Leveraging Private Marketplaces Like eHealth to Innovate Consumer eCommerce Experiences for Health Insurance

Tom Tsao – President, Small Business, Individual & Family Products

February 16, 2017

eHealth®

Confidential and proprietary

Leading Private Online Marketplace for Health Insurance

- Families
- Individuals
- Small Businesses

eHealth

- Powerful decision support tools
- Live quotes and online application
- Real-time customer care support

~200 carriers
in **50** states

Experts in generating and converting online demand for health insurance products

Bio & Background

eHealth

Currently – President, Small Business, Individual & Family Products

Previously – Chief Product & Technology Officer at eHealth

Over 20 years of consumer Internet eCommerce experience:

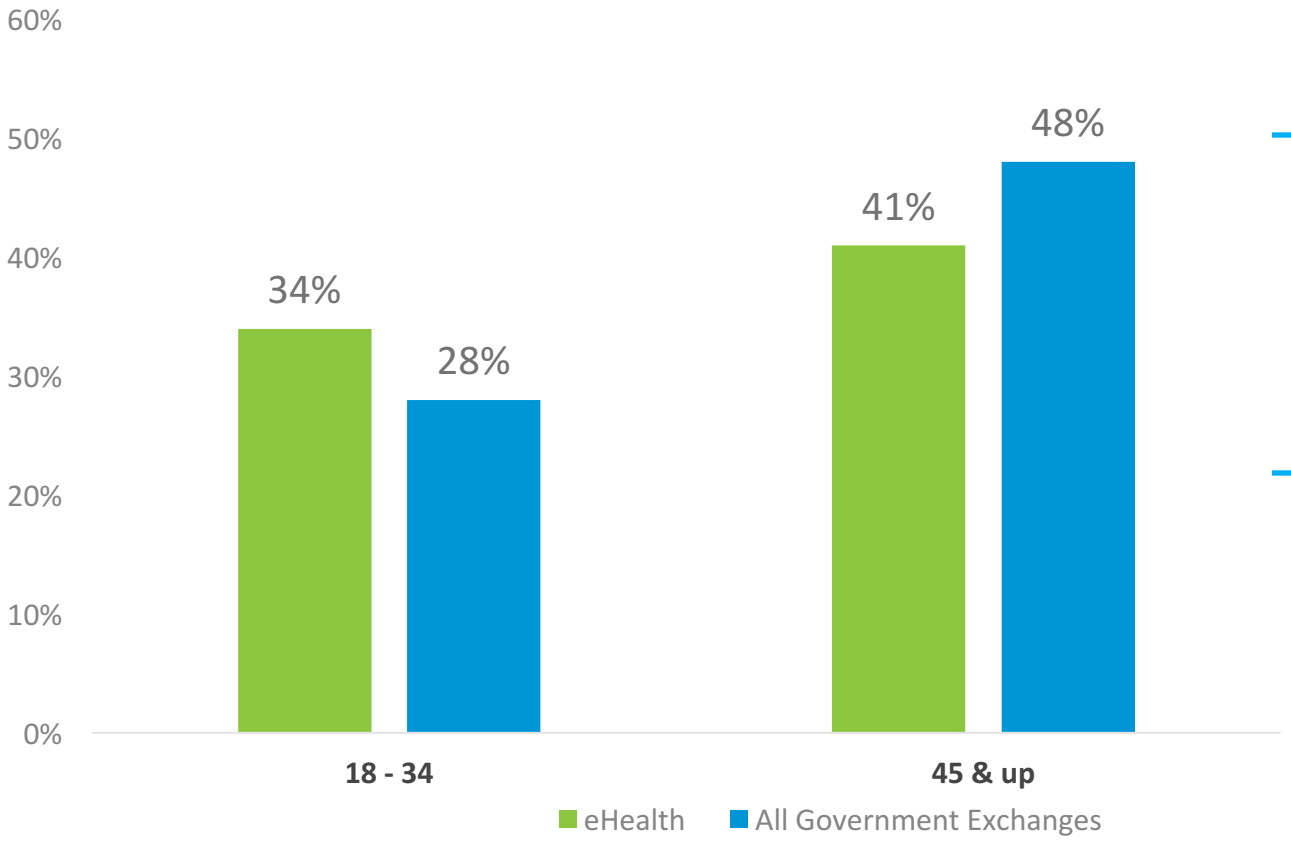
Netscape ebay YAHOO! Walmart eCommerce

Why is the Government in the business of building and operating eCommerce marketplaces to sell health insurance?

This is what the Private Sector does best!

Private Exchanges Draw a More Attractive Demographic

eHealth and Government Exchanges Members by Age
(eHealth Submitted Member vs Gov't Exchange Plan Selections during 2016 OEP)



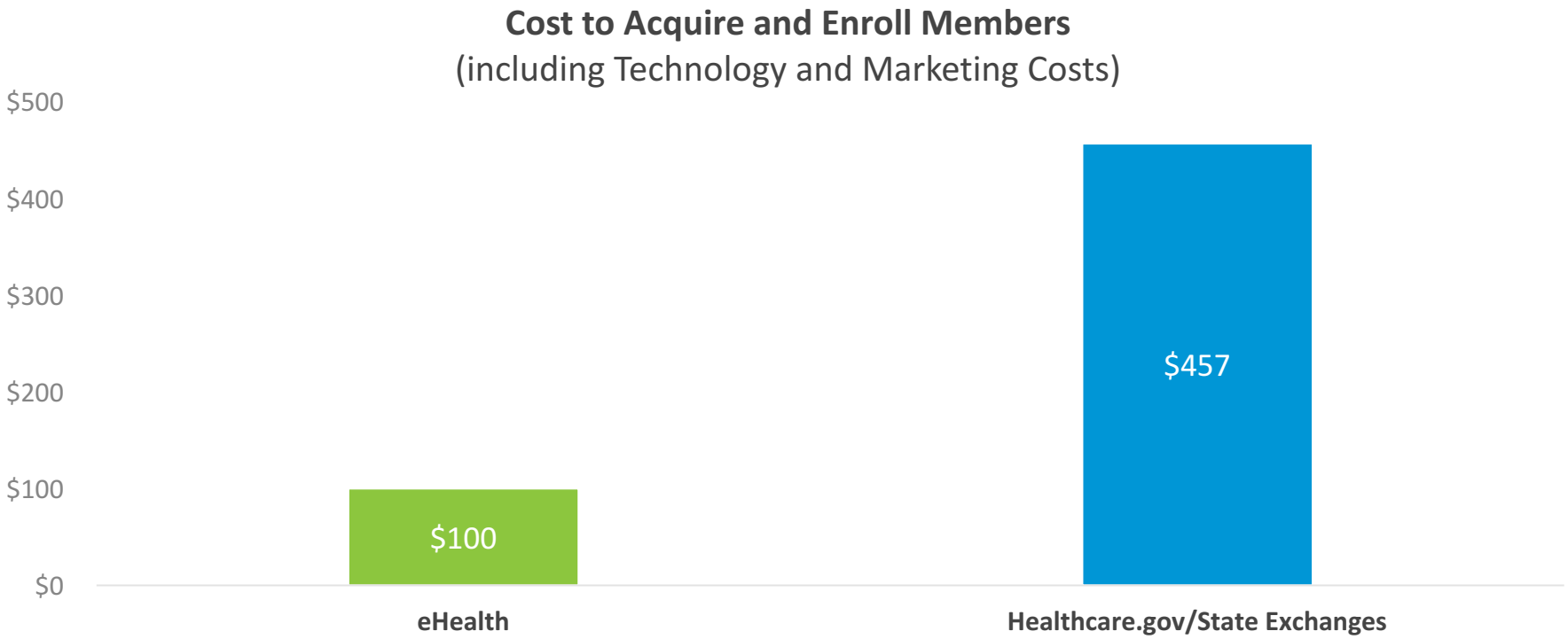
eHealth's Consumer engagement engine draws significantly more economically attractive demographic groups to the insured risk pool. Total differential >1,300 basis points.

Source: ASPE HHS, eHealth

Customers Prefer Private Exchanges Like eHealth

Source: Forrester Research, 2015; eHealth

eHealth is a More Cost Effective Consumer Acquisition Platform



- Cost of acquisition (COA) determined through the following:
  - eHealth based on actual marketing Aug 2015 - Jul 2016, divided by submitted members (enrolled members) in the same time period; Tech & Content Core expenses from 1999-2014, divided by submitted members in that timeframe
  - Healthcare.gov / State Exchanges derived per slide 1 (based on HHS FY2016 Budget in Brief; HHS 2014 Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period; HHS.gov 2015 Press Release: Nationwide 9.5 million consumers are signed up for Health Insurance Marketplace coverage; CMS 2016 Health Insurance Marketplace Open Enrollment Snapshot - Week 13; Congressional Research Service: Federal Funding for Health Insurance Exchanges

Source: eHealth, HHS, CMS, Congressional Research Service

Robust Private Sector Ready To Drive Enrollments

The private sector drives millions of cost-effective enrollments every year (at no cost to the consumer nor taxpayer), both prior to the implementation of the ACA and currently in conjunction with government exchanges

Insurance Carriers

BlueCross BlueShield

KAISER PERMANENTE

HCSC
Health Care Service Corporation

Anthem

Humana

Online Private Exchanges

eHealth

GoHealth

GetInsured

Traditional Agents and Brokers

healthmarkets

Word&Brown.
General Agency

PROTECTING THE CONSUMER'S FUTURE
NAHU
National Association of Health Underwriters
AMERICA'S BENEFITS SPECIALISTS

25%

25%

50% of non-group health insurance enrollees purchased through carriers directly or through agents/brokers. 44% purchased through FFM/SBMs.*

*Source: Kaiser Family Foundation *Survey of Non-Group Health Insurance Enrollees* (conducted February 9-March 26, 2016)

The Double Redirect vs. eHealth's Automated Solution

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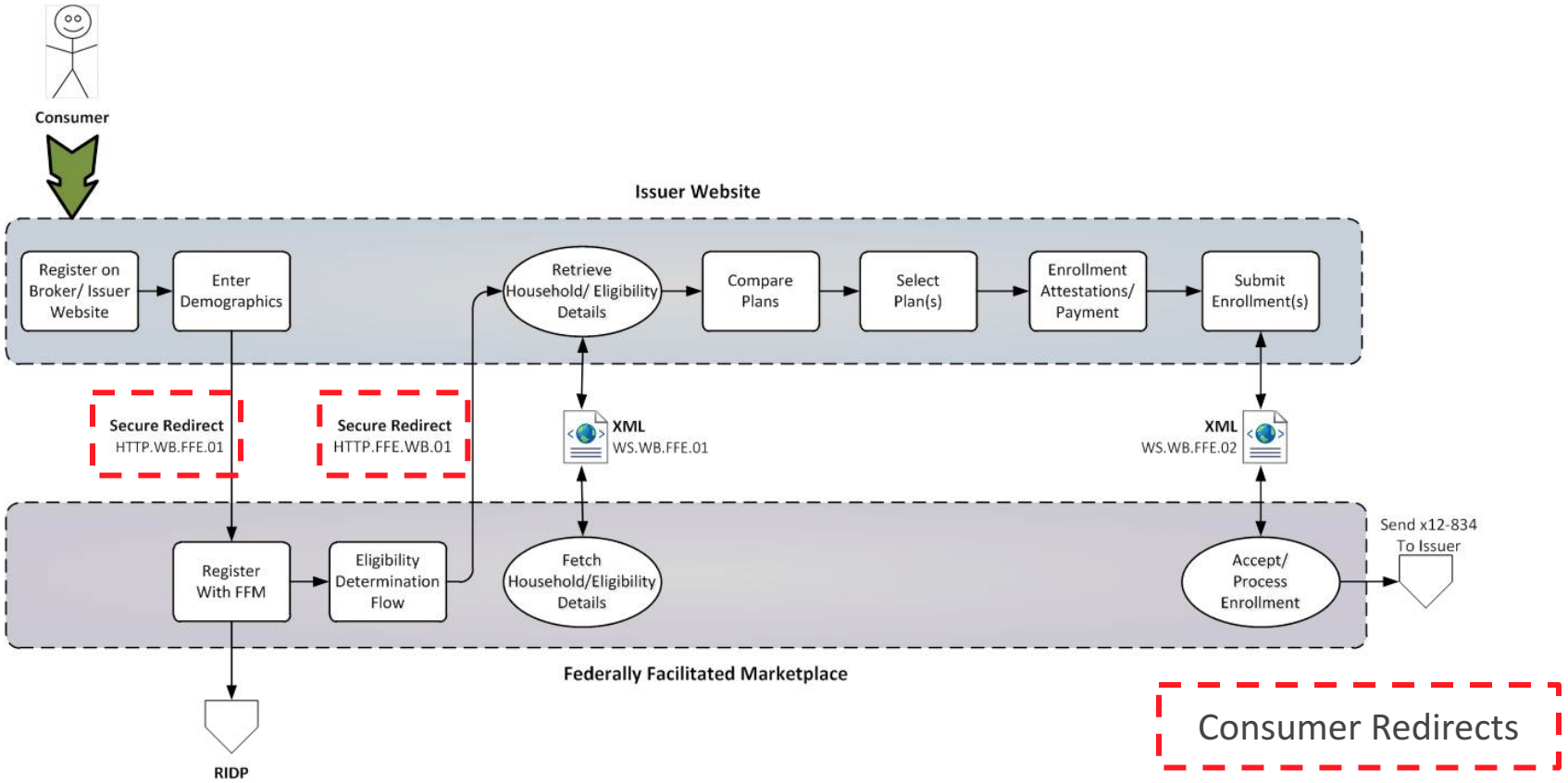
First, Historical Background on the “Double Redirect”

