



## Fewer Americans Will Need Health Insurance Subsidies in 2014: eHealth Analysis Finds Subsidy Eligibility Starts Below \$41,500 per Year (Approx. 361% of the Federal Poverty Level)

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MOUNTAIN VIEW, CA -- (Marketwired) -- 11/04/13 -- With the cost of qualified health plans lower than expected under the Affordable Care Act, fewer people could be eligible for government subsidies designed to make health insurance affordable. This analysis was prepared by eHealth, Inc. (NASDAQ: EHTH) which operates eHealthInsurance.com, the nation's first and largest private online health insurance marketplace for individuals and families. The lower premiums may result in fewer Americans being eligible for government subsidies. Under the law, those who apply for health coverage without a subsidy have the option to apply for coverage through government-sponsored health insurance exchanges, or through traditional enrollment channels, across all 50 states.

In the 36 states where the federal government is operating health insurance exchanges, the average single American adult earning over \$41,479 a year (361% of the FPL) will not be eligible for a government subsidy to purchase health insurance.

Younger adults will benefit more from lower costs, according to the eHealth analysis. The average single 27-year-old, earning over \$30, 449 per year may not be eligible for a government subsidy to purchase health insurance. For this age group, Qualified Health Plans do not become unaffordable until their income falls below 265% of the Federal Poverty Level (FPL).

The Affordable Care Act makes health insurance more affordable for persons earning between 133% - 400% of the FPL by providing government subsidies that limit these consumers' share of the plan premiums to a range between 3% and 9.5% of their income.

For example, a single woman with an income of just under \$46,000 (about 400% of the FPL) may be eligible for subsidies that would limit her share of the plan premium to 9.5% of her income for the benchmark plan in her area. If, however, the benchmark plan costs less than 9.5% of her income, the coverage is deemed affordable under the law, and she will not be eligible to receive a government subsidy.

***This table outlines a partial view of the premium affordability guidelines under the Affordable Care Act***

	Monthly Income As Percentage of Estimated 2014 Federal Poverty Level (FPL)**				
	133% FPL	150% FPL	200% FPL	300% FPL	400% FPL
<b>Household Size 1</b>	\$1,273	\$1,437	\$1,915	\$2,873	\$3,832
<b>ACA Affordability Limit</b>	3% of taxable income (Premiums less than \$38* per month)	4% of taxable income (Premiums less than \$57* per month)	6.3% of taxable income (Premiums less than \$121* per month)	9.5% of taxable income (Premiums less than \$273* per month)	9.5% of taxable income (Premiums less than \$364* per month)
* Benchmark plan is the second least expensive silver level plan available in the individual or family's area.					
** Estimated Federal Poverty Levels for the 48 contiguous states and Washington DC					

"The relative affordability of qualified health plans is a win for the Affordable Care Act," said Gary Lauer, Chief Executive Officer of eHealth, Inc. "This is also a big win for consumers, not only because the plans are more affordable than anticipated, but because fewer consumers will need to go through the lengthy process of applying for a government subsidy when enrolling in a health insurance plan."

According to eHealth's analysis of premium data for qualified health plans released by the Department of Health and Human Services on September 25, 2013:

- **Nationally, individuals at an income of less than \$41,500 in 2014 will be eligible to apply for a government subsidy** - The national average monthly premium for the second-lowest-cost silver plan (the benchmark plan for any given area) is \$328. At that price, subsidies would be available for single consumers earning less than 361% of the Federal Poverty Level -- approximately \$41,500 in annual adjusted gross income (National average, may not be the case in all states).
- **Nationally, individual young adults (age 27) at an income of less than \$30,500 in 2014 will be eligible to apply for a government subsidy** - The national average monthly premium for the second-lowest-cost silver plan is just \$216 for a single 27-year-old. At that price, subsidies would be available for those earning less than 265% of the Federal Poverty Level -- approximately \$30,500 in annual adjusted gross income (National average, may not be the case in all states).

