

New Analysis of Health Savings Account Activities Finds a Reduction in the Use of Outpatient Services and Prescription Drugs and Increase in the Use of Inpatient Services

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(Washington, D.C.) – A new research report published today by the Employee Benefit Research Institute (EBRI) finds that Health Savings Accounts (HSA) play a role in changing the way enrollees use health care services. The new analysis found that HSAs reduced use of outpatient services and prescription drugs and increased use of inpatient services for HSA-eligible plan enrollees.

“The purpose of our research was to closely examine the impact of plan type on the use of health care services and spending. The analysis focused on enrollees in HSA plans and preferred provider organization (PPO) enrollees who are in health plans with deductibles large enough to be HSA eligible as a way of isolating the impact of the HSA on use of health care services,” explained Paul Fronstin, Ph.D., director, Health Benefits Research, EBRI.

Key findings in the new research report, “HSAs Reduce Use of Outpatient Services and Prescription Drugs, Increase Use of Inpatient Services; Overall Spending Unaffected,” include:

- HSA plans have mixed effects on the use of health care services. Inpatient admissions and days were higher in HSA plans than in PPOs. The additional inpatient admissions do not appear to be coming from emergency department visits, as HSA plan enrollees used emergency departments less than PPO enrollees.
- Office visits shifted from specialist visits to primary care visits among HSA plan enrollees.
- HSA plan enrollees filled fewer prescriptions as compared with PPO enrollees.
- When it comes to health conditions, there were vast differences in changes in use of health care services by plan type between those with no health conditions and those with two or more. Among individuals with no health conditions, HSA plans resulted in fewer emergency department visits relative to PPO enrollees, fewer specialist visits and fewer prescription drug fills, while visits to primary care providers increased. In contrast, among enrollees with two or more health conditions, there were no instances of decline in health care services among those in HSA plans relative to PPO enrollees. Instead, those with two or more health conditions experienced increases in inpatient admissions, inpatient days and primary care office visits.
- The findings on the impact of HSA plans on spending relative to PPOs largely were similar to the findings on use of health care services. Spending on inpatient services was \$61.30 per member per year (PMPY) higher among HSA plan enrollees than among PPO enrollees, and spending on primary care visits was \$4.20 higher PMPY. These amount to 6% and 2% higher, respectively, among HSA plan enrollees than PPO enrollees. In contrast, where use of services was lower, spending was also usually lower. Spending on emergency department visits was \$19.10 or 7% lower PMPY among HSA plan enrollees, and spending on specialist visits was \$4.60 or 2% lower PMPY. While prescription drug use was lower among HSA plan enrollees, spending on prescription drugs among HSA plan enrollees was not statistically different from spending among PPO enrollees.
- Overall, HSA plan enrollment had no impact on total spending as there was no statistically significant difference in overall spending between HSA plan and PPO enrollees. However, spending was \$60.30 or 2% lower PMPY among HSA plan enrollees with no health conditions as compared with PPO enrollees, but spending was \$2,490 or 6% higher PMPY among HSA plan enrollees with two or more health conditions. This higher spending was driven by 21% higher spending on inpatient services.

“The research concluded that HSA plans have mixed effects on use of health care services. Inpatient admissions and days were higher in HSA plans than in PPOs. The additional inpatient admissions do not appear to be coming from emergency department visits, as HSA plan enrollees used emergency departments less than PPO enrollees,” said Fronstin. “Interestingly, there is a shift from specialist visits to primary care visits among HSA plan enrollees. The

HSA plan enrollees also filled fewer prescriptions as compared with PPO enrollees. Overall, HSA plan enrollment had no impact on total spending and there was no statistically significant difference in overall spending between HSA plan and PPO enrollees.”

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

To view the complete research report, visit https://www.ebri.org/docs/default-source/pbriefs/ebri_ib_605_hsappo-11apr24.pdf?sfvrsn=1f4f072f_1.

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