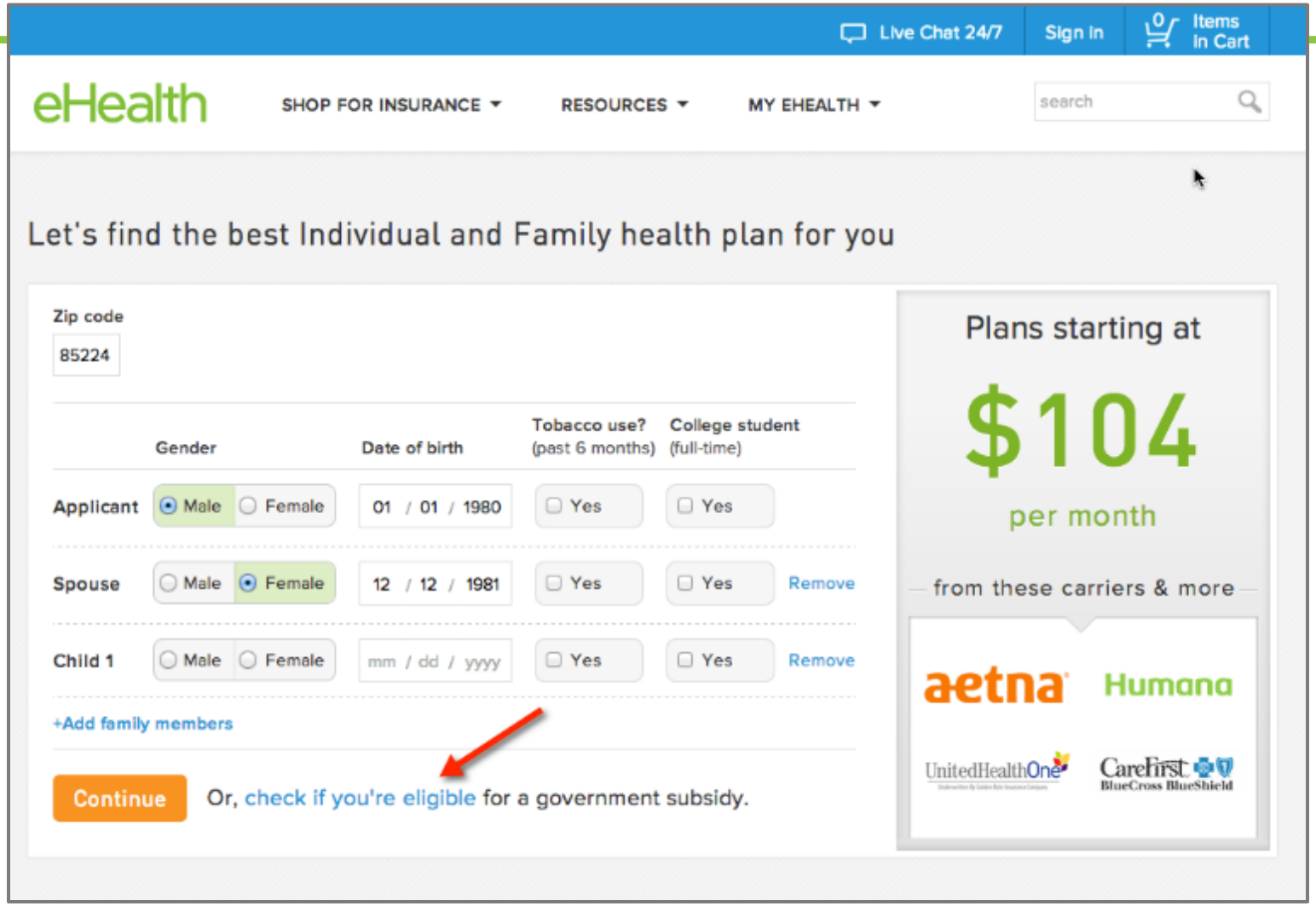
Direct Enrollment *Consumer* Flow requires sub-optimal "redirects"

- Redirects are a very confusing and jarring experience for consumers
- Redirect process is proven to depress enrollment and conversion rates
- Redirect process does not ensure broker attribution

