

# A Total Replacement HSA Plan for Company X

Evaluation of a Natural  
Experiment

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## Objectives



- Examine how the adoption of a full replacement HSA plan affected
  - Claims expenses
  - Use of services
  - Employee out-of-pocket expenses
  - Use of preventive services
- Major contribution – follow performance for four years of an HSA full replacement plan.

## The Natural Experiment

- Company X offered traditional HMO and PPO plans to non-union active workers through 2006, and early retirees through 2007.
- In 2007, all non-union active workers and their dependents were transferred to an HSA plan.
  - Higher Deductible
  - Higher OOP limit
  - Employer contribution to Savings Account
- In 2008, all early retirees were transferred to the HSA Plan.

## Database

- Monthly enrollment files for all sponsors and dependents from 2006-2010.
- Merged enrollment files with medical and pharmacy claims corresponding to all years.
- Medical claims files include ambulatory and inpatient claims.
- All beneficiaries enrolled during study years.
  - N= 50,514 actives and 8,571 retirees
  - Includes neo-natal, disabilities and decedents.

# Analysis

- Examine active and retiree trends.
- Use continuously enrolled analytic file.
- Descriptive
  - Claims expenses per year
  - Utilization per year
    - Use of select preventive services

# Average Total Allowed Charges, 2006-2010

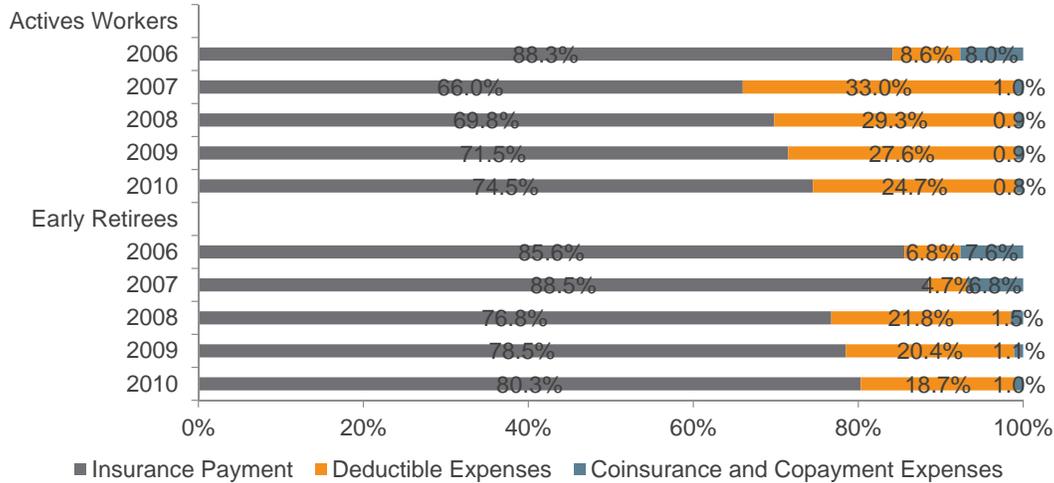
## Continuously Enrolled Active Workers and Early Retirees



**NOTE: Active Workers changed over to HSA in 2007, Early Retirees changed over in 2008.**

## Distribution of Insurance Payments and Out-of-Pocket Expenses, 2006-2010

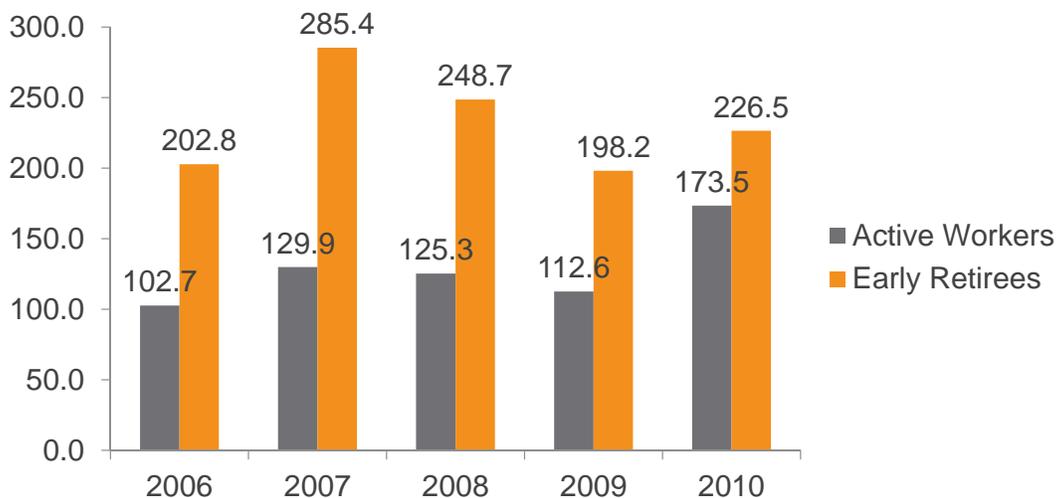
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## Average Number of Inpatient Discharges Per 1000 Beneficiaries, 2006-2010