In addition to analyzing premium data for states where exchanges are being run, at least in part, by the federal government, eHealth also completed a similar analysis for some of the states building their own exchanges.

According to this analysis:

- **California:** For a single 27-year-old in California, the average monthly premium for the second-lowest-cost silver plan is \$242. At that price, an individual would become eligible for a government subsidy if he/she earns less than \$32,400 in

annual adjusted gross income (282% of the Federal Poverty Level).

- **New York:** For a single 27-year-old in New York, the average monthly premium for the second-lowest-cost silver plan is \$349. At that price, an individual would become eligible for a government subsidy if he/she earns less than \$44,100 in annual adjusted gross income (384% of the Federal Poverty Level).
- **Washington (premium data from Seattle):** For a single 27-year-old in Seattle, Washington, the average monthly premium for the second-lowest-cost silver plan is \$204. At that price, an individual would become eligible for a government subsidy if he/she earns less than \$29,600 in annual adjusted gross income (258% of the Federal Poverty Level).
- **Maryland (premium data from Baltimore):** For a single 27-year-old in Baltimore, Maryland, the average monthly premium for the second-lowest-cost silver plan is \$197. At that price, an individual would become eligible for a government subsidy if he/she earns less than \$29,070 in annual adjusted gross income (253% of the Federal Poverty Level).
- **Washington D.C.:** For a single 27-year-old in Washington D.C., the average monthly premium for the second-lowest-cost silver plan is \$180. At that price, an individual would become eligible for a government subsidy if he/she earns less than \$27,921 in annual adjusted gross income (243% of the Federal Poverty Level).

Under the Affordable Care Act, in most states, insurers can only increase a non-tobacco user's premiums based on their age. As such, in most states, younger people pay less than older people. In New York, all plans are priced the same, regardless of an individual's age.

The table below details subsidy eligibility data for tobacco-free individuals in five states that are building their own exchanges. The chart estimates the "Breakeven Federal Poverty Level (BFPL)" -- the point at which an individual's income makes insurance unaffordable, under the law, at age 21 and age 27. The chart also shows the age at which the average individual premium becomes unaffordable, under the law, at 400% FPL (Unaffordable at 400% FPL).

State	Age	Silver Premium	Breakeven FPL%	Income
CA*	21	\$231.20	276	\$31,712
	27	\$242.29	282	\$32,402
Unaffordable at 400% FPL	48	\$378.00	> 400	>\$46,000
MD	21	\$187.57	247	\$28,380
	27	\$196.57	253	\$29,070
Unaffordable at 400% FPL	52	\$366.14	401	>\$46,000
Washington DC*	21	\$180.50	243	\$27,921
	27	\$180.50	243	\$27,921
Unaffordable at 400% FPL	51	\$369.16	401	>\$46,000
NY*	21	\$349.00	384	\$44,122
	27	\$349.00	384	\$44,122
Unaffordable at 400% FPL	64	\$349.00	384	\$44,122
WA (Seattle Metro Area)	21	\$195.22	252	\$195.22
	27	\$204.59	258	\$204.59
Unaffordable at 400% FPL	51	\$364.08	401	>\$46,000

\*Tobacco use is not used for underwriting purposes in New York, California and Washington DC.

The table below details subsidy eligibility data for non-smokers in the 36 states that are not building their own exchange. The chart estimates the "Breakeven Federal Poverty Level (BFPL);" the point at which an individual's income makes insurance unaffordable, under the law, at age 21 and age 27. The chart also shows the age at which the average individual premium becomes unaffordable, under the law, at 400% FPL (Unaffordable at 400% FPL).

