short-term individual and family health insurance policies in 2011 and 2012 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 eHealth.com.

For more information on report methodology, please review the full report at the eHealth Media Center.

#### **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 may 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 of the policy.

Enrollment in a short-term health insurance plan does not count as "creditable" or continuous coverage, therefore making a person ineligible for any guaranteed issue or HIPAA plans which a person may enroll in after they've exhausted 18 months of COBRA health insurance coverage. In scenarios governed by HIPAA rules, applications 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 often begin much sooner. Additionally, short-term insurers can grant you coverage but exclude coverage of a pre-existing medical condition, something major medical plans may not 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) operates [eHealthInsurance](#), the Nation'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 PlanPrescriber.com ([www.planprescriber.com](http://www.planprescriber.com)) and eHealthMedicare.com ([www.eHealthMedicare.com](http://www.eHealthMedicare.com)).

For more health insurance news and information, visit the eHealth consumer blog: [Get Smart -- Get Covered](#).

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