



eHealth Applauds New CMS Guidance to Permit Consumers to Enroll in Qualified Health Plans with a Tax Credit through Web-Brokers Like eHealth.com

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MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--May 18, 2017-- Today eHealth, Inc. (NASDAQ:EHTH) applauded new guidance issued yesterday by the Centers for Medicare and Medicaid Services (CMS) Center for Consumer Information & Insurance Oversight to help streamline and simplify the direct enrollment process for consumers signing up for Affordable Care Act qualified health plan coverage through the federal health insurance exchange, HealthCare.gov.

This new guidance makes it possible for web-brokers like eHealth to implement a process for customers to enroll into a qualified health plan and apply for advanced payment of premium tax credits without leaving the web-broker's website. This guidance applies to the 39 states that rely on the Federally Facilitated Exchange (FFE) for individual and family health insurance plan enrollment.

Under the current guidance, the process is scheduled to be available for the 2018 annual open enrollment period, which is scheduled to run from November 1, 2017 through December 15, 2017, and is not for applications submitted outside the open enrollment period. CMS advised in the guidance that it intends to further improve the ability for web-brokers to work with CMS by eventually implementing an enhanced direct enrollment pathway to replace the process in the current guidance.

This change reduces the regulatory burden on businesses like eHealth that help people who qualify for tax credits to purchase their health insurance so they can more easily get their prescriptions covered, keep their doctors, and otherwise save money on health care.

The specific guidance that relates to eHealth and other web brokers is located on the CMS web site at: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-for-the-Proxy-Direct-Enrollment-Pathway-for-2018-Individual-Market-Open-Enrollment-Period.pdf>.

To take advantage of the newly authorized process, web-brokers such as eHealth will need to implement and maintain procedures specified in the new guidance to address security, privacy, reliability, and other issues that CMS has identified. For example, there are limitations on the types of applications that may be completed through the new process and how such applications may be submitted, as well as security procedures such as identity verification required for each application. Each web-broker must enter into a new agreement with CMS and allow CMS to verify that all CMS-specified procedures are properly implemented before being approved by CMS to use the newly authorized process.

"Low-income people deserve the same level of service that middle-income families receive and this news signals a move toward equal access for all Americans," said Scott Flanders, eHealth's CEO. "Today, our customers have to endure a ridiculous process where they bounce back and forth between eHealth.com and Healthcare.gov to get a tax credit."

He continued, "Today's internet shopper expects world-class technology and excellent customer service, which are hallmarks of American business - not government websites."

Mr. Flanders went on to say, "eHealth's technology and our customer care teams in California, Utah, and Massachusetts do amazing work to help people find health insurance plans that meet their needs, and we look forward to working with leaders at CMS to develop and implement the new process for enrolling consumers into qualified health plans."

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 eHealth's ability to help customers apply for advanced premium tax credits and enroll in qualified health plans through the FFE without customers leaving eHealth's website, the availability of the new process for the next open enrollment period, and the possibility that CMS may implement an enhanced direct enrollment pathway to replace the current guidance. 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 risks associated with: our ability to implement and maintain the procedures required by CMS; our ability to pass third-party audit and testing required by CMS; our ability to agree to and enter into a new agreement with CMS; our ability to comply with new privacy and security standards and other CMS requirements; the timing of and our ability to receive and maintain CMS approval for such newly-authorized process; our ability to enroll, service, and retain members using the new process for interfacing with the FFE; our ability to submit a large number of enrollments over a short period of time; reductions in conversion rates as a result of implementing CMS requirements; changes to guidance, regulations, or requirements by CMS or other governmental entities; the performance and reliability of such new process; the ability of the FFE to handle traffic and the stability of FFE's websites and systems, eHealth's systems, or other relevant computer systems; and other factors that could cause operating, financial, and other results to differ, which are described in eHealth's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q 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 undertakes no obligation to update any forward-looking statement to conform to actual results or changes in intentions or expectations.

About eHealth

eHealth, Inc. (NASDAQ:EHTH) owns eHealth.com, a leading private online 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 Medicare.com (www.Medicare.com), eHealthMedicare.com (www.eHealthMedicare.com) and PlanPrescriber.com

(www.PlanPrescriber.com).

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