State	Age	Silver Premium	Breakeven FPL%	Income
AK	21	\$297.71	328%	\$37,687
	27	\$312.00	343%	\$39,411
Unaffordable at 400% FPL	35	\$363.80	400%	\$45,960
AR	21	\$229.96	275	\$31,598
	27	\$241.00	282	\$32,402
Unaffordable at 400% FPL	48	\$375.99	401	>\$46,000
DE	21	\$226.15	272	\$31,253
	27	\$237.00	279	\$32,057
Unaffordable at 400% FPL	48	\$369.75	401	>\$46,000
GA	21	\$210.88	263	\$30,219

	27	\$221.00	269	\$30,908
<b>Unaffordable at 400% FPL</b>	50	\$376.63	401%	>\$46,000
<b>ID</b>	21	\$179.39	242	\$27,806
	27	\$188.00	248	\$28,495
<b>Unaffordable at 400% FPL</b>	53	\$365.95	401%	>\$46,000
<b>IN</b>	21	\$252.86	289	\$33,206
	27	\$265.00	296	\$34,010
<b>Unaffordable at 400% FPL</b>	45	\$365.13	401	>\$46,000
<b>LA</b>	21	\$237.60	280	\$32,172
	27	\$249.00	286	\$32,861
<b>Unaffordable at 400% FPL</b>	47	\$371.36	401	>\$46,000
<b>MI</b>	21	\$192.75	251	\$28,840
	27	\$202.00	257	\$29,529
<b>Unaffordable at 400% FPL</b>	52	\$376.24	401	>\$46,000
<b>MS</b>	21	\$281.49	310	\$35,619
	27	\$295.00	325	\$37,343
<b>Unaffordable at 400% FPL</b>	41	\$366.50	401	>\$46,000
<b>NC</b>	21	\$231.87	276	\$31,712
	27	\$243.00	283	\$32,517
<b>Unaffordable at 400% FPL</b>	48	\$379.11	401	>\$46,000
<b>NE</b>	21	\$196.56	253	\$29,070
	27	\$206.00	259	\$29,759
<b>Unaffordable at 400% FPL</b>	51	\$366.59	401	>\$46,000
<b>NJ</b>	21	\$248.09	286	\$32,861
	27	\$260.00	293	\$33,666
<b>Unaffordable at 400% FPL</b>	46	\$372.14	401	>\$46,000
<b>OH</b>	21	\$202.29	257	\$29,529
	27	\$212.00	263	\$30,219
<b>Unaffordable at 400% FPL</b>	51	\$377.27	401	>\$46,000
<b>SC</b>	21	\$212.79	264	\$30,334
	27	\$223.00	270	\$31,023
<b>Unaffordable at 400% FPL</b>	49	\$363.01	400	\$45,960
<b>TN</b>	21	\$153.63	225	\$25,853
	27	\$161.00	230	\$26,427
<b>Unaffordable at 400% FPL</b>	55	\$378.03	401	>\$46,000
<b>UT</b>	21	\$146.04	219	\$25,163
	27	\$203.00	257	\$29,529
<b>Unaffordable at 400% FPL</b>	52	\$378.11	401	>\$46,000
<b>WI</b>	21	\$227.10	273	\$31,368
	27	\$238.00	280	\$32,172
<b>Unaffordable at 400% FPL</b>	48	\$371.31	401	>\$46,000
<b>WY</b>	21	\$326.34	359	<b>\$41,249</b>
	27	\$342.00	376	<b>\$43,202</b>
<b>Unaffordable at 400% FPL</b>	29	\$365.17	401	>\$46,000
<b>AL</b>	21	\$199.43	255%	\$29,300
	27	\$209.00	261%	\$29,989
<b>Unaffordable at 400% FPL</b>	51	\$371.93	401%	>\$46,000
<b>AZ</b>	21	\$158.40	228%	\$26,197
	27	\$166.00	233%	\$26,772
<b>Unaffordable at 400% FPL</b>	56	\$369.54	401%	>\$46,000
<b>FL</b>	21	\$208.02	261	\$29,989

