



EBRI *Advisory*

2121 K St. NW • Suite 600 • Washington, DC 20037-1896
(202) 659-0670 • www.ebri.org • Fax: (202) 775-6312

EBRI Research and Background Available on Health Savings Accounts (HSAs)

Posted: Jan. 23, 2006

Contact: John MacDonald, EBRI, 202/775-6349, macdonald@ebri.org

President Bush has said that he will use his Jan. 31 State of the Union Address to call on Congress to make health savings accounts more available, more affordable, and more portable. For reporters and editors covering this topic, the nonpartisan Employee Benefit Research Institute (EBRI) has four publications available that look at various aspects of health savings accounts.

December 2005 EBRI Issue Brief: This presents results of the EBRI/Commonwealth Fund Consumerism in Health Care Survey—the first national survey of its kind—which found that individuals with more comprehensive health insurance were more satisfied with their health plan than individuals in high-deductible plans, with or without HSAs. The survey also found that despite similar rates of health care use, individuals with consumer-driven health plans (CDHPs) and high-deductible health plans (HDHPs) are significantly more likely to spend a large share of their income on out-of-pocket health care expenses than those in comprehensive health plans; that individuals with CDHPs and HDHPs were significantly more likely to avoid, skip, or delay health care because of costs than were those with more comprehensive health insurance; that among people in CDHP/HDHPs who did receive care, there is evidence that they are more cost-conscious than those in comprehensive health plans; and that few health plans of any type provide cost and quality information about providers to help people make informed decisions about their health care.

Available at: www.ebri.org/pdf/briefspdf/EBRI_IB_12-2005.pdf

August 2005 EBRI Notes: Health care expenses should be considered a key component of any retirement savings plan. These often-neglected expenses are likely to be higher than most individuals anticipate and could add 20 percent or more to the amount of preretirement income that workers need to replace in retirement. Health Savings accounts can get workers started, but are not the complete answer.

Available at: www.ebri.org/pdf/notespdf/EBRI_Notes_08-20051.pdf

September 2004 EBRI Issue Brief: This study examines accounts that can be used to pay for health care services on a tax-favored basis. Starting with health savings accounts, the function of these accounts is described, followed by a discussion of whether expectations for the accounts will be met and recent evidence on their impact. Available at: www.ebri.org/pdf/briefspdf/0904ib1.pdf

July 2004 EBRI Issue Brief: The Medicare law enacted in late 2003 made it easier for individuals to use health savings accounts to pay for some medical bills. This study examines the impact of Medicare Part D (prescription drug coverage) on the savings needed for insurance premiums to supplement Medicare and out-of-pocket expenses in retirement and examines the viability of health savings accounts to save for these expenses. Because of contribution restrictions, the amount of money that an individual can accumulate in an HSA is limited; the study finds that HSAs will have a negligible potential benefit for those already 55 years old or older and would be structurally incapable of producing enough savings to substantially offset retiree health expenses. Available at: www.ebri.org/pdf/briefspdf/0704ib1.pdf

The Employee Benefit Research Institute does not lobby or take positions on policy issues.