



Fast Facts from EBRI

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Savings Account Participation in Consumer-Driven Health Plans

WASHINGTON—Consumer-driven health plans are a relatively new kind of coverage that offer reduced premiums but carry higher annual deductibles. Often, these plans also feature one of two kinds of tax-exempt savings accounts: health savings accounts (HSAs) or health reimbursement arrangements (HRAs). Employees can use money in the accounts to pay for medical expenses not covered by their health plans.

About 1 percent of the privately insured U.S. population ages 21–64 (or 1.3 million individuals) were enrolled in a plan with either an HSA or HRA, collectively known as consumer-driven health plans (CDHPs), as of September 2006, according to the second annual Employee Benefit Research Institute (EBRI)-Commonwealth Fund Consumerism in Health Care Survey. Another 7 percent, or 8.5 million adults, had plans with deductibles high enough to qualify for health savings account, but of these only 2.6 million were offered or aware of the option to open an HSA.

One of the points of interest in evaluating CDHPs is how long individuals have had one of the savings accounts and how much money the accounts contain. Information about both issues is available in the December 2006 *EBRI Issue Brief*, which has a full report on the survey at www.ebri.org. The survey showed that among individuals with a CDHP, 57 percent of respondents had an account for less than one year. Overall, 14 percent had no money in their account and another 32 percent had less than \$500. Here are details of two survey findings concerning the savings accounts:

Length of time with CDHP and a savings account:

- Less than six months: 15%
- Six months to less than one year: 42%
- One to two years: 30%
- Three to four years: 9%
- Five years or more: 3%
- Don't know: 1%

Amount of money currently in account (among individuals with a CDHP):

- Nothing: 14%
- Less than \$200: 16%
- \$200–\$499: 16%
- \$500–\$999: 15%
- \$1,000 or more: 25%
- Don't know: 14%

The survey defines a CDHP as a plan with an annual deductible of \$1,000 or more for an individual and \$2,000 or more for a family, and with the requirement that an individual have an HSA or HRA.

Employers and employees can contribute pre-tax income to HSAs, while only employers can contribute to HRAs. Full details of the survey methodology are in the December 2006 *EBRI Issue Brief*.

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