	27	\$218.00	267	\$30,678
<b>Unaffordable at 400% FPL</b>	50	\$371.52	401%	>\$46,000
<b>IA</b>	21	\$180.34	243	\$27,921
	27	\$189.00	248	\$28,495
<b>Unaffordable at 400% FPL</b>	53	\$367.90	401%	>\$46,000
<b>IL</b>	21	\$179.39	242	\$27,806
	27	\$188.00	248	\$28,495
<b>Unaffordable at 400% FPL</b>	53	\$365.95	401	\$365.95
<b>KS</b>	21	\$163.17	231	\$26,542
	27	\$171.00	237	\$27,231
<b>Unaffordable at 400% FPL</b>	55	\$363.86	401	>\$46,000
<b>ME</b>	21	\$252.86	289	\$33,206
	27	\$265.00	296	\$34,010
<b>Unaffordable at 400% FPL</b>	45	\$365.13	401	>\$46,000
<b>MO</b>	21	\$209.92	262	\$30,104
	27	\$220.00	269	\$30,908
<b>Unaffordable at 400% FPL</b>	50	\$374.92	401	>\$46,000
<b>MT</b>	21	\$198.47	254	\$29,185
	27	\$208.00	261	\$29,989
<b>Unaffordable at 400% FPL</b>	51	\$370.15	401	>\$46,000
<b>ND</b>	21	\$221.37	269	\$30,908
	27	\$232.00	276	\$31,712
<b>Unaffordable at 400% FPL</b>	49	\$377.66	401	>\$46,000
<b>NH</b>	21	\$226.15	272	\$31,253
	27	\$237.00	279	\$32,057
<b>Unaffordable at 400% FPL</b>	48	\$369.75	401	>\$46,000
<b>NM</b>	21	\$177.48	241	\$27,691
	27	\$186.00	246	\$28,265
<b>Unaffordable at 400% FPL</b>	54	\$378.92	401	>\$46,000
<b>OK</b>	21	\$166.98	234	\$26,887
	27	\$175.00	239	\$27,461
<b>Unaffordable at 400% FPL</b>	55	\$372.38	401	>\$46,000
<b>SD</b>	21	\$224.24	271	\$31,138
	27	\$235.00	278	\$31,942
<b>Unaffordable at 400% FPL</b>	48	\$366.63	401	>\$46,000
<b>TX</b>	21	\$191.79	250	\$28,725
	27	\$201.00	256	\$29,414
<b>Unaffordable at 400% FPL</b>	52	\$374.38	401	>\$46,000
<b>VA</b>	21	\$210.88	263	\$30,219
	27	\$221.00	269	\$30,908
<b>Unaffordable at 400% FPL</b>	50	\$376.63	401	>\$46,000
<b>WV</b>	21	\$208.02	261	\$29,989
	27	\$218.00	267	\$30,678
<b>Unaffordable at 400% FPL</b>	50	\$371.52	401	>\$46,000

#### Methodology

The data presented in this analysis is an estimate, based on data provided by the U.S. Department of Health and Human Services on September 25, 2013 in the Health Insurance Marketplace Premiums for 2014 Databook located online at [http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/datasheet\\_home.cfm](http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/datasheet_home.cfm). The Databook provides premium data for the second-lowest-cost silver plan for individuals that are 27 years old in the 36 states that will rely on Healthcare.gov to function as their exchange. In these 36 states, eHealth estimated the premium for all other age groups by using the Department of Health and Human Services' default standard age curve located online at <http://www.cms.gov/CCIIO/Resources/Files/Downloads/market-reforms-guidance-2-25-2013.pdf>

The Databook also provides statewide weighted average premium data in four states (California, Maryland, New York, and Washington) and the

District of Columbia. In those four states, and DC, where premium data was provided as a statewide weighted average, eHealth used the Department of Health and Human Services' default standard age curve to estimate premiums for each individual age group. In California, Maryland, Washington and Washington D.C., premiums are based on an individual's age, where the highest premium a 64-year-old can pay is three times what a 21-year-old can pay.

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

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***For media inquiries, please contact:***

Sande Drew  
eHealth, Inc.  
(916) 207-7674  
[sande.drew@ehealth.com](mailto:sande.drew@ehealth.com)

Nate Purpura  
eHealth, Inc.  
(650) 210-3115  
[Nate.Purpura@ehealth.com](mailto:Nate.Purpura@ehealth.com)

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