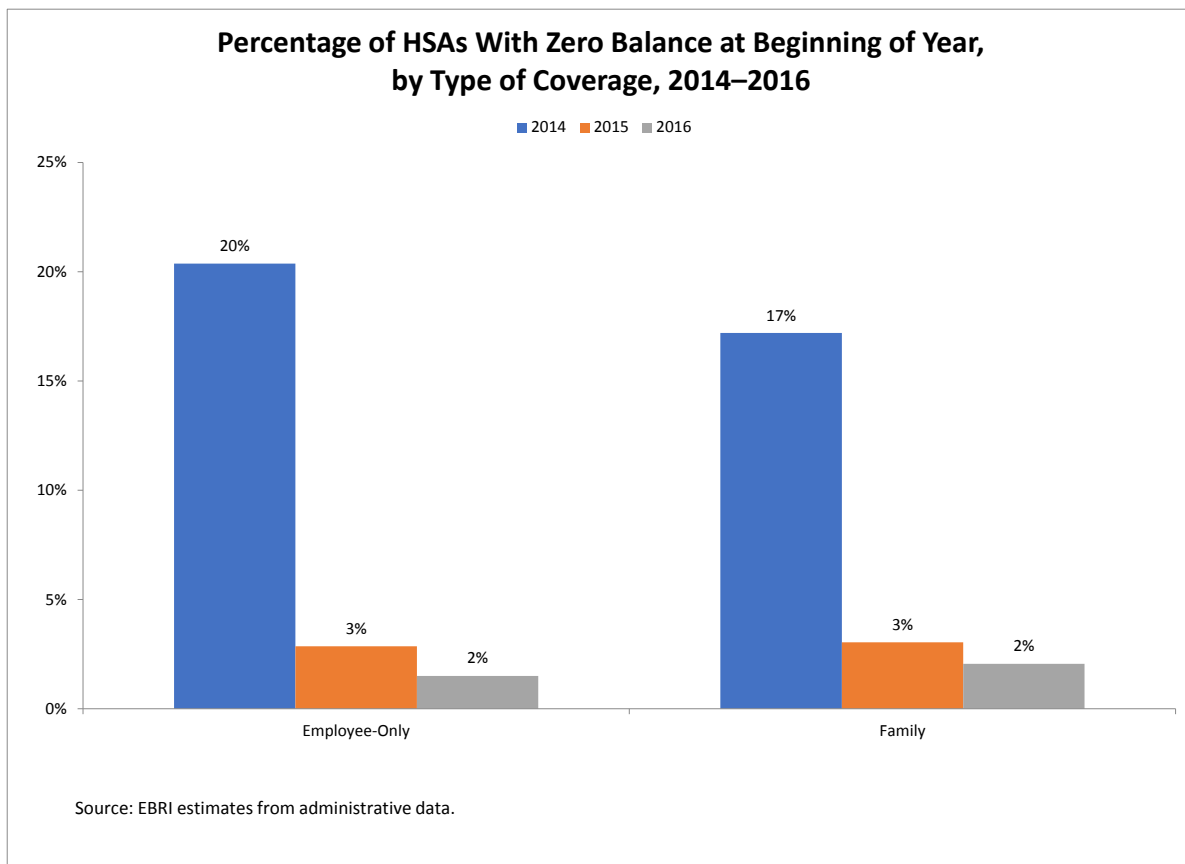


Do HSAs Affect Use of Health Care Services?

Employers have migrated to high-deductible health plans as a way to better manage overall health care costs. When plan members are exposed to a high deductible before insurance benefits are triggered, they are expected to make better health care use decisions. However, until recently, it was not known whether accumulated health savings account (HSA) balances would blunt the cost-reducing effect of the high deductible. Most HSA holders will build up an HSA balance (to the degree contributions are made) because most people are healthy and do not use a lot of health care services in any given year. Over time, growing HSA balances may mitigate the impact of the deductible. A recent EBRI study, “Do Accumulating HSA Balances Affect Use of Health Care Services and Spending?,” explored this question in greater detail.

The recent EBRI study examined health insurance eligibility and claims data from an employer with approximately 120,000 employees. It matched the eligibility and claims data to HSA balance, contribution, distribution, and investment data from the EBRI HSA Database. A subset of about 6,500 policyholders was used in the study. Data from 2014–2016 were analyzed.

The study found that most people accumulated a balance in their HSA over time. The percentage of accounts with a zero balance at the beginning of the year fell to nearly nothing after two years of contributions. Only 2 percent of HSAs started 2016 with a zero balance. At the beginning of 2014, 20 percent of those with employee-only coverage and 17 percent of those with family coverage had a zero balance.



Regarding use of services, in general, the study found that larger beginning-of-year HSA balances result in increased use of health care services. Specifically, the services that saw increased usage were emergency department visits, primary care physicians (PCP) and specialist visits, chiropractic services, physical therapy, psychotherapy, blood tests, X-ray, CT scan, MRI, and musculoskeletal surgery:

- Individuals with \$3,000 or more in their HSA at the beginning of the year visited PCPs and specialists on average one-half visit more per year than individuals with HSA balances under \$3,000.
- Spending was \$19.52 higher for primary care office visits and \$28.06 higher for specialist visits.
- Overall spending was \$496.40 higher for every \$1,000 in HSA balances, though the finding was not statistically significant.
- Spending associated with other outpatient services was \$550.96 higher among individuals with an HSA balance of at least \$3,000 and was statistically significant.

Our findings have implications for plan sponsors to consider. One area to explore is related to the size of the deductible. In large part, employers have taken a “set it and forget it” attitude with the deductible level in HSA-eligible health plans. Between 2007 and 2018, deductibles in PPOs have increased an average of 8.3 percent per year, while they have only increased an average of 2.5 percent in HSA-eligible health plans. It is possible that introducing larger HSA-eligible health plan deductible options over time may cause individuals to enroll in those options. To the degree that HSA balances are not large enough to cover the newer, higher deductibles, those balances would not result in higher use of health care.

Another approach to explore relates to education around the long-term benefits of the HSA. HSA balances can be saved for health care expenses in retirement on a tax-preferred basis. However, few individuals are doing so, and even fewer are investing their HSA. Education could result in more efficient use of HSAs.

The EBRI report, “Do Accumulating HSA Balances Affect Use of Health Care Services and Spending?,” is published as the May 2019 *EBRI Issue Brief*, and is available online [here](#).

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