

Gibbs Samuel C III
 Form 4
 October 26, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Gibbs Samuel C III

2. Issuer Name and Ticker or Trading Symbol
 eHealth, Inc. [EHTH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O EHEALTH, INC., 440 EAST MIDDLEFIELD RD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/24/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Pres., eHealth Gov. Systems

MOUNTAIN VIEW, CA 94043

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 10/24/2011 | | S ⁽¹⁾ | 1,000 D \$ 14.76 | 0 | I | By Trust ⁽²⁾ |
| Common Stock | 10/24/2011 | | M ⁽¹⁾ | 3,220 A \$ 8.8 | 14,690 | D | |
| Common Stock | 10/24/2011 | | S ⁽¹⁾ | 1,610 D \$ 14.8 | 13,080 | D | |
| Common Stock | 10/24/2011 | | S ⁽¹⁾ | 1,610 D \$ 15 | 11,470 | D | |
| Common Stock | 10/24/2011 | | M ⁽¹⁾ | 10,947 A \$ 8.8 | 22,417 | D | |

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| | | | | | | | |
|--------------|------------|-------------------------|-------|---|---------|--------|---|
| Common Stock | 10/24/2011 | <u>S</u> ⁽¹⁾ | 5,473 | D | \$ 14.8 | 16,944 | D |
| Common Stock | 10/24/2011 | <u>S</u> ⁽¹⁾ | 5,474 | D | \$ 15 | 11,470 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|-----------------|--------------|----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (right to buy) | \$ 8.8 | 10/24/2011 | | <u>M</u> ⁽¹⁾ | | 3,220 | | <u>(3)</u> | 12/14/2015 | Common Stock | 3,220 |
| Employee Stock Option (right to buy) | \$ 8.8 | 10/24/2011 | | <u>M</u> ⁽¹⁾ | | 10,947 | | <u>(3)</u> | 12/14/2015 | Common Stock | 10,947 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gibbs Samuel C III C/O EHEALTH, INC. 440 EAST MIDDLEFIELD RD MOUNTAIN VIEW, CA 94043 | | | Pres., eHealth Gov. Systems | |

Signatures

/s/ Jennifer Cashio, as attorney-in-fact for Samuel C.
Gibbs III

10/26/2011

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This transaction was effected pursuant to a Rule 10b5-1 trading plan.
- (2) Shares are held by Samuel C Gibbs & Cynthia B Gibbs, TTEEs u/a DTD 4/27/1995 Gibbs Revocable Trust.
- (3) Immediately exercisable for all option shares. The option shares become vested as to 20% of the shares 1 year after December 14, 2005 and 1/60th of the shares upon completion of each month of continuous service thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.