

FOR IMMEDIATE RELEASE

Betsy Jaffe
Director, Marketing and Public Relations
Employee Benefit Research Institute
press-media@ebri.org
202.775.6347

EBRI Finds Most Employers Offering HSA-Eligible Health Plans Expanded Pre-Deductible Coverage to Make Managing Chronic Conditions More Affordable

Most employers would add pre-deductible coverage for additional health care services if allowed by law

WASHINGTON – October 14, 2021 – A new EBRI study finds three-quarters of large employers offering HSA-eligible health plans expanded pre-deductible coverage for medications and services that prevent the exacerbation of chronic conditions, a response to IRS Notice 2019-45.

“Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans” finds employers also indicated a willingness to add additional services if allowed by the IRS, a significant development considering bipartisan legislation was introduced in both houses of the United States Congress that would provide additional flexibility to extend pre-deductible coverage to services that manage chronic conditions.

“Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans” finds employers offered several reasons for adding pre-deductible coverage for the 14 health care services allowed under IRS Notice 2019-45. Those who made changes primarily did so for the sake of their employees, but many had business considerations as well. Three-quarters reported that it was the right thing to do, two-thirds reported that they added such coverage for employee retention, while one-half reported that they added it for employee attraction and as a long-term cost-saving measure.

Future Expansion of Health Care Services Welcomed by Employers

Most employers would add pre-deductible coverage for additional health care services if allowed by law. However, there was no clear health care service that stood out against the others. In fact, one-quarter of employers were not sure which service they would like to see added. However, a common thread was found when it came to considering extending the CARES Act provisions that allowed HSA-eligible health plans to provide pre-deductible coverage for telehealth services, a provision that nearly all employers adopted. Three-quarters prefer to make the provision permanent, and one-fifth would like to grant a temporary extension.

“Smarter deductibles accommodating services that prevent the exacerbation of chronic conditions might be a natural evolution of health plans. Value-based reimbursement promotes the delivery of evidence-based, high-quality care that encourage use—rather than creating barriers—to high-value services,” said Paul Fronstin, Director of EBRI’s Health Research and Education Program and co-author of the report. “Interventions that improve patient-centered outcomes while ultimately maintaining affordability may be found in the form of clinically nuanced HSA-eligible health plans that better meets workers’ clinical and financial needs.”

“Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans” was made possible through funding support from the National Pharmaceutical Council. The report can be downloaded at ebri.org/preventive-services-hsas.

About EBRI

The Employee Benefit Research Institute (EBRI) is a nonpartisan membership organization committed to contributing to, encouraging, and enhancing the development of sound employee benefit programs and public policy through objective research and education. Founded in 1978, EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based

organization committed exclusively to public policy research and education on economic security and employee benefit issues.