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New Research from EBRI:

Employer Contributions Shifting in Consumer-Driven Health Plans

WASHINGTON—Among the roughly 4 percent of covered Americans who have so-called “consumer-driven” health plans, contributions to the plans by their employers are shifting: Workers with employee-only coverage have seen their annual employer contributions decrease, while those with family coverage have seen their annual employer contributions increase, according to a new survey released today by the nonpartisan Employee Benefit Research Institute (EBRI).

The report, published in the November 2009 *EBRI Notes*, is available at www.ebri.org. The report presents findings from the 2008 and 2009 EBRI/MGA Consumer Engagement in Health Care Survey and the 2006 and 2007 EBRI/Commonwealth Fund Consumerism in Health Care Surveys. It examines the availability of health reimbursement arrangements (HRAs) and health savings account (HSA)-eligible plans as well as employer and individual contribution behavior, time enrolled in such plans, account balances, and rollover behavior.

Contributions: The EBRI report finds that while the percentage of workers with an HRA or HSA plan whose employer contributes to the account has not changed statistically since 2006, the percentage of employers making contributions dropped from 67 percent in 2008 to 63 percent in 2009.

Among workers with an employer contribution, those with employee-only coverage saw their annual employer contributions increase between 2006 and 2008, but fall in 2009. Between 2006 and 2008, the percentage of workers with employee-only coverage reporting that their employer contributed \$1,000 or more to the account increased from 26 percent to 37 percent, but in 2009, it fell to 32 percent. The percentage of workers with an employer contribution of less than \$200 increased from 3 percent to 8 percent between 2008 and 2009.

In contrast, among workers with family coverage, employer contribution levels increased in 2009. The percentage of workers receiving a contribution of \$1,000 or more increased from 59 percent in 2008 to 73 percent in 2009. Nearly three-quarters of workers with family coverage in a consumer-driven health plan (CDHP) now receive an annual employer contribution of \$1,000 or more.

Some of the other findings in the report:

Growth of CDHP: The share of the adult population with private health insurance enrolled in account-based health plans remains small but continues to grow. In 2009, 4 percent of the adult population with private health insurance was enrolled in an HRA or had a high-deductible plan with an HSA, up 1 percentage point from the previous year. An additional 4.9 percent were eligible for an HSA but did not have such an account. Overall, 8.9 percent of adults with private insurance were either

in a consumer-driven health plan or were in a high-deductible plan that was eligible for an HSA, but had not opened an account.

Consumer-Driven Plan Eligibility: Among individuals with traditional employment-based health benefits and a choice of health plan, 39 percent were eligible for a CDHP in 2009, up from 33 percent in 2006.

Rollovers: Both the amount of money that individuals have accumulated in their accounts and the amounts rolled over from year to year have grown: Those reporting a rollover of \$1,500 or more increased from 13 percent in 2006 to 31 percent in 2009.

Time in Plan: While HRAs and HSAs are still less than a decade old and a relatively small percentage of the health insurance market, a significant change continues to occur in the length of time individuals had these accounts. Between 2006 and 2009, the percentage of individuals in these plans for three to four years increased from 9 percent to 26 percent, and the percentage in the plans for five years or more increased from 3 percent to 9 percent.

Account Balances: The amount of money that individuals have accumulated in their accounts has grown over time. The percentage of individuals reporting that they had nothing in their account at the time of the survey declined from 14 percent in 2006 to 6 percent in 2009. In contrast, the percentage of individuals reporting an account balance of at least \$1,000 at the time of the survey increased from 25 percent in 2006 to 44 percent in 2007. It remained at 43 percent in 2008, and increased to 47 percent in 2009.

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