



eHealth Announces Results of Strategic Review Process and Management Appointments

October 27, 2016

- **100-day strategic review identifies plan to leverage existing strengths to expand growth in Medicare and Small Business Group insurance markets**
- **New operating structure and executive management appointments aligned with strategic plan**

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--Oct. 27, 2016-- eHealth, Inc. (NASDAQ: EHTH), the nation's first and largest private health insurance exchange, announced today the outcome of its 100-day strategic review process. eHealth plans to migrate and focus its business activities on the Medicare and small business insurance markets while continuing to operate the Individual & Family Plan business for profitability and cash flow maximization. The company has also made several key structural and executive changes to align its operating structure with its strategic focus.

Scott Flanders, chief executive officer of eHealth stated, "Over the last several months we have undertaken a thorough and exhaustive analysis of our operating and strategic assets, our market position and the market segments that we have available to aggressively grow the company. We concluded that eHealth has built strong, defensible assets that are not being fully leveraged in the changing landscape in which we operate. These assets offer tremendous opportunity to diversify and refocus our revenue streams into higher-growth opportunities. We do not need to undertake a major pivot or overhaul of the company; instead, we are migrating our core business toward the most exciting and achievable set of growth opportunities. Our plan will require significant investments that will impact near-term performance, but will set the foundation for what we believe can be a larger and more profitable company."

Strategic Focus

Three key growth opportunities were identified as part of the review:

- Leverage eHealth's technology strength and marketing expertise to accelerate the company's growth in Medicare product sales, including in the Medicare Advantage and Medicare Supplement markets.
- Utilize the strong platform built for eHealth's Individual & Family Plan business to pursue large, attractive opportunities in the Small Business Group insurance market.
- Penetrate related cross-selling opportunities and adjacencies that Medicare and Small Business Group markets present for the company.

In the individual and family health insurance market, the company plans to continue to focus on profitability and cash flow maximization, while further reducing its individual and family plan-related marketing expenses. The company will provide more detail relating to the strategic review during its earnings conference call scheduled for later today.

Management Appointments

As a result of the strategic review process, eHealth is instituting a new operating structure to focus on its growth opportunities and objectives while operating the business more efficiently. Two new group presidents are being announced today with direct revenue and profit responsibility for each of the core revenue segments of eHealth's business including (1) the Medicare business and (2) the Individual & Family Plan and emerging Small Group business. Heading the Medicare Products business will be Bob Hurley who has served as Executive Vice President of Sales & Operations and is a long time executive of eHealth. Heading the Small Business, Individual & Family Products businesses will be Tom Tsao who has served as Executive Vice President, Chief Technology and Product Officer. Additionally, eHealth announced that David Francis will add the responsibilities of Chief Operations Officer to his current responsibilities as Chief Financial Officer, heading key operational aspects of the business including telesales, product and technology development.

Said Scott Flanders, "It has been my experience that placing key executives in roles that create direct measurement and accountability for revenue growth and profitability puts them and the broader company in the best position to succeed."

About eHealth, Inc.

eHealth, Inc. (NASDAQ: EHTH) operates 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).

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These include statements regarding the outcome of our strategic review process; the migration of our core business activities to the Medicare and small business market; our strategy and plans to aggressively grow the company; opportunities in the Medicare Advantage, Medicare Supplement and small business insurance market; cross selling and adjacent opportunities; our near-term performance; our plans to focus on profitability and cash flow maximization and to reduce marketing spend in the individual and family health business; our new operating structure and changes in senior management responsibilities and the expected benefits of these changes. These forward-looking statements are inherently subject to various risks

and uncertainties that could cause actual results to differ materially from the statements made, including our ability to successfully execute on our strategic plans; our ability to realize the anticipated benefits of our investment; changing market conditions in the Medicare, small business and individual and family health insurance market; legal and regulatory compliance risks; competition; our success in marketing and selling health insurance plans and our unit cost of acquisition; our ability to successfully manage our new operating structure; fluctuation of our operating results; changes in our stock price; future cash needs and other risks described in eHealth's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Securities and Exchange Commission and available on the investor relations page of eHealth's website at <http://www.ehealthinsurance.com> and on the Securities and Exchange Commission's website at www.sec.gov. eHealth does not undertake any obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

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