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New Research from EBRI:

**HSAs and HRAs See Growth Over Four-Year Span:
Assets Have Also Increased While Account Balances Fell**

WASHINGTON—The number of health savings accounts (HSAs) and health reimbursement arrangements (HRAs) increased to 5.7 million in 2010, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI). Assets in these account-based health plans increased to \$7.7 billion in 2010.

HSAs and HRAs can be used to reimburse participants for qualified medical expenses. They are offered by some employers in order to give their workers more control over funds allocated for health care services.

Growth in these accounts is tracked by the EBRI/MGA 2010 Consumer Engagement in Health Care Survey, which also examines numerous other aspects about health care consumers who use these plans, in comparison with traditional health plans. The findings are published in the January 2011 *EBRI Issue Brief*, “Health Savings Accounts and Health Reimbursement Arrangements: Assets, Account Balances, and Rollovers, 2006–2010,” online at www.ebri.org

Among other findings, the EBRI/MGA survey found no relationship between either account balance or rollover amounts and various cost-conscious behaviors such as checking prices before getting services, or asking for generic drugs instead of brand names, among other things.

“It is expected that individuals who are given more control over funds allocated for health care services will become more cost conscious, especially once they become more educated about the actual price of health services,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report. “However, no evidence was found to support this with respect to some of the measures used in this study of cost-conscious behavior.”

Among the survey’s findings:

- **Steady growth:** The number of HSAs and HRAs grew to 5.7 million in 2010, up from 1.2 million in 2006. Assets in these accounts also increased to \$7.7 billion in 2010, up from \$835.4 million in 2006.
- **Average account balances:** Although HSAs and HRAs continue to grow, the report found the average account balance dropped slightly in 2010 to \$1,355, down from \$1,419 in 2009. Men held higher average balances (\$1,525) than women (\$1,321). Older individuals (ages 55–64) held

higher average balances (\$1,791), than those younger than (\$1,250–\$1,400). Additionally, the study found that people who exercised, did not smoke, and were not obese held higher balances than those with less healthy behaviors.

- **Rollovers:** Despite a decline in the average rollover amount in 2010, total assets being rolled over have been increasing; \$4.2 billion was rolled over in 2010, up from \$4 billion in 2009. The average rollover increased from \$592 in 2006 to \$1,295 in 2009, and fell to \$1,029 in 2010. The percentage of individuals without a rollover decreased from 23 percent in 2006 to 10 percent in 2009 and increased slightly to 13 percent in 2010.
- **Race:** Minorities with HRAs or HSAs have higher account balances than whites with these accounts. On average, minorities have an account balance of \$1,531, while whites have an account balance of \$1,387. However, both experienced a decline between 2009 and 2010; however, the decline was larger among minorities.
- **Household Income:** Account balances increased with household income. The average account balance was \$1,166 among individuals with less than \$50,000 in household income; \$1,303 among individuals with \$50,000–\$99,999, and \$1,742 among individuals with \$100,000 or more. Account balances increased for those with less than \$50,000 in household income; fell for those with \$50,000–\$99,999, and stayed the same for those with \$100,000 or more.
- **Education:** Education has an impact on account balances independent of income and other variables. Individuals with a high school degree or less have an average of \$1,219 in their account, while those with a college degree have \$1,519, and those with a graduate degree have \$1,558. Only individuals with a graduate degree experienced a decline in their average account balance in 2010.

EBRI is a private, nonprofit research institute based in Washington, DC, that focuses on health, retirement, and economic security issues. EBRI does not lobby and does not take policy positions.

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