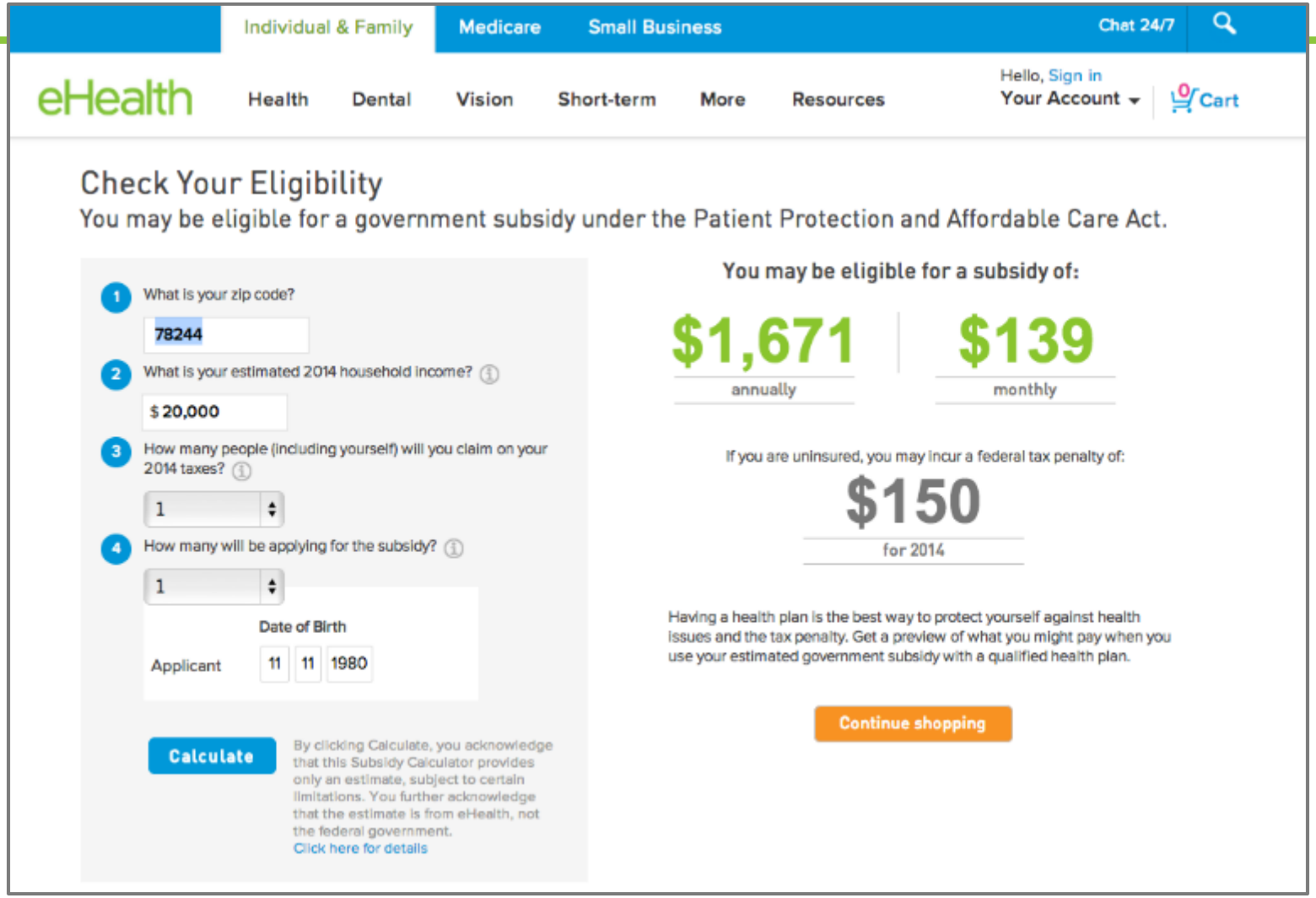


Customer starts on eHealth.com home page

Customer checks if they are subsidy-eligible



Customer completes subsidy calculator for estimate



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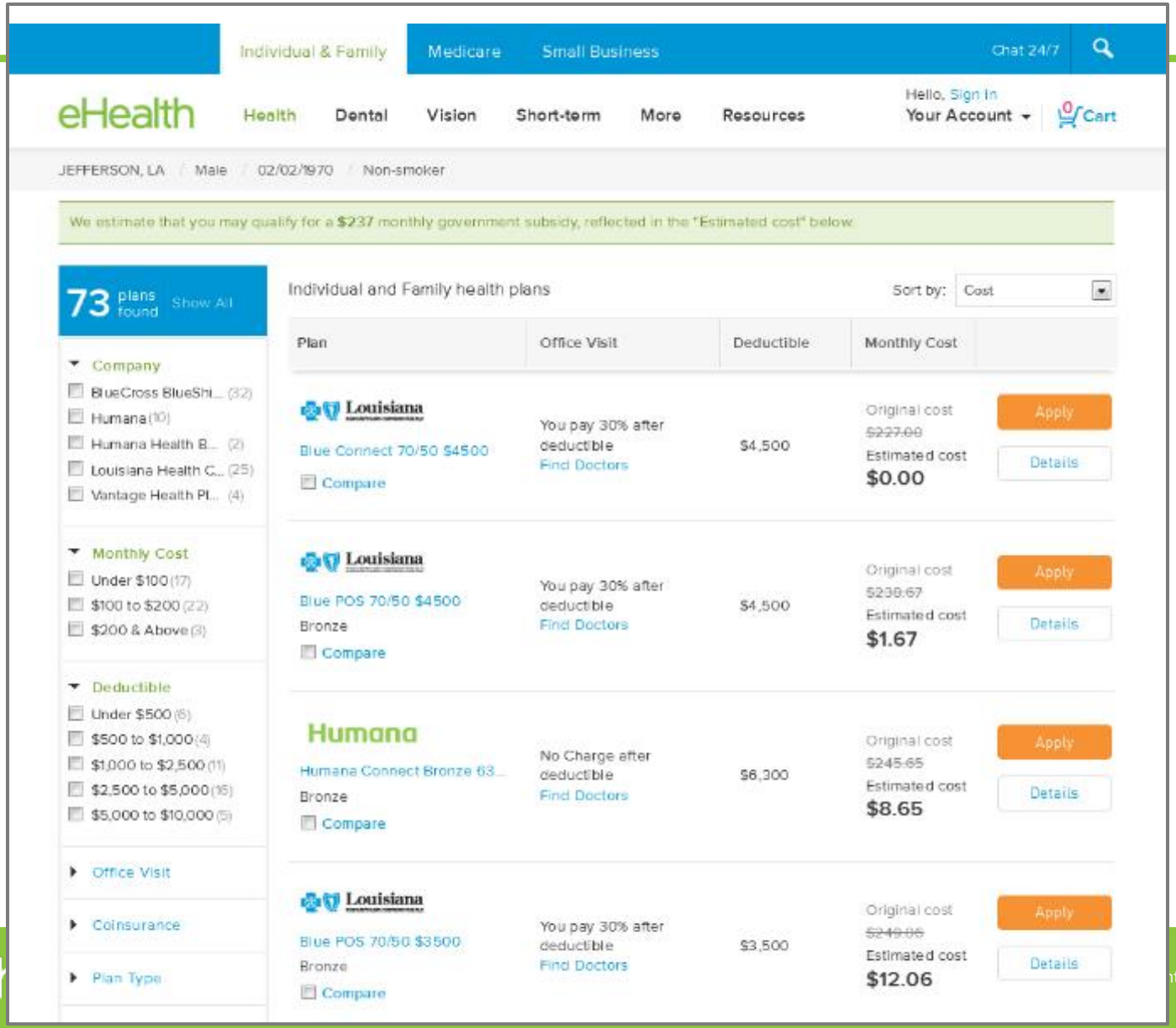
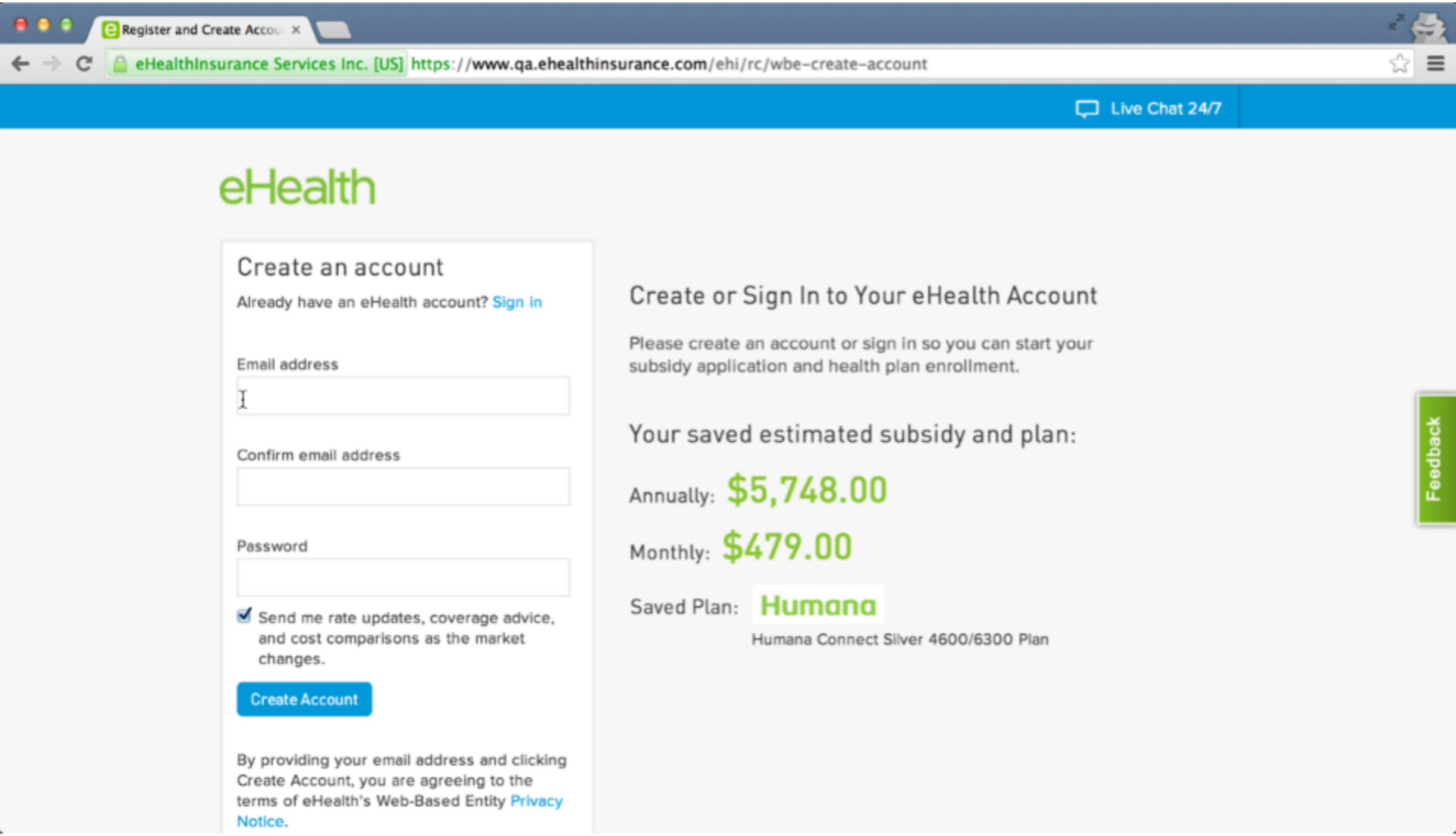
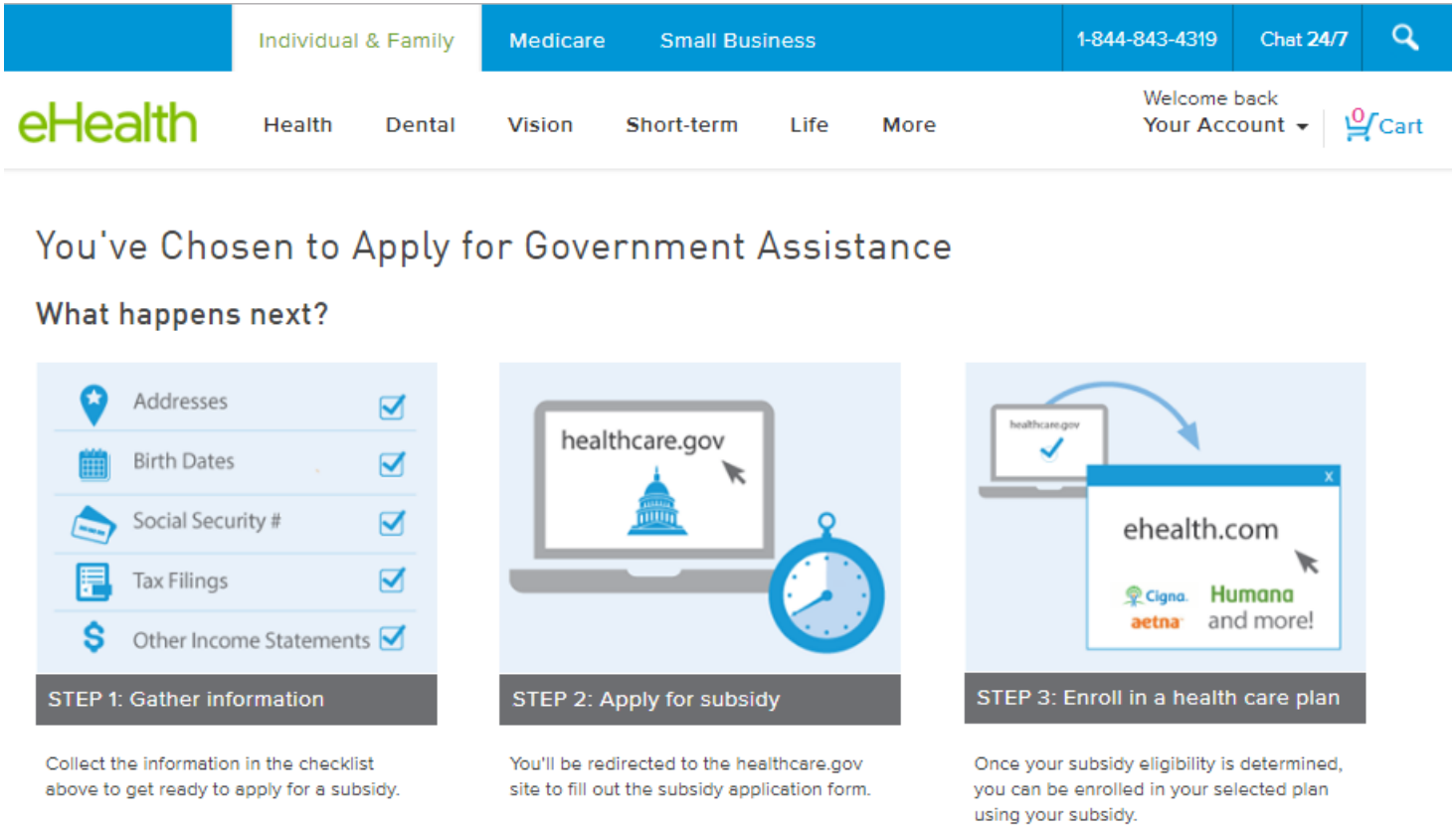


