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New Research from EBRI:

Health Account Balances Resume Growth

WASHINGTON—After a slight drop during the recent recession, health savings accounts (HSAs) and health reimbursement arrangements (HRAs) are showing renewed growth, the average account balance increasing over the past two years, according to new research by the nonpartisan Employee Benefit Research Institute (EBRI).

These individual health accounts are a central element in so-called “consumer-driven” health plans, which first began to appear in the work place about 12 years ago. They are designed to give individuals more control over funds allocated for health care services, thereby causing health plan participants to spend the money more responsibly.

According to results from the 2012 Consumer Engagement in Health Care Survey (CEHCS), sponsored by EBRI and Mathew Greenwald and Associates, average account balances leveled off in 2008 and 2009, and fell slightly in 2010, but increased in 2011 and 2012. Specifically, average account balances rebounded to \$1,470 (up 9 percent increase from 2010) and to \$1,534 in 2012 (a 4 percent increase).

In 2012, there was \$17.8 billion in health savings accounts (HSAs) and health reimbursement arrangements (HRAs), spread across 11.6 million accounts, according to the CEHCS. This was up from 2006 (when there were 1.3 million accounts with \$873.4 million in assets) and 2011 (when 8.5 million accounts held \$12.4 billion in assets).

Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report, noted a finding that healthy behavior by owners of these health accounts does not mean they have higher balances.

“Individuals who smoke have more money in their accounts than those who do not smoke. There was very little difference in account balances by level of exercise,” Fronstin said. “Next to no relationship was found between either account balance or rollover amounts and various cost-conscious behaviors.”

Among other findings, the report found that men have higher account balances than women, older individuals have higher account balances, account balances increase with household income, and education has a significant impact on account balances independent of income and other variables. Rollover amounts increased with household income and education, and individuals with single coverage rolled over a slightly higher amount than those with family coverage in 2012.

The full report is published in the January 2013 *EBRI Issue Brief* no. 382, “Health Savings Accounts and Health Reimbursement Arrangements: Assets, Account Balances, and Rollovers, 2006–2012,” online at www.ebri.org

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