



## eHealth Study: 78 Percent of Medicare Beneficiaries Don't Compare Prices on Prescription Drugs When Shopping for Medicare Plans

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### **The Average Medicare Beneficiary Could Have Saved Over \$600 in 2013 on Out-of-Pocket Prescription Drugs Costs, but Less Than One-in-Four Conducts Drug Price Comparisons**

MOUNTAIN VIEW, CA -- (Marketwired) -- 10/09/13 -- Most people do not factor in their out-of-pocket costs for prescription drugs when comparing Medicare drug coverage, according to a recent study conducted by eHealth, Inc (NASDAQ: EHTH). The study found that during Medicare's 2013 Annual Election Period (also known as the Medicare Annual Enrollment Period or AEP), fewer than one-in-four shoppers (22%) entered the names and dosages of prescription drugs they were taking while comparison shopping for Medicare Advantage Prescription Drug (MAPD) Plans or stand-alone Medicare Prescription Drug Plans (PDPs) at eHealthMedicare.com or PlanPrescriber.com.

Medicare's AEP is the one time of year when anyone on Medicare is guaranteed to be able to change their MAPD or PDP coverage. According to the U.S. Department of Health and Human Services' Medicare Expenditure Panel Survey, 90% of Americans over the age of 65 had at least one prescription drug expense in 2010<sup>(1)</sup>. However, eHealth's analysis of over 450,000 unique user sessions during the 2013 AEP found that fewer than 110,000 visitors (22%) used their prescribed medications to help them estimate the total cost of ownership for any of the plans available.

It's important to factor in the out-of-pocket costs for prescription drugs when shopping for Medicare prescription drug coverage because every plan has a different drug formulary, or set of Medicare Part D approved drugs that it will pay for, and the cost-sharing for covered drugs typically varies from plan to plan. A person who enrolls in a plan that does not cover the specific drugs they take would have to pay the full price for those drugs out of their own pocket.

A November 2012 study by Avalere Health<sup>(2)</sup> found that none of the top 10 Medicare drug plans (determined by enrollment) covered 100 percent of Part D approved medications. The percentage of Part D approved drugs covered by these plans ranged from 53% to 76%. The Avalere report also found that a beneficiary's out-of-pocket costs for a prescribed medication ranged from as little as \$1 for a preferred generic drug to as much as \$95 for a non-preferred brand medication, or 45% of the drug's cost.

eHealth's 2013 Medicare Choice & Impact Study<sup>(3)</sup>, published on DATE, found that the average person on at least one prescribed medication would save an average of over \$1,200 in out-of-pocket prescription drug costs in 2013 by enrolling in Part D coverage, either through a PDP or MAPD. The eHealth study also found that the average person who entered the name of their existing PDP or MAPD plan, as well as the specific drugs they were taking, would have saved over \$600 in 2013 on their out-of-pocket prescription drug costs.

#### **Survey Methodology**

This report analyzes more than 450,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2013 Medicare Annual Election period (also called Annual Enrollment Period or AEP), which took place between October 15, and December 7, 2012. During that time there were over 100,000 user sessions in which a person entered the names, dosages and frequency of any prescription drugs they were taking into the plan comparison tool. Their average savings were calculated by subtracting the customer's total estimated out-of-pocket spending on prescription drugs for the lowest-cost plan available in their area -- including the plan's monthly premiums, deductibles, coinsurance and co-payments for the drugs entered -- from the estimated out-of-pocket spending if they had no prescription drug coverage and had to pay for their prescription drugs out of their own pocket. For price comparison, this study assumes no changes in prescription or medical needs, as well as no changes in rates or drug prices during the applicable time period.

NOTE: Medicare beneficiaries base their plan selections on a variety of priorities, including price. eHealth encourages people to consider their specific needs in deciding which plans to select during AEP. Plan data listed in this report might change based on additional data received from the Centers for Medicare & Medicaid Services (CMS) at a date later than the active date of the data or later than the published date of this report.

#### **Footnotes:**

<sup>1</sup> 2010 Medicare Expenditure Panel Survey: Prescription Medicines-Median and Mean Expenses per Person With Expense and Distribution of Expenses by Source of Payment: United States, 2010 ([link](#))

<sup>2</sup> Avalere Health: New Avalere Analysis Shows that Seniors Need to Look Beyond Premiums in Choosing Medicare Drug Plans <http://www.avalerehealth.net/wm/show.php?c=&id=909>

<sup>3</sup> eHealth's 2013 Medicare Choice and Impact Study ([link](#)).

#### **About eHealth, Inc.**

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 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](#).

*Medicare has neither reviewed nor endorsed this information.*

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