

New Research Report Focusing on Internal Revenue Service Expansion Rule Pertaining to HSA Plans Finds Increase in the Use of Preventive Services

For immediate release: 8/24/23

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(Washington, D.C.) – The Employee Benefit Research Institute (EBRI) published a new research report today finding an increase in use of three of the seven medical services and prescription medications by enrollees in HSA-eligible plans compared with non-HSA-eligible plans. The report, “The Impact of Expanding Pre-Deductible Coverage in HSA-Eligible Health Plans on Use of Health Care Services,” is an analysis based upon IRS Notice 2019-45 which allows health savings account (HSA)-eligible health plans the flexibility to cover 14 medications and other health services used to prevent the exacerbation of chronic conditions prior to meeting the plan deductible.

In fact, a 2021 EBRI survey found that 76% of employers with 200 or more employees increased the number of drugs and services covered pre-deductible in HSA-eligible health plans as a result of IRS notice 2019-45. The new EBRI study used claims data to quantify the effect of expanding pre-deductible coverage on the use of health care services.

Key findings in the research report include:

- Between 2018 and 2021, there was an increase in the use of three of the seven medical services in HSA-eligible plans compared with non-HSA-eligible plans. Use of low-density lipoprotein (LDL) testing, hemoglobin A1C (HbA1C) testing and retinopathy screening increased by a larger percentage among enrollees in HSA-eligible plans compared with those health plans not targeted by this policy change, suggesting that the IRS notice and resulting employer adoption contributed to increased use of these services.
- Use of selective serotonin reuptake inhibitors (SSRIs), statins and angiotensin-converting enzyme (ACE) inhibitors increased by a larger percentage among enrollees in HSA-eligible plans compared with those health plans not targeted by this policy change, suggesting that the IRS notice and resulting employer adoption also contributed to increased use of these prescription drugs.

“The fact that we do not see a change in patient use of all targeted services and prescription drugs as a result of the IRS notice is not surprising. It may take time for enrollees to learn that their health plan has changed coverage for certain preventive services, despite employers’ best efforts to inform enrollees of a plan design change that is considered an improvement in benefits. Also, use of some health services may not have changed because many employers substituted copayments and/or coinsurance for deductibles,” explained Paul Fronstin, director, Health Benefits Research, EBRI. “Yet, the appropriate level and type of cost sharing is something employers are likely to wrestle with. Prior EBRI research found that employers would exclude additional preventive services from deductibles if allowed by the IRS. Employers recognize the benefits to their workers and themselves of higher use of preventive services, but managing the cost of expanding access to those services is also a consideration.”

To view the complete 23-page research report, “The Impact of Expanding Pre-Deductible Coverage in HSA-Eligible Health Plans on Use of Health Care Services,” visit www.ebri.org/publications/research-publications/issue-briefs/content/the-impact-of-expanding-pre-deductible-coverage-in-hsa-eligible-health-plans-on-use-of-health-care-services.

This study was conducted through the EBRI Center for Research on Health Benefits Innovation, with the funding support of Aon, Blue Cross Blue Shield Association, Independent Colleges and Universities Benefits Association, JPMorgan Chase & Co., Pfizer and PhRMA.

The Employee Benefit Research Institute is a non-profit, independent and unbiased research organization that provides the most authoritative and objective information about critical issues relating to employee benefit programs in the United States. For more information, visit www.ebri.org.

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(MEDIA NOTE: Journalists interested in receiving “all-access” credentials to the EBRI research database should email dresner@ebri.org).