



COBRA Enrollees May Be Able to Save Thousands of Dollars by Buying Individual Health Insurance on Their Own

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Thanks to the Affordable Care Act, There Are Even Better Alternatives to COBRA for Consumers Who Have Lost Employer-Based Health Insurance Coverage

MOUNTAIN VIEW, CA -- (Marketwired) -- 09/02/14 -- Today eHealth, Inc. (NASDAQ: EHTH) (eHealthInsurance.com), the nation's first and largest private online health insurance exchange, published cost comparisons and tips to help consumers understand their health insurance coverage options when they become eligible for COBRA. The company reports that persons eligible for COBRA who enroll in self-purchased health insurance instead may save as much as \$2,750 annually (about \$229 per month) for individual coverage, or \$8,674 annually (about \$723 per month) for family coverage.

"For years, COBRA was often the only good option for people with pre-existing medical conditions who lost access to employer-sponsored health insurance, but things changed in 2014," said Gary Matalucci, eHealth Vice President of Customer Care. "People who have lost their coverage under employer group plans today need to know that they may have more -- and potentially better -- options than they realized. A lot of today's COBRA-eligible consumers can save hundreds of dollars by purchasing individual and family health insurance on their own rather than enrolling in COBRA."

COBRA is the federal law allowing persons facing the loss of their coverage under employer-based health insurance to continue that coverage at their own expense. Under the terms of the law, COBRA enrollees may be required to pay for both the employer and employee portions of their health insurance premiums. An additional two-percent surcharge may also be added for administrative costs. Coverage under COBRA is temporary and typically lasts no more than 18 months.

The passage of the Affordable Care Act (ACA) and the enactment of its 2014 regulations now provide COBRA enrollees with additional coverage options, even for those who lose coverage under a group plan outside of the ACA's nationwide open enrollment period. First, they may have the option to enroll in COBRA if they want to maintain coverage under their current plan. Second, the loss of employer-based coverage may trigger a special enrollment period allowing them to purchase an individual or family health insurance plan outside of the ACA's nationwide open enrollment period -- a plan which is guaranteed-renewable, except in special circumstances.

Utilizing figures published by the Kaiser Family Foundation in its 2013 Employer Health Benefits Survey¹, eHealth estimates average premium costs for COBRA coverage to be:

- \$6,002 per year (about \$500 per month) for individual coverage
- \$16,678 per year (about \$1,390 per month) for family coverage

By contrast, eHealth's May 2014 [Health Insurance Price Index](#) report found that average premiums for individually-purchased health insurance plans selected by eHealth customers during the last nationwide open enrollment period were²:

- \$3,252 per year (\$271 per month) for individual coverage
- \$8,004 per year (\$667 per month) for family coverage

Based on these figures, persons eligible for COBRA who opt to enroll in self-purchased health insurance plans may save an average of \$2,750 per year (about \$229 per month) for individual coverage or \$8,674 per year (about \$723 per month) for family coverage.

In addition to cost considerations such as those described above, eHealth offers the following shopping tips to COBRA-eligible consumers who are considering other options.

Health Insurance Shopping Tips for COBRA-Eligible Consumers

Don't go uninsured if you can help it. The Affordable Care Act requires most Americans to have health insurance or pay a tax penalty of \$95 per adult or 1% of your taxable annual income, whichever is greater. Major medical health insurance plans, such as those available through private online marketplaces like eHealth and government exchanges, will meet your coverage requirements under the law and prevent you from facing a tax penalty so long as you are not uninsured for three consecutive months or more during the year.

Get to know your coverage options beyond COBRA. Prior to the enactment of the ACA's 2014 provisions, COBRA was the only coverage option available to many people who had lost their employer-based health insurance. It was still possible then to be declined coverage based on your personal medical history. COBRA may still be a good choice if you're not concerned about the cost of coverage and want to stick with your current plan. However, loss of employer-based coverage is now considered a "qualifying life event" allowing you to purchase coverage on your own even outside of the ACA's nationwide open enrollment period. Keep in mind, however, that if you enroll in an individual plan, you cannot go back to COBRA, and a new self-purchased plan may not provide you with access to the same doctors and hospitals as your current plan.

Do the math to see which coverage options makes sense for your pocketbook. When you become eligible for COBRA you should be provided with information about the monthly premiums you can expect to pay for COBRA coverage. Before you enroll in COBRA, compare these costs with personalized quotes from a range of health insurance companies and plans in your area. All major medical plans available will provide you with access to the same basic suite of government-defined essential health benefits, though premiums, copayments, and deductibles may vary from one plan to another. Work with an online health insurance marketplace like eHealth to get a broad view of the coverage choices in your area.

Look beyond government exchanges when you think about buying your own plan. Government health insurance exchanges are a fine place to

start when comparing your coverage options beyond COBRA, but you should also review your options outside of government-sponsored marketplaces. Private online marketplaces like eHealth can provide you with a broad range of plans that will meet your coverage requirements under the ACA. Many of these plans -- some of which may be better suited to your needs -- may not be available through your government health insurance exchange. Government exchanges offer only a selection of the ACA-compliant plans available to consumers.

Be aware of your enrollment deadlines under COBRA and the ACA. In most cases, you have about 60 days in which to enroll in COBRA after coverage under your employer-based plan is scheduled to end. You can wait the full sixty-two days to enroll, but know that you will need to retroactively pay your premiums for the prior two months if you do enroll at that time. Under the ACA, you also have 60 days from the termination of your employer-based coverage to enroll in a self-purchased individual or family health insurance plan. If you don't enroll in coverage before your deadline arrives, you may have to wait until the ACA's next nationwide open enrollment period, which is scheduled to begin on November 15, 2014.

Notes:

¹ These figures represent 102% of the estimated average premiums reported by the Kaiser Family Foundation report in its [Employer Health Benefits Survey](#) from 2013.

² For information about these figures and the methodology used to arrive at them, refer to eHealth's [Health Insurance Price Index](#) report published in May 2014.

About eHealth

eHealth, Inc. (NASDAQ: EHTH) operates [eHealthInsurance.com](#), 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 PlanPrescriber.com ([www.planprescriber.com](#)) and eHealthMedicare.com ([www.eHealthMedicare.com](#)).

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

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