eHealth Create Account or Sign In

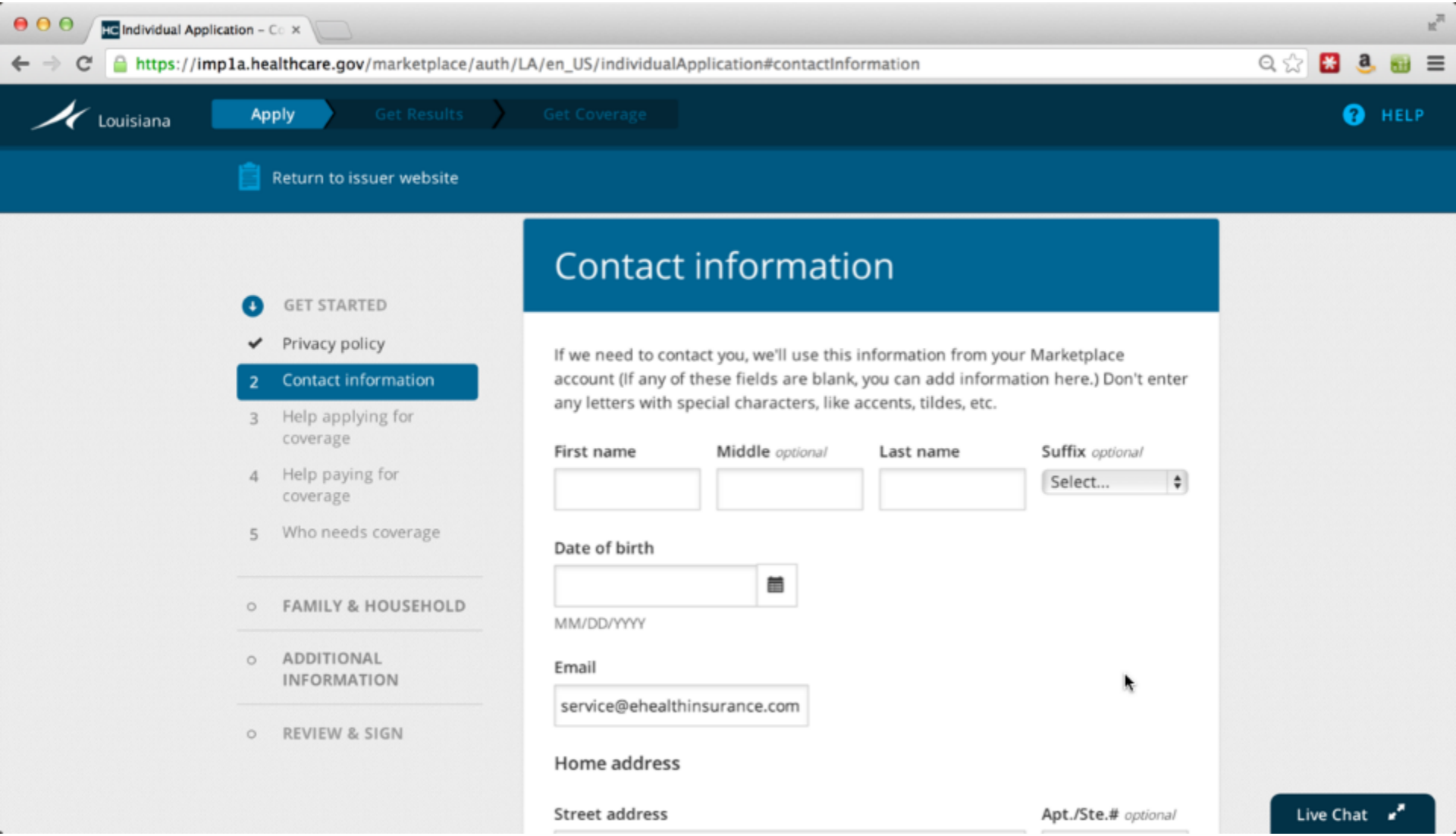


First “Redirect” to Healthcare.gov

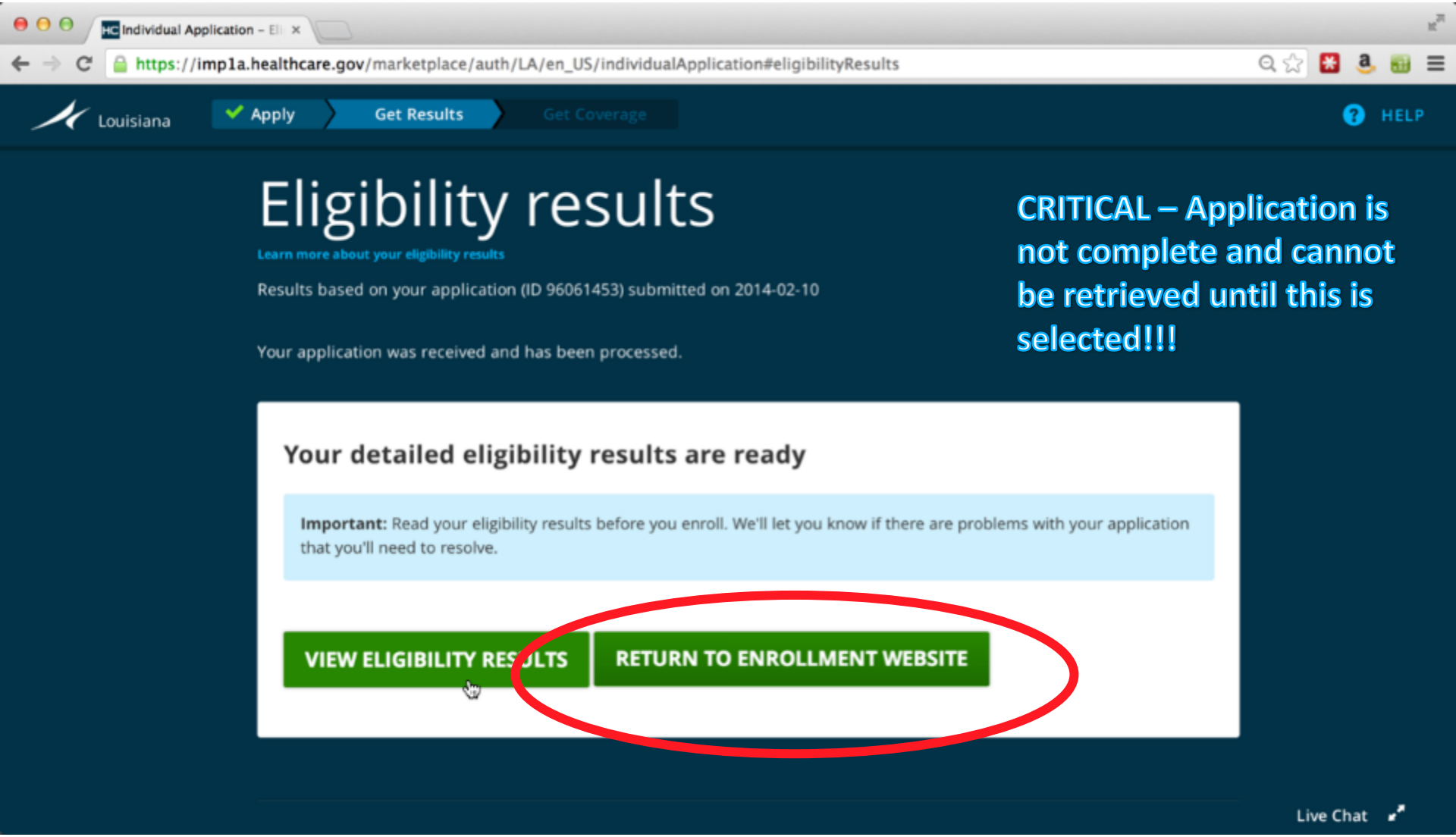


Log In or Create HC.gov Account

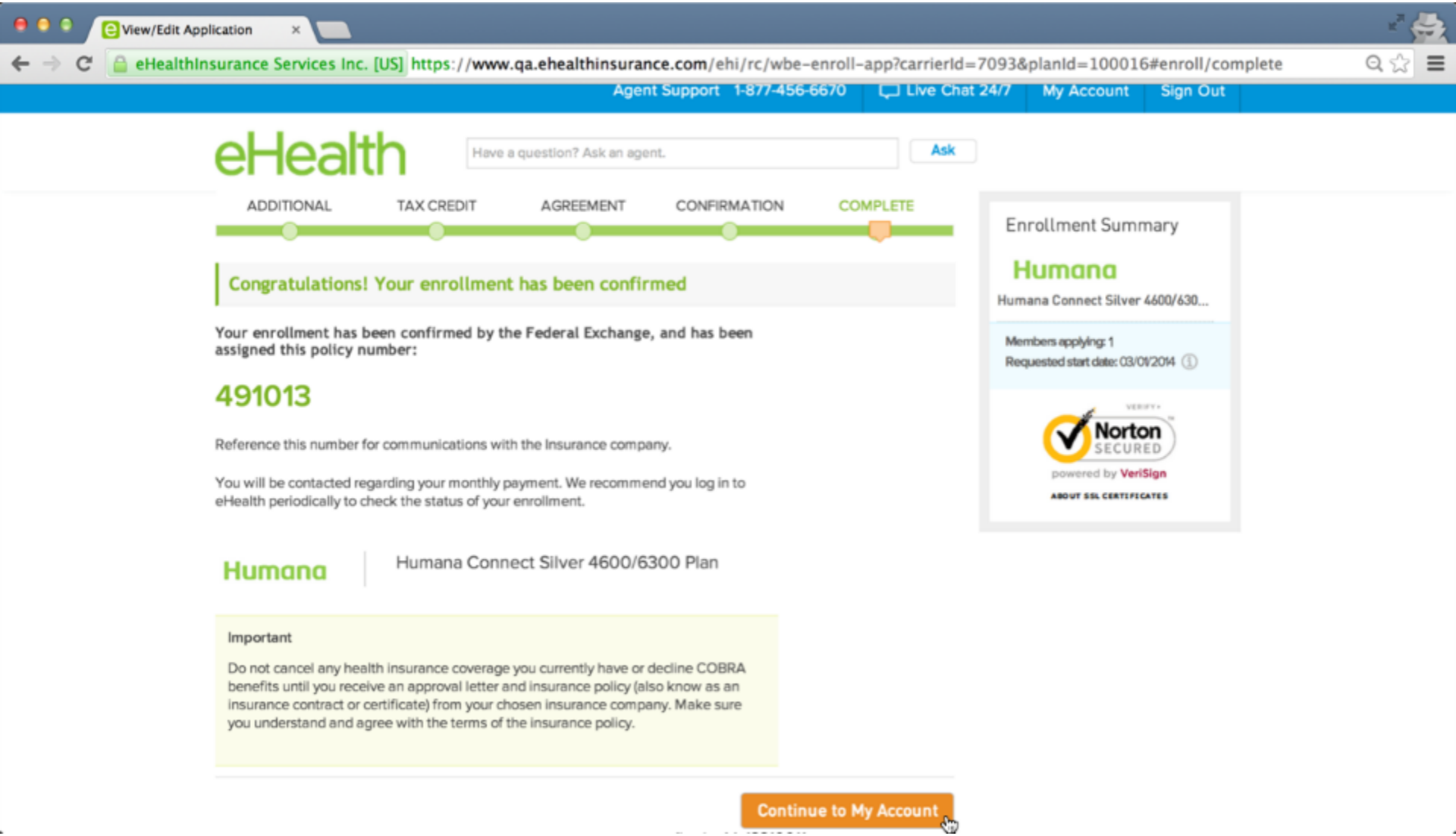
HC.gov Subsidy Application



Second “Redirect” – Back to eHealth



eHealth Enrollment Success



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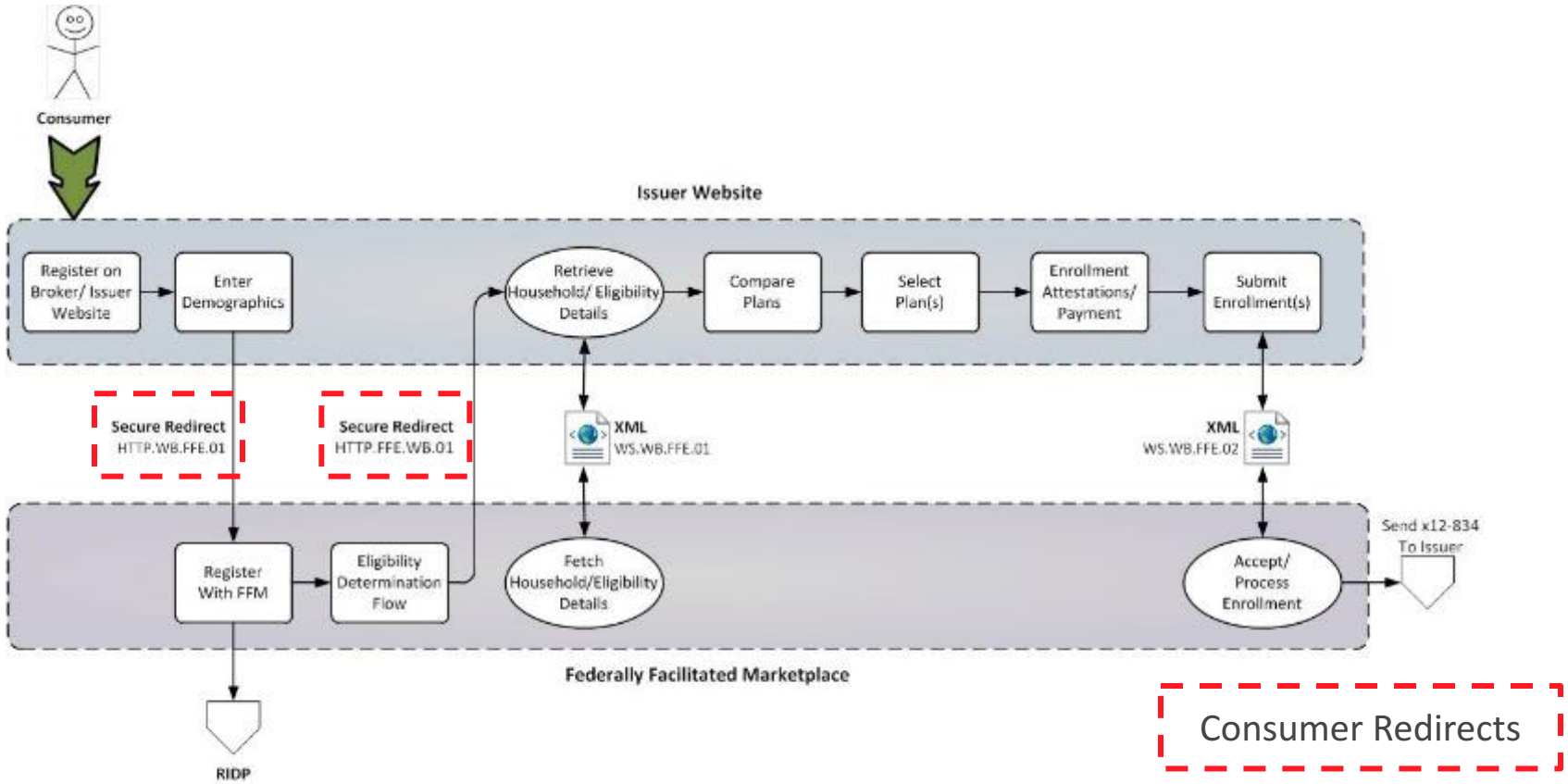
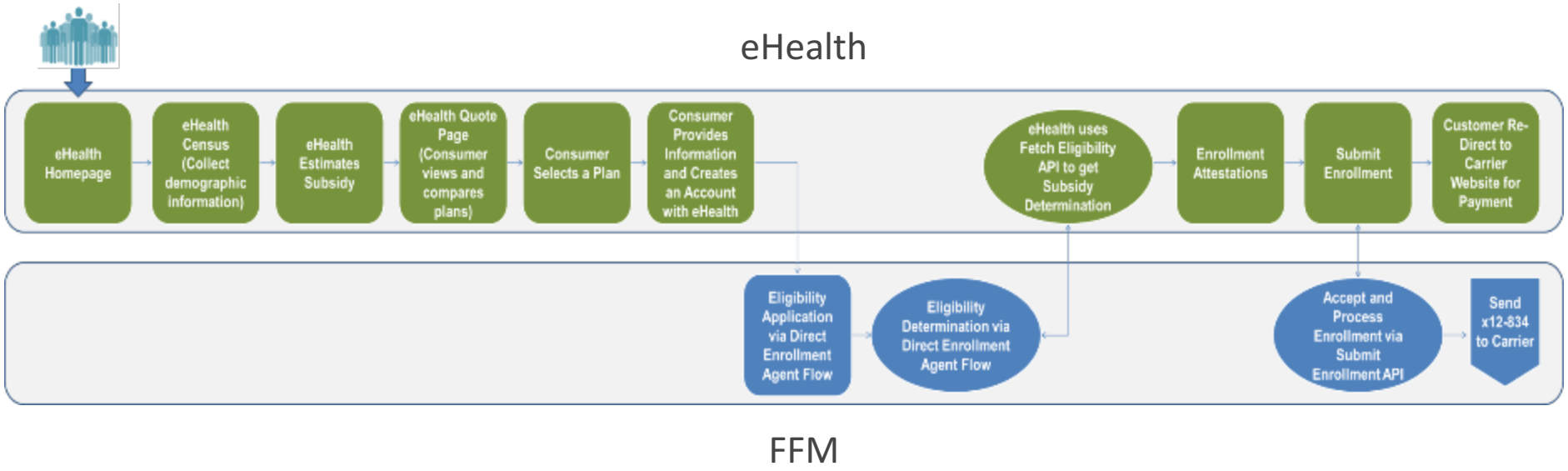


