



New eHealth Choice & Impact Study: Average Medicare Beneficiary Could Have Saved \$458 on Prescription Drugs in 2015

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Average Customers Who Compared Stand-Alone Prescription Drug Plans Had Potential to Save Over \$38 per Month on Prescription Medication

MOUNTAIN VIEW, CA -- (Marketwired) -- 10/14/15 -- Only six percent (6%) of people on Medicare had Medicare Part D coverage that provided them with the lowest total out-of-pocket costs for their prescription drugs, suggests an analysis published today by eHealth, Inc. (NASDAQ: EHTH). The analysis looked at over 49,000 people who used eHealth's online Medicare plan comparison tools (tools now available at Medicare.com, eHealthMedicare.com and PlanPrescriber.com) during Medicare's last Annual Enrollment Period (AEP -- also referred to as the Annual Election Period).

During this year's AEP, which runs from October 15 to December 7, 2015, consumers can visit Medicare.com and eHealthMedicare.com to compare and change their existing Medicare Part D coverage (either a Medicare Advantage Prescription Drug Plan or stand-alone Prescription Drug Plans) if they wish. A 2010 study by the Robert Wood Johnson Foundation found that only about 10 percent of Medicare Part D plan participants change their coverage each year¹.

Potential Savings on Medicare Advantage Prescription Drug Plans (MA-PDs)

More than 14,000 people used eHealth's tool to compare the MA-PD plans they had in 2014 to the plans available in 2015. Among those, ninety-two percent (92%) could lower their total costs for premiums and prescribed medications by switching to a new plan, according to the tool's analysis of their drug regimens and plan options. Those who switched to the plan with the lowest total costs in 2015 could have saved an average of \$682.

Potential Savings on Stand-Alone Prescription Drug Plans (PDPs)

More than 35,000 people used eHealth's tool to compare the PDP plans they had in 2014 to the plans available in 2015. Among those, ninety-five percent (95%) could lower their total costs for premiums and prescribed medications by switching to a new plan, according to the tool's analysis of their drug regimens and plan options. Those who switched to the plan with the lowest total costs in 2015 could have saved an average of \$366.

What Does eHealth's Medicare Plan Comparison Tool Do?

eHealth's Medicare plan comparison tool estimates the total cost of Medicare drug coverage for people who use it. To achieve this estimate, a person enters their zip code, the names and dosages of their prescribed medications, and the name of their current Medicare Part D plan or Medicare Advantage Prescription Drug Plan.

Once the data is entered, the tool shows that person the different plans eHealth can offer in their area. The tool estimates the annual cost of each plan for the coming year based on the data entered by the user and plan information provided by insurance companies. The estimated annual cost of a plan is a combination of the plan's monthly premiums and the estimated out-of-pocket costs for the medications entered into the tool. The estimated out-of-pocket costs include deductibles, co-pays and coinsurance.

Why Out-of-Pocket Costs For Prescription Drugs Change

Changes to one's prescribed medications aside, the amount a Medicare beneficiary pays for his or her prescription drugs can change significantly because many Medicare prescription drug plans change the pricing, benefit tiers, and formularies of their drug plans from year to year (or even within a year). Typical changes that are made may include:

- The drugs covered by a plan
- The plan's monthly premiums
- The plan's annual deductible, coinsurance, and co-payments
- The plan's drug tiers, which are used to assign different coinsurance amounts and co-payments to specific drugs

Any one of these changes may affect what an enrollee pays out of pocket for his or her drugs on the same PDP or MA-PD plan from one year to the next. In some cases, the lowest-cost plan for an enrollee's personal drug regimen in one year may not be the lowest-cost plan in the following year.

Cost Savings for Plan Switchers

The table below details potential savings after calculating all costs -- including monthly premiums, co-payments, coinsurance, and deductibles -- for people who used eHealth's online Medicare plan comparison tool during the last AEP based on analyzed user sessions.

<i>Plan Type</i>	<i>Potential Average Annual Savings by Switching Plans</i>	<i>Potential Average Annual Savings by First-Time Enrollees</i>	<i>Percent of Users in Lowest-Priced Plan</i>
Stand-Alone Prescription Drug Plan (PDP)	\$366	\$1,413	5%
Medicare Advantage Prescription Drug Plan (MA-PD)	\$682	\$1,212	8%

The actual savings estimated when a person uses the tool can vary based on things like geographic location, plan selection, and other factors.

Benefits and coverage may also vary between plans. When selecting a plan, you should always be sure to check the plan details to confirm the accuracy of any estimate of plan costs and coverage.

Report Methodology

This report analyzes more than 49,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2015 Annual Election Period (also called Annual Enrollment Period or AEP), which took place between October, 15 and December, 7, 2014. During that time, there were over 35,000 user sessions in which a person identified their current Medicare Prescription Drug Plan (PDP) and one or more prescription drugs they were taking. In addition, over 14,000 user sessions occurred in which a person identified their current Medicare Advantage Prescription Drug (MA-PD) plan and one or more prescription drugs they were taking.

The Medicare plan comparison tool at eHealthMedicare.com and PlanPrescriber.com compares users' existing plans to other plans available in their areas. The tool calculates the users' known prescription drug costs, including monthly premiums, co-pays, coinsurance, and deductibles. The tool then provides each user with an estimate of their total out-of-pocket costs for the year, which includes a plan's monthly premiums and cost-sharing for prescription drugs.

The information users were required to provide in order to be counted as currently enrolled in a PDP or MA-PD plan included their zip code and the name of their existing PDP or MA-PD plan. In the user sessions used for this analysis, customers also included the names, dosages and frequency of any prescription drugs they were taking. Their average annual savings were calculated by subtracting the customer's total estimated out-of-pocket spending on their current plan -- including monthly premiums, deductibles, coinsurance, and co-payments -- from the estimated out-of-pocket spending on the plan recommended by eHealth's Medicare plan comparison tool.

For price comparisons, 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. The average savings presented in this report are based on user sessions that occurred during the last AEP on eHealthMedicare.com and PlanPrescriber.com only. These user sessions may not reflect the overall Medicare population or any particular individual's situation.

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.

Notes:

¹ Robert Wood Johnson Foundation (an entity unaffiliated with eHealth, Inc.), RWJF-Funded Study Finds Medicare Part D Too Complex for Many Doctors, July 29, 2010, <http://www.rwjf.org/humancapital/product.jsp?id=66208>

About eHealth, Inc.

eHealth, Inc. (NASDAQ: EHTH) owns eHealth.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. eHealth offers thousands of individual, family and small business health plans underwritten by many of the nation's leading health insurance companies. eHealth (through its subsidiaries) is licensed to sell health insurance in all 50 states and the District of Columbia. eHealth also offers educational resources and 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), eHealthMedicare.com (www.eHealthMedicare.com) and Medicare.com (www.Medicare.com).

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

Medicare has neither reviewed nor endorsed this information.

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