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New Research from EBRI:
Employer Contributions to Health Accounts Falling as Individual Contributions Rise

WASHINGTON—Enrollment in health savings accounts (HSAs) and health reimbursement arrangements (HRAs) continues to grow, but contribution patterns to these account-based health plans are changing, according to a new report from the nonpartisan Employee Benefit Research Institute (EBRI).

Collectively, HSAs and HRAs are known as “consumer-driven” health plans. According to the latest EBRI/MGA Consumer Engagement in Health Care Survey, there was $12.4 billion in HSAs and HRAs, spread across 8.4 million accounts in 2011. This is up from 2006, when there were 1.3 million accounts with $873.4 million in assets, and 2010, when 5.4 million accounts held $7.3 billion in assets. This growth reflects the increasing number of employers that offer these account-based health plans.

The EBRI survey found that about two-thirds of workers with an HRA or HSA reported that their employer contributed to their account in 2011, a level that has remained steady since 2006. However, employer contribution levels have declined for some enrollees.

Specifically, for those with employee-only coverage in these plans, annual contributions from their employer have fallen since 2008: The percentage reporting that their employer contributed $1,000 or more to the account dropped from 37 percent in 2008 to 24 percent in 2011. Employer contributions of $1,000 or more to those with family coverage remained steady at 64 percent, EBRI found.

By contrast, individuals’ contributions to HSA plans have increased: the percentage contributing $1,500 or more increased from 21 percent in 2006 to 44 percent in 2011.

“This may be due to the continued weak economy. Workers with employee-only coverage continued to respond by increasing their own contributions,” said Paul Fronstin, director of EBRI’s Health Research and Education Program, and author of the report. “Generally, lower-income individuals did not increase their contributions, whereas higher-income individuals did.”

The full report is published in the February 2011 EBRI Notes, “Employer and Worker Contributions to Health Savings Accounts and Health Reimbursement Arrangements, 2006–2011,” online at www.ebri.org

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