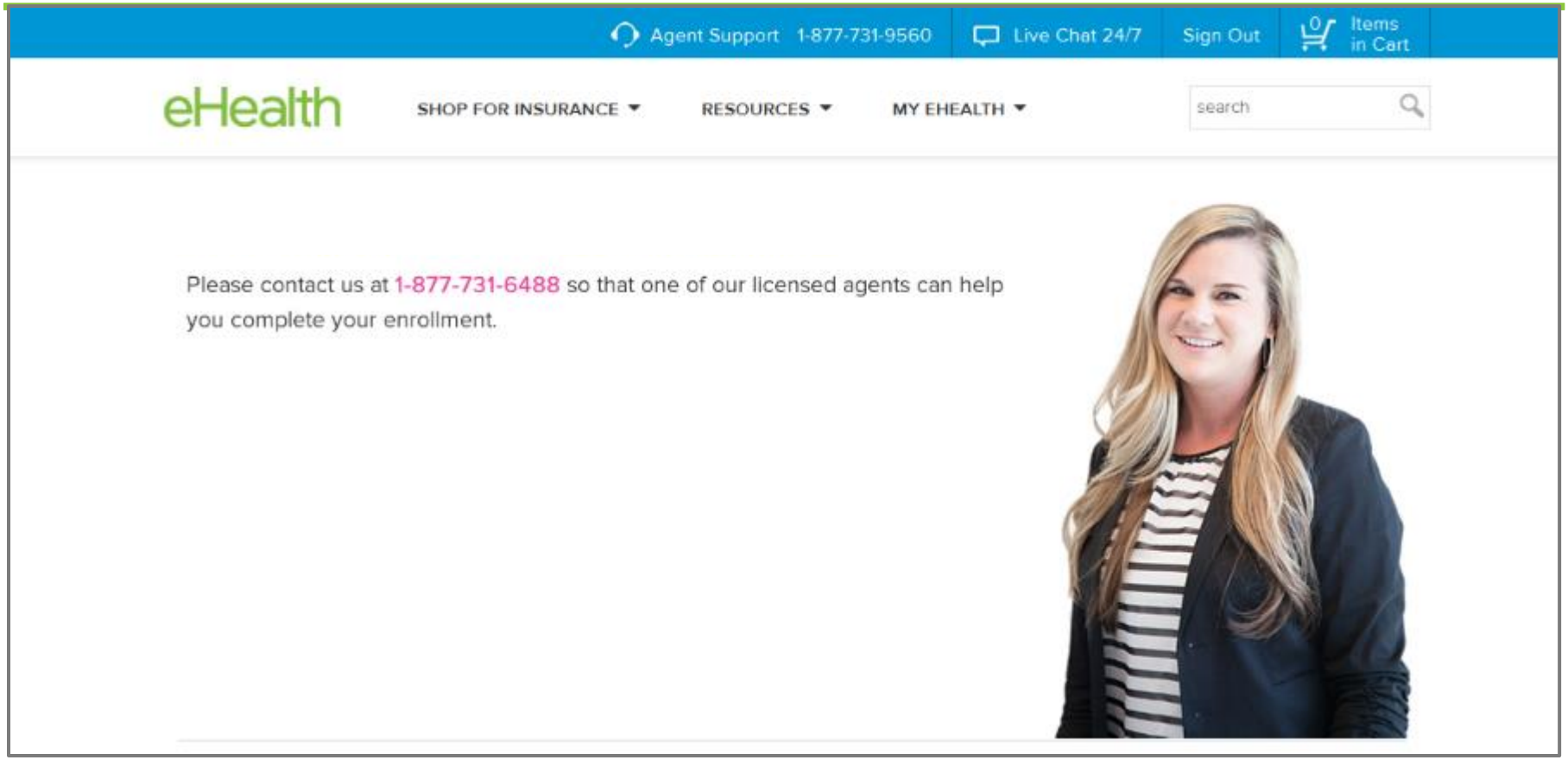
Historical Background on eHealth's QHP Solution (Phase 1)

Initially, eHealth Process Used the FFM Direct Enrollment *Agent* Flow Instead

- We started 100% telephonically using the Direct Enrollment Agent Flow
- We evolved the telephonic process and built tools and automation on top of the DE Agent Flow to make the process more efficient and automated



Customer is directed to call a licensed eHealth agent



Telephonic QHP Enrollments Required an Average of 90 Minutes with Customers with Long Wait Times and Typos

- Customers had to painstakingly transcribe all their personal eligibility information orally over the phone while agents tediously type the data into over 60 pages on the FFM
- This inefficient process created long call times on the phone and long waiting queues

Average Call Time per QHP Enrollment

Telephonically only

90 Minutes
per Enrollment

To improve efficiency and accuracy, eHealth enabled customers to fill out data online before waiting in queue

- Enabled customers to enter their data online to improve agent efficiency
- Resulted in MORE accurate data since there are far fewer typos or oral transcription errors and customers can review their data before submitting
- Reduced customer call time and wait time in phone queues

Average Call Time per QHP Enrollment

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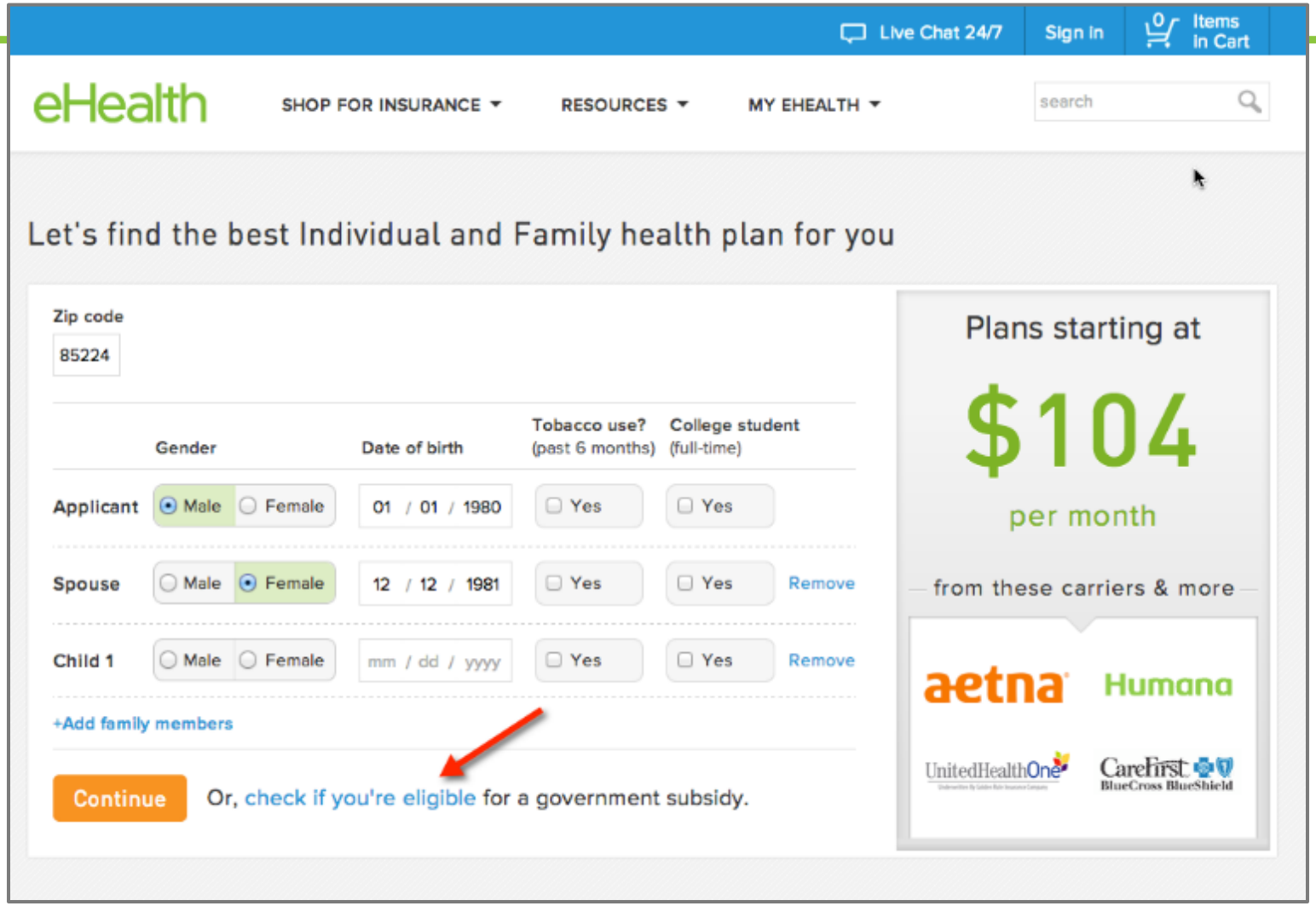

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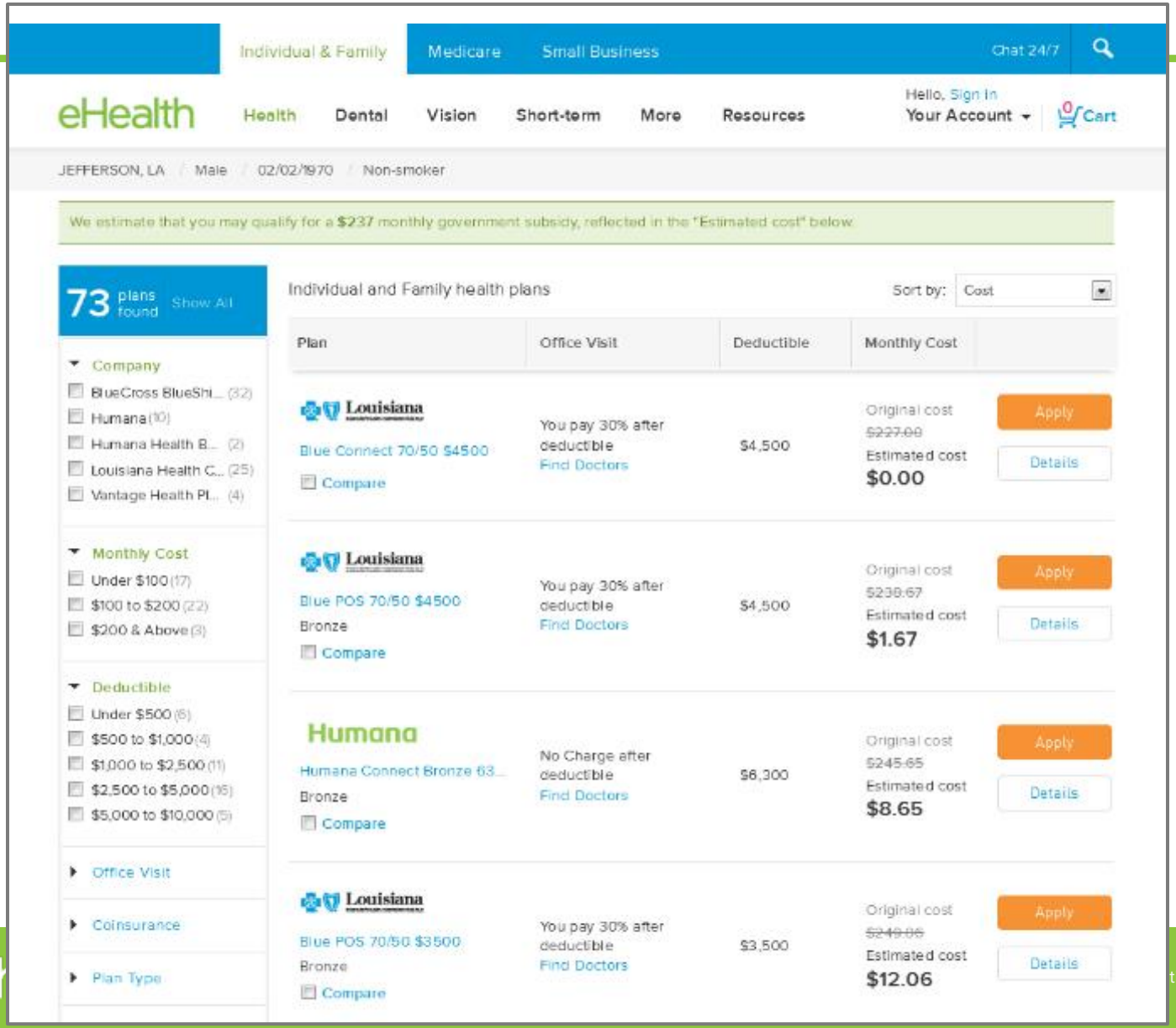
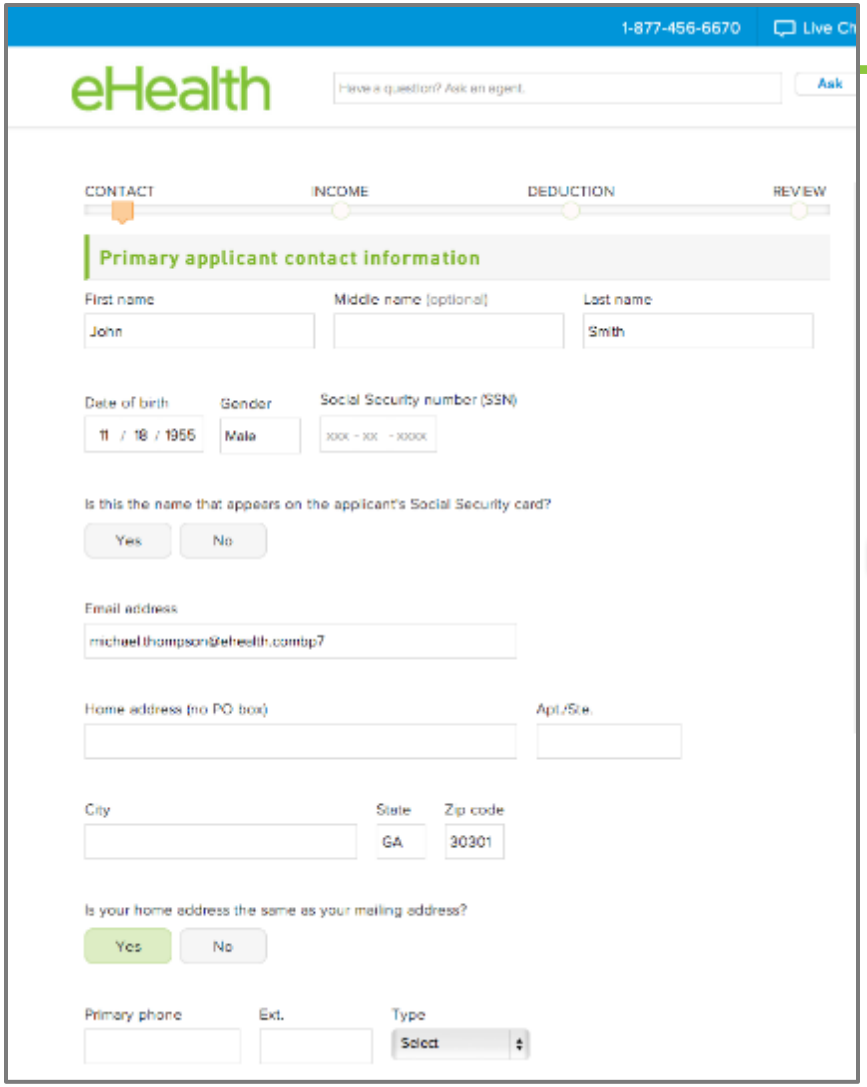
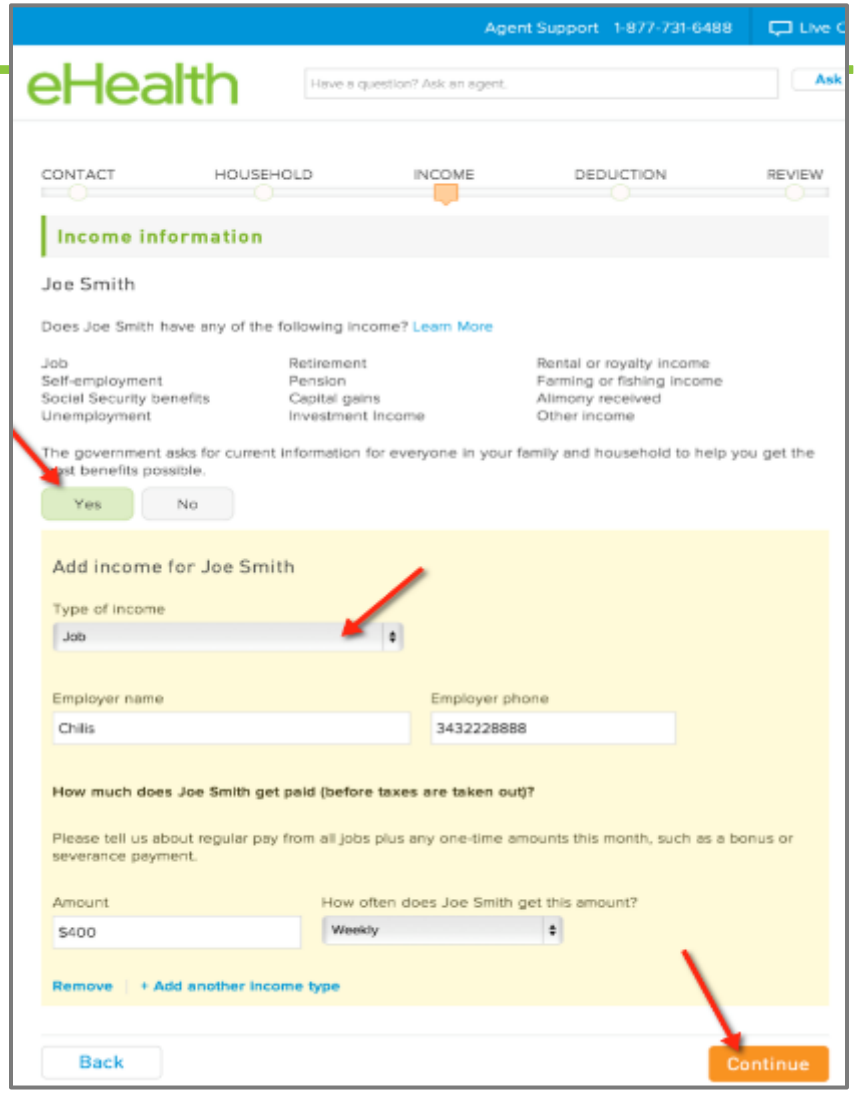


