

At a Glance | July 7, 2022

Coverage Expansion in HSA Health Plans Shows Little Impact on Premiums

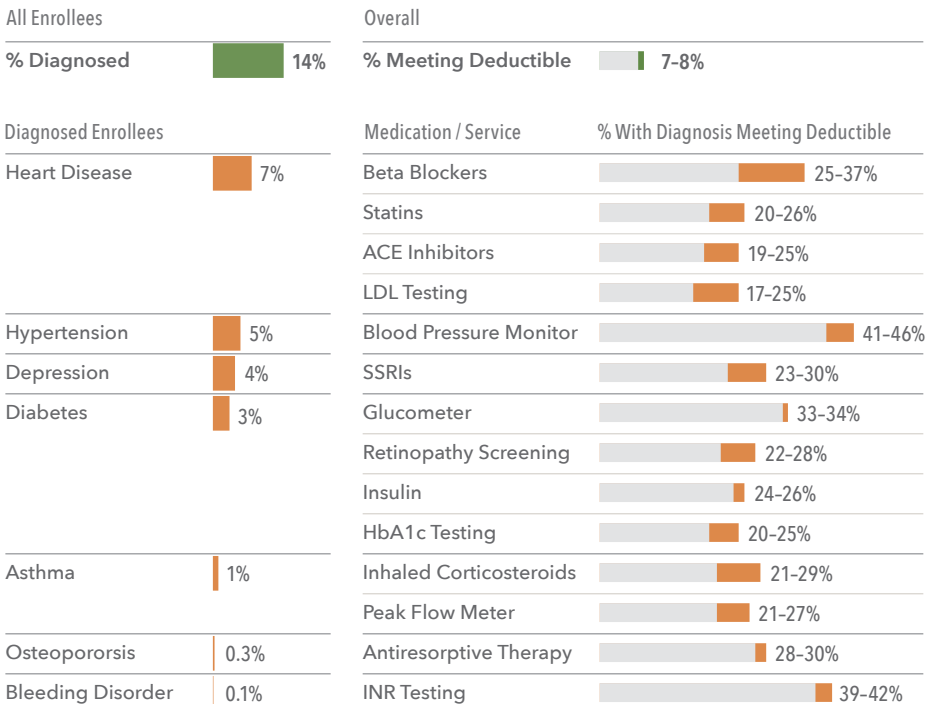
IRS Notice 2019-45 allows HSA-eligible health plans to cover 14 medications and health services prior to meeting the plan deductible.

DIAGNOSES AND DEDUCTIBLES

Overall, 14 percent of enrollees had a diagnosis pertaining to the IRS Notice and 7-8 percent of all enrollees met their deductible.

The percentage of users meeting their deductible was much higher among those using the health care services listed in the IRS notice.

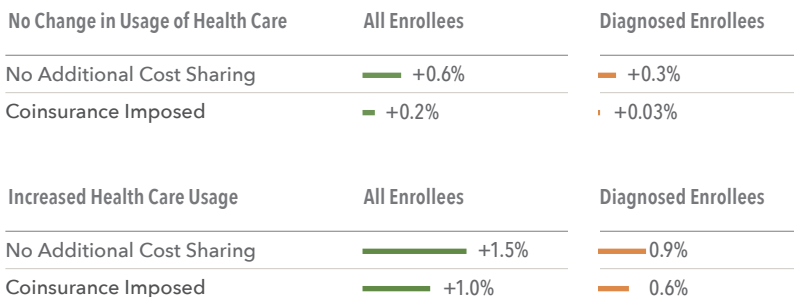
Prevalence of Diagnoses Pertaining to IRS Notice 2019-45 and Percentage of Diagnosed Users Meeting Deductible



NEGLIGIBLE INCREASE

The impact on premiums of expanding pre-deductible coverage for 14 services in HSA-eligible health plans as allowed in IRS Notice 2019-45 is small. Estimated premium increases range from virtually zero (0.03%) to 1.5 percent.

Impact of Expanding Pre-Deductible Coverage in HSA-Eligible Health Plans on Premiums in Differing Scenarios



SOURCE: Fronstin, Paul, M. Christopher Roebuck, and A. Mark Fendrick, "The Impact of Expanding Pre-Deductible Coverage in HSA-Eligible Health Plans on Premiums," *EBRI Issue Brief*, no. 558 (May 19, 2022).

This study was conducted through the EBRI Center for Research on Health Benefits Innovation (EBRI CRHBI), with the funding support of the following organizations: Aon, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, National Pharmaceutical Council, Pfizer, and PhRMA.