Customer fills out data online before calling/waiting in queue (instead of orally transcribing this data over the phone)





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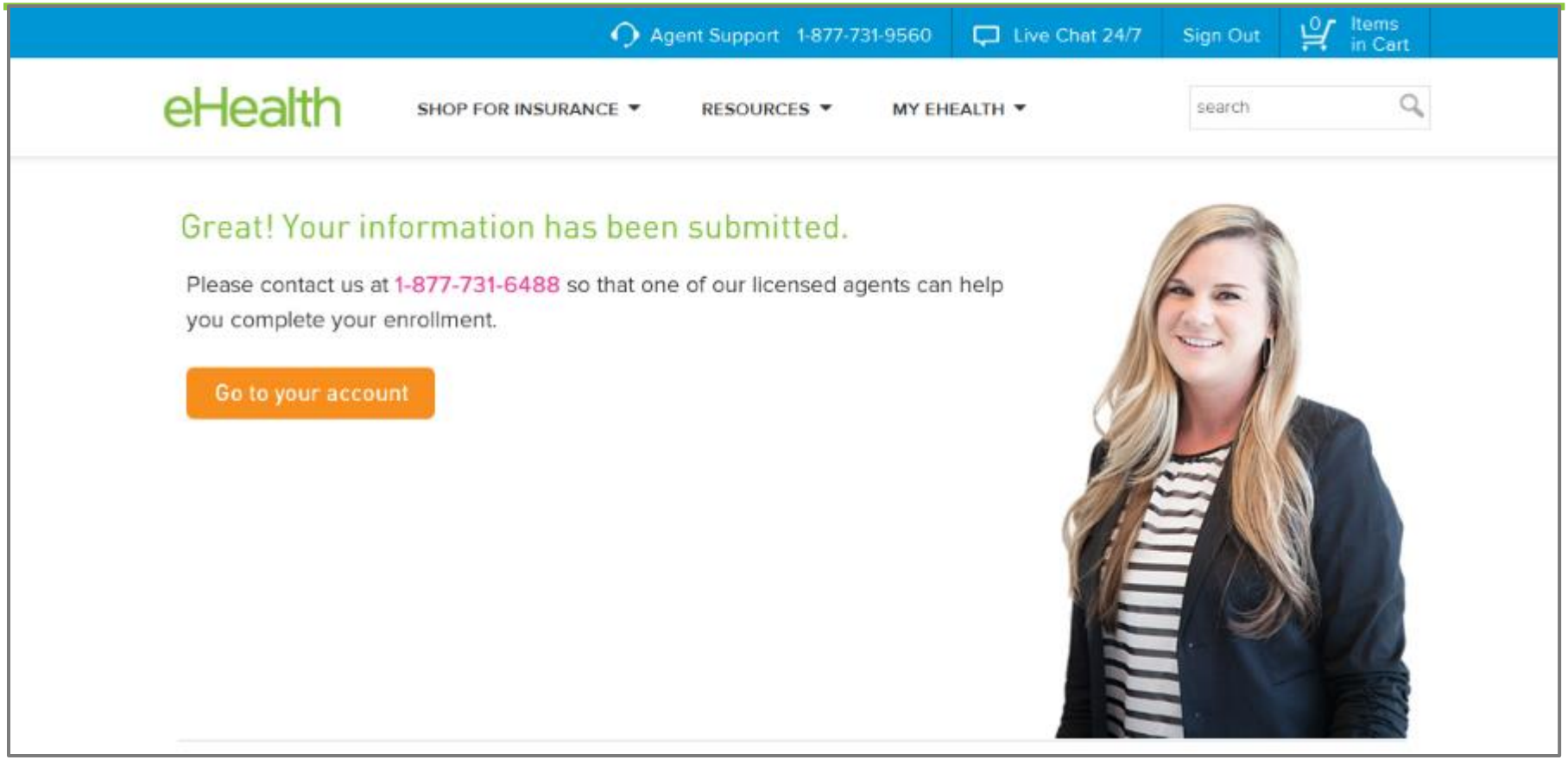
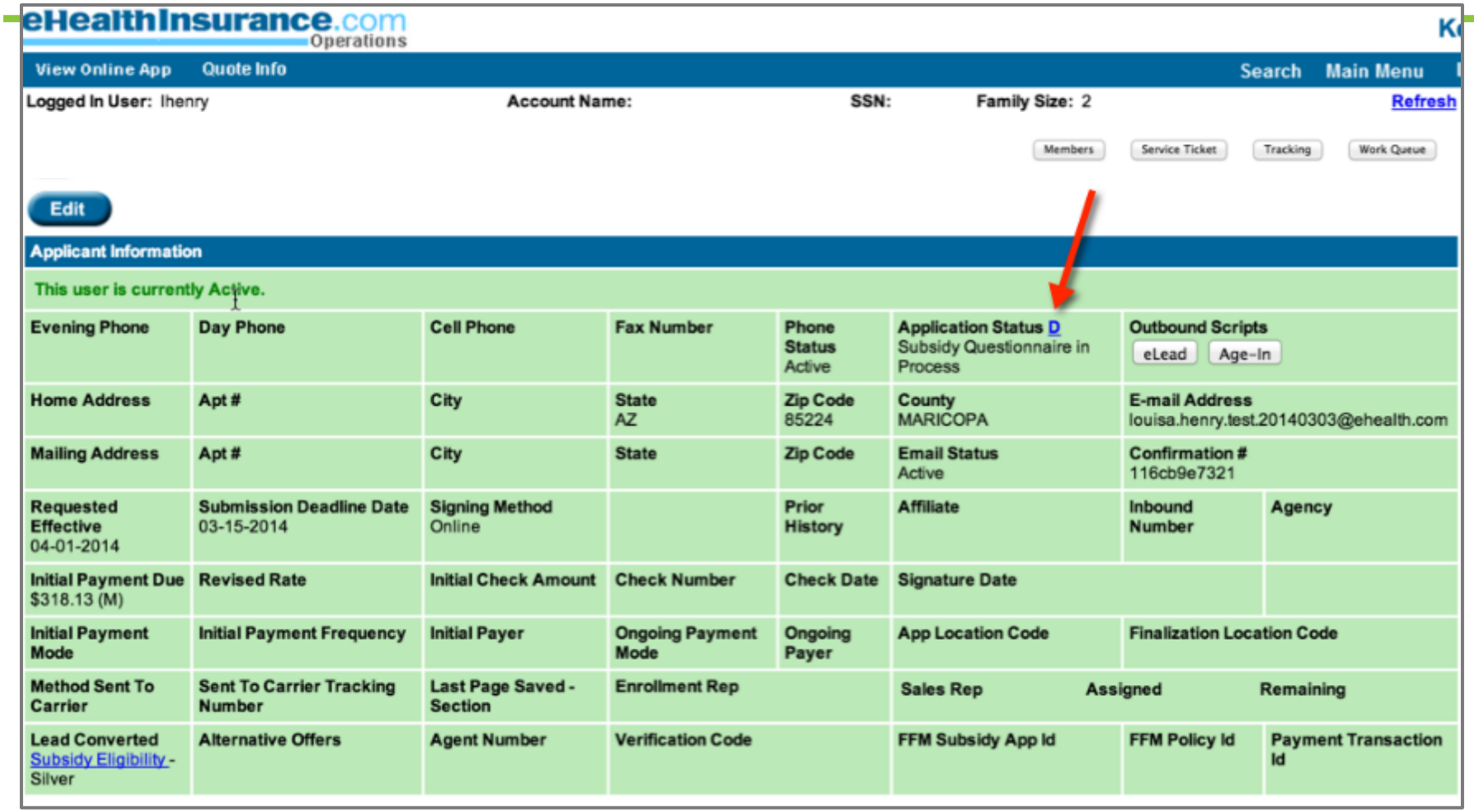


Agent finds customer's application in our back office system



eHealthInsurance.com Operations

View Online App | Quote Info | Search | Main Menu

Logged In User: lhenry | Account Name: | SSN: | Family Size: 2 | Refresh

Members | Service Ticket | Tracking | Work Queue

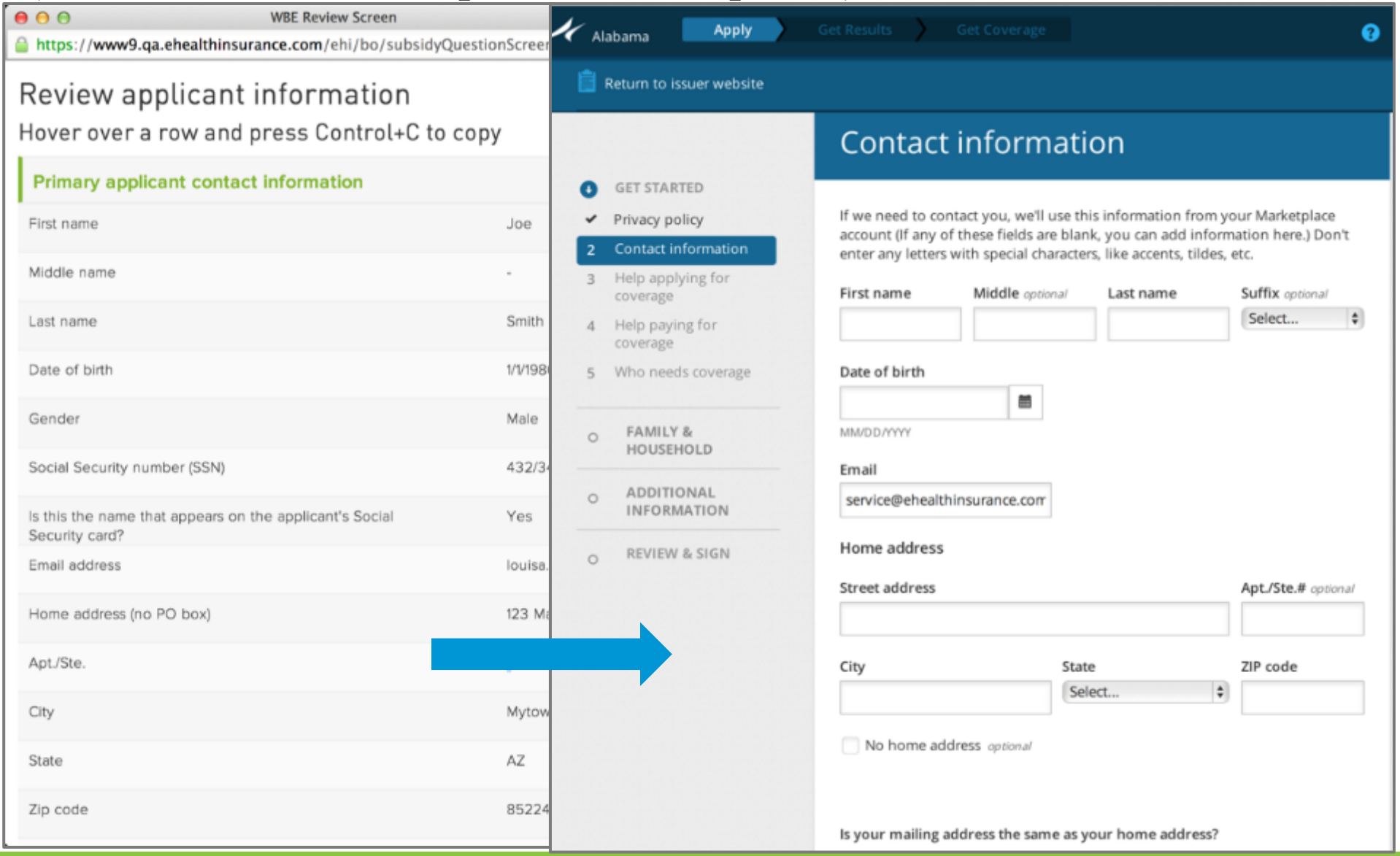
Edit

Applicant Information

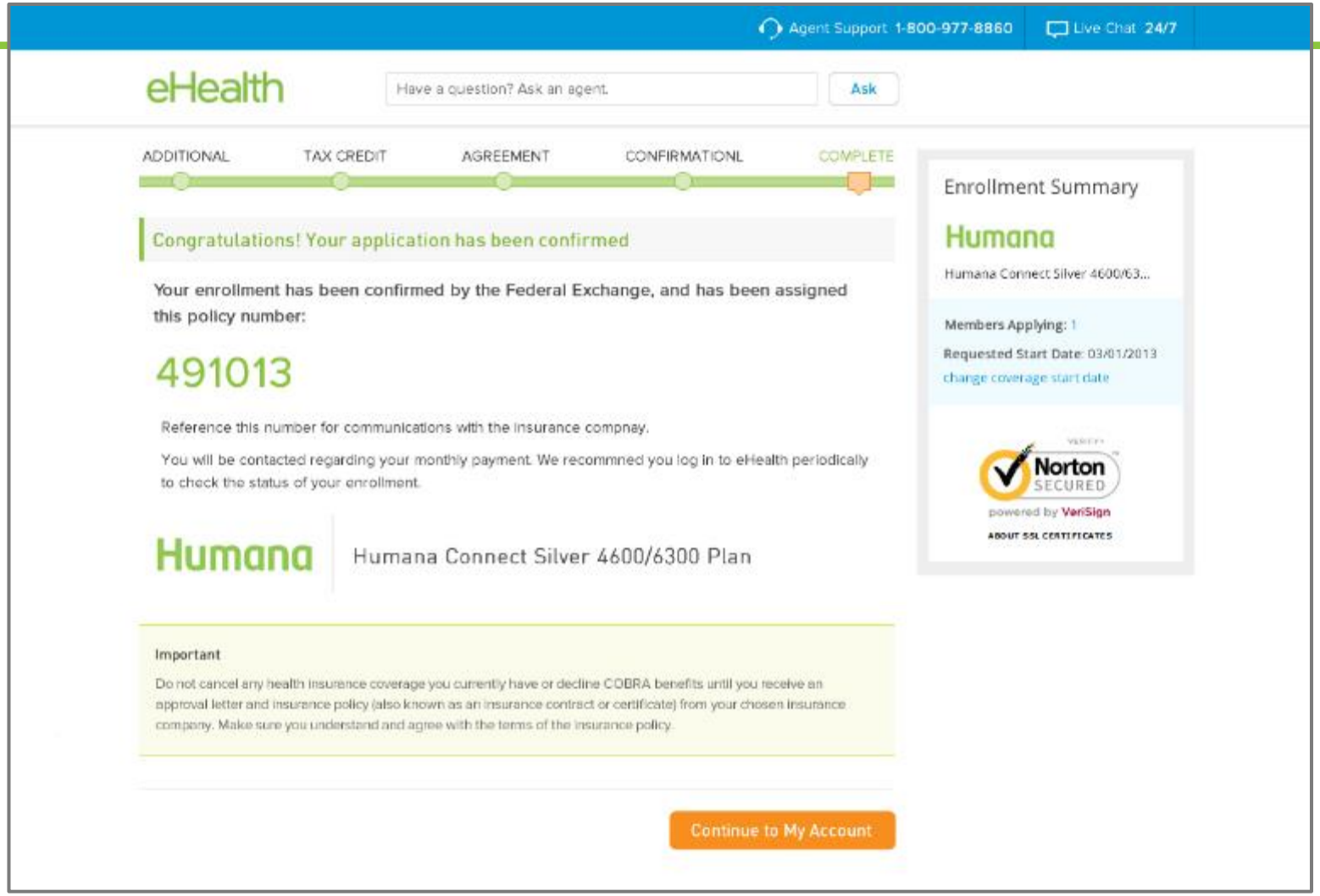
This user is currently Active.

Evening Phone	**Day Phone**	**Cell Phone**	**Fax Number**	**Phone Status** Active	**Application Status** D Subsidy Questionnaire in Process	**Outbound Scripts** eLead Age-In	
Home Address	**Apt #**	**City**	**State** AZ	**Zip Code** 85224	**County** MARICOPA	**E-mail Address** louisa.henry.test.20140303@ehealth.com	
Mailing Address	**Apt #**	**City**	**State**	**Zip Code**	**Email Status** Active	**Confirmation #** 116cb9e7321	
Requested Effective 04-01-2014	**Submission Deadline Date** 03-15-2014	**Signing Method** Online		**Prior History**	**Affiliate**	**Inbound Number**	**Agency**
Initial Payment Due $318.13 (M)	**Revised Rate**	**Initial Check Amount**	**Check Number**	**Check Date**	**Signature Date**		
Initial Payment Mode	**Initial Payment Frequency**	**Initial Payer**	**Ongoing Payment Mode**	**Ongoing Payer**	**App Location Code**	**Finalization Location Code**	
Method Sent To Carrier	**Sent To Carrier Tracking Number**	**Last Page Saved - Section**	**Enrollment Rep**		**Sales Rep**	**Assigned**	**Remaining**
Lead Converted Subsidy Eligibility - Silver	**Alternative Offers**	**Agent Number**	**Verification Code**		**FFM Subsidy App Id**	**FFM Policy Id**	**Payment Transaction Id**

Agent enters/copies data into FFM for official gov't subsidy (instead of oral transcription over the phone)



Customer returns to eHealth.com to complete enrollment



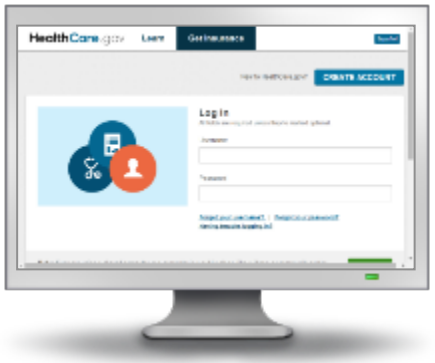
Automating eHealth's QHP Solution (Phase 2)

Phase 1 enabled customers to pre-enter data online to save wait time and reduce oral and typo errors

Customer Data

Phase 1

eHealth Agent



FFM Broker Portal

With Phase 1, an agent still must manually type in or copy and paste the pre-entered customer data into the FFM Broker Portal (the customer is able to visually verify the data online for accuracy)

$$

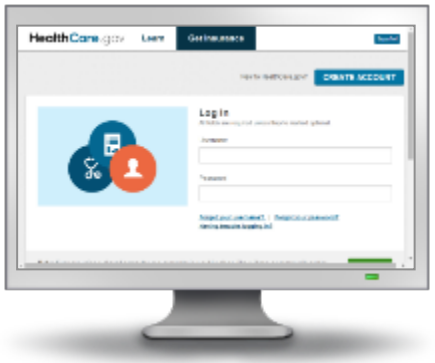
Customer receives subsidy information and completes enrollment on eHealth

Phase 2 leveraged an Automation Tool that enabled an even more efficient and scalable process (~10 min)

Customer Data

Phase 2

Automation Tool



FFM Broker Portal

Phase 2 replaces manual interaction with an Automation Tool that automatically enters customer data into the FFM Broker Portal (the customer is able to visually verify the data online for accuracy)

$$

Customer receives subsidy information and completes enrollment on eHealth

eHealth Solution Converts 78% Higher than DR

Time Period	EH/DR	Started App	Completed App	Conversion
2016 OEP	eHealth Solution	229,846	78,029	33.9%
2017 OEP	Double Redirect	79,452	15,107	19.0%

Key Benefits of eHealth's Programmatic Solution

1. Scale QHP enrollments online without requiring any telephonic interaction (true ecommerce)
2. Host the entire consumer experience on eHealth, no re-direct to Healthcare.gov
3. Ability to "queue" subsidy applications when HC.gov deploys waiting room on peak days

Migrating to “Portable” Tax Credits

eHealth®

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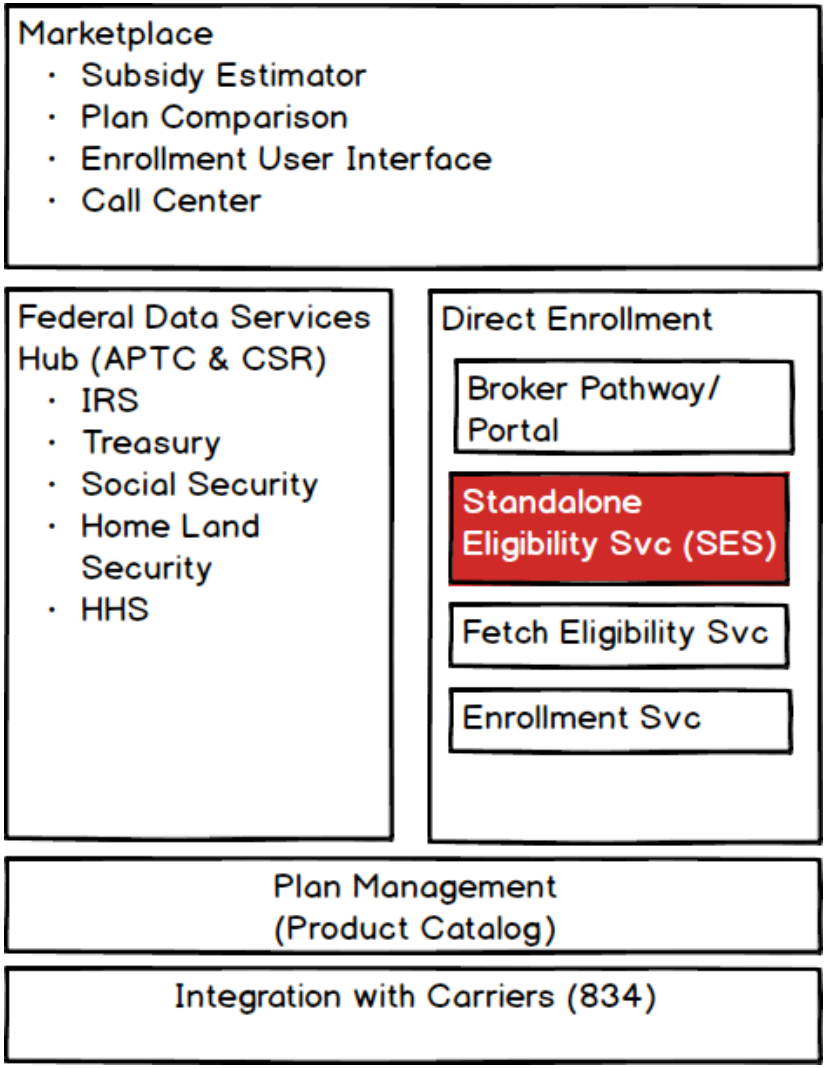
A Better Way

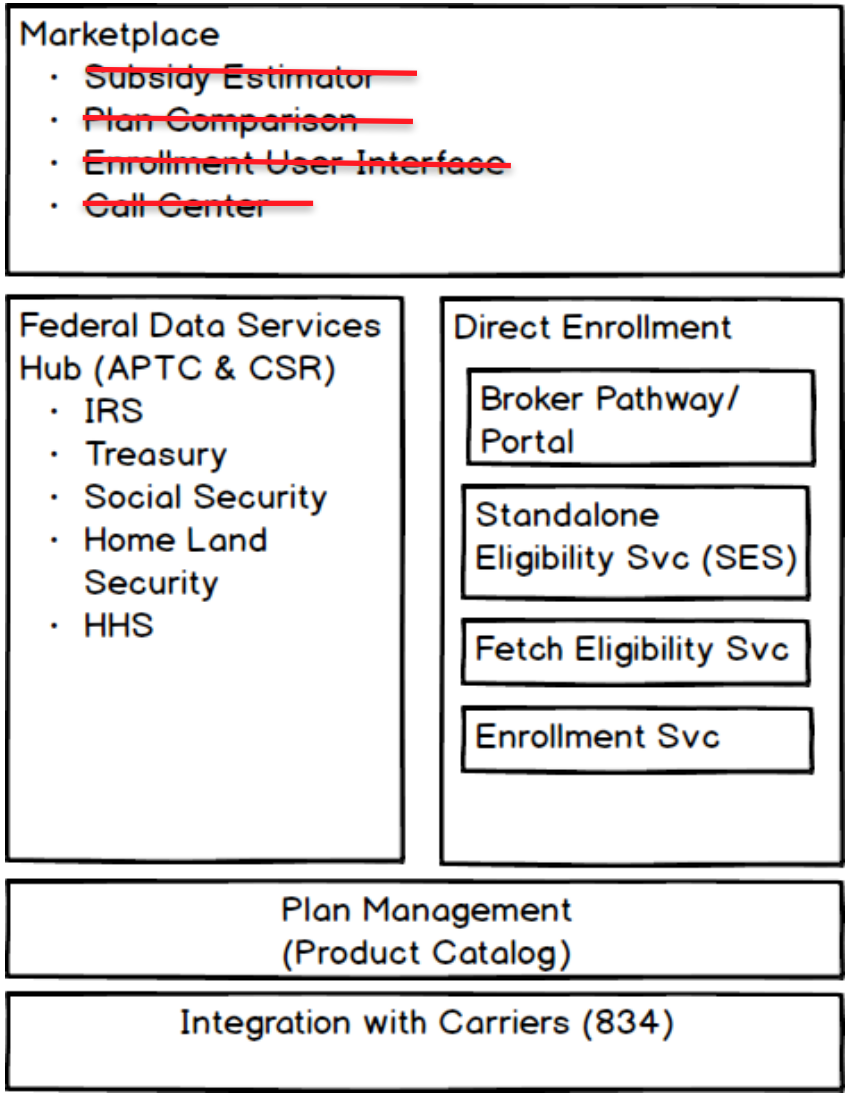
	Now	Going Forward
Plans, Products	Government Mandated, Limited selection, Products people can't afford or don't want	Variety, Greater selection, Products that people want and can afford
Distribution	Healthcare.gov	Many Marketplaces as well as other pathways to enroll (brokers, issuers)
APTC	Apply on Healthcare.gov	Apply on many Marketplaces (and other pathways)
APTC -> ATC	Only applies to premiums; income related greatly adds to complexity	Premium savings deposited into Super HSA; flat age related credit much simpler to implement and use

Today / Phase 1 – No SES yet, Need Programmatic Pathway



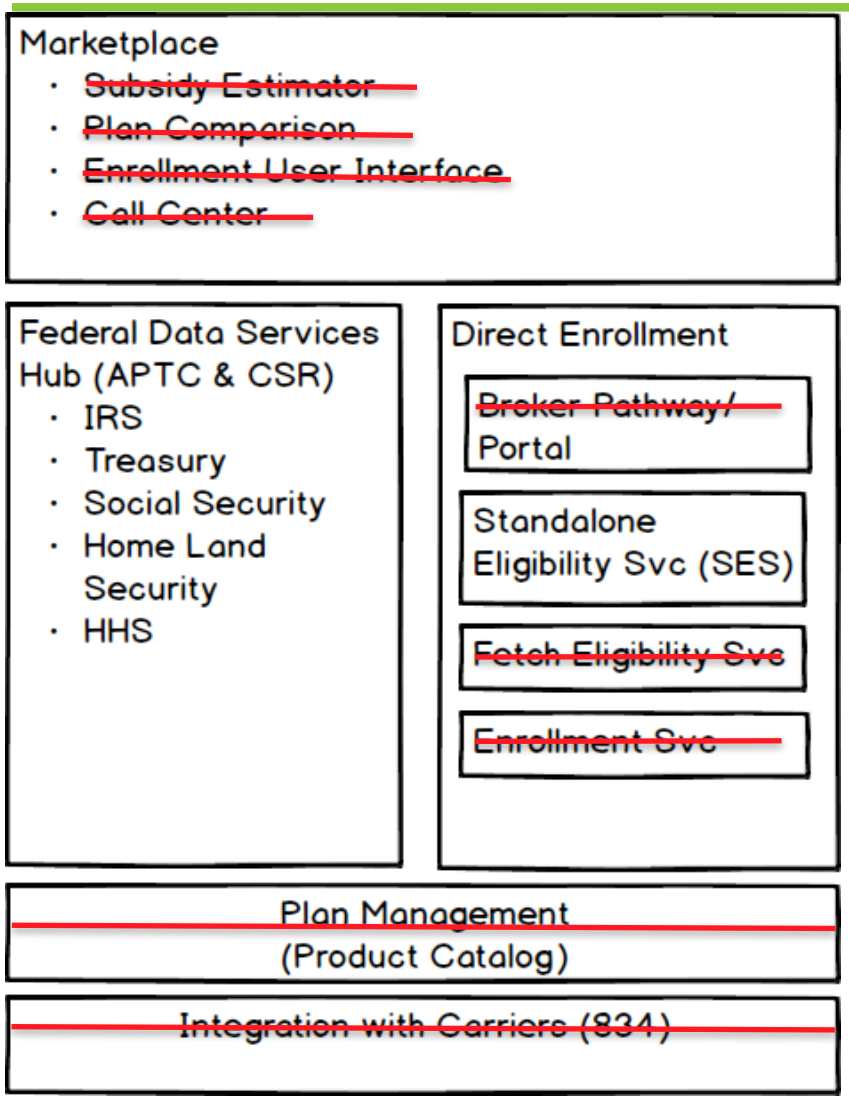
- Portable Tax Credit = Approve Programmatic Direct Enrollment Agent Pathway
- Portable Tax Credit = Build Standalone Eligibility Service (SES) in parallel
- Eliminate FFM Marketing Spend, Exchange Fee, and leverage private sector for distribution

Phase 2 – When SES is available, HC.gov back end still exists if law still requires transactions to go "through the exchange"



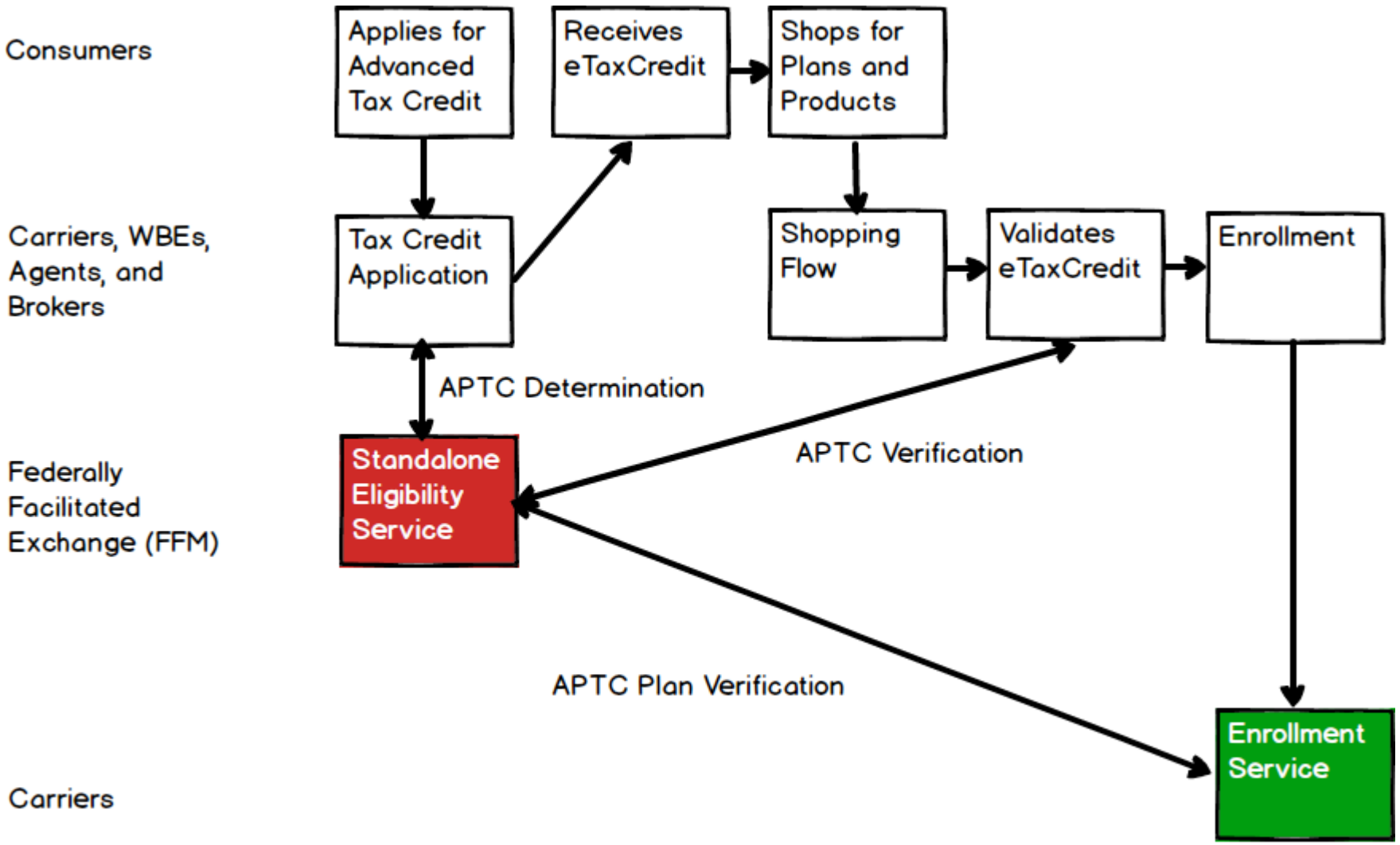
- Portable Tax Credit
- No need for HC.gov Marketplace
- Leverage Private Sector Marketplaces
- 45 CFR 156.1230 still in place:
  - Direct enrollment with the QHP issuer in a manner considered to be "through the Exchange"
- Still need HC.gov Back End for plan management and 834 carrier integrations
- Expand Product Catalog to include On / Off Exchange plans

Phase 3 – End Game: No need for HC.gov, only SES



- Portable Tax Credit
- Leverage Private Sector Marketplaces
- No need for HC.gov marketplace or backend platform
- Requires elimination of 45 CFR 156.1230:
  - Direct enrollment with the QHP issuer in a manner considered to be “through the Exchange”
- FFM exists only for APTC determination via SES
  - APTC Determination
  - APTC Verification
  - APTC Plans Verification

Phase 3 Flow – "Portable" eTaxCredit



Summary

- The current “double redirect” forced on private exchanges is a jarring, sub-optimal consumer experience that dramatically reduces enrollment
- CMS should immediately re-enable a programmatic solution until a single, nationwide Standalone Eligibility Service (SES) is ready
- CMS should fast-track the development of SES to achieve true “portability” of tax credits for consumers to use in private market, off-government exchanges
- Once SES is available, the consumer-facing marketplace component of Healthcare.gov can be shut down

eHealth

Thank You

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