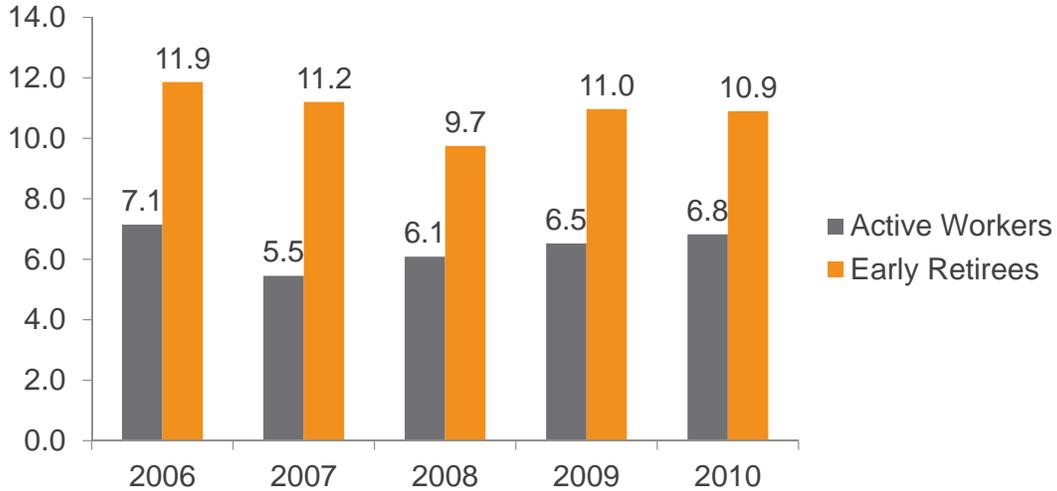
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## Average Number of Outpatient Visits Per Beneficiaries, 2006-2010

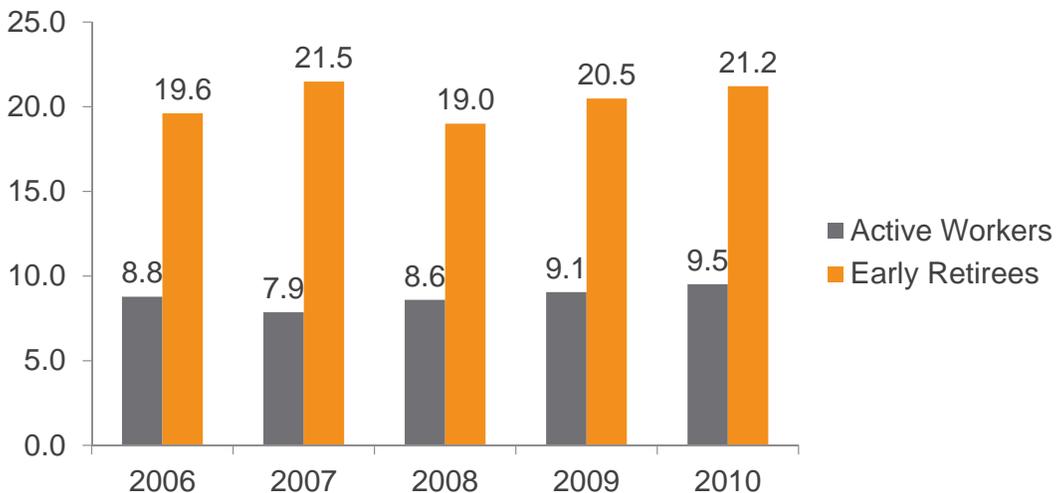
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## Average Number of Drug Claims Per Beneficiaries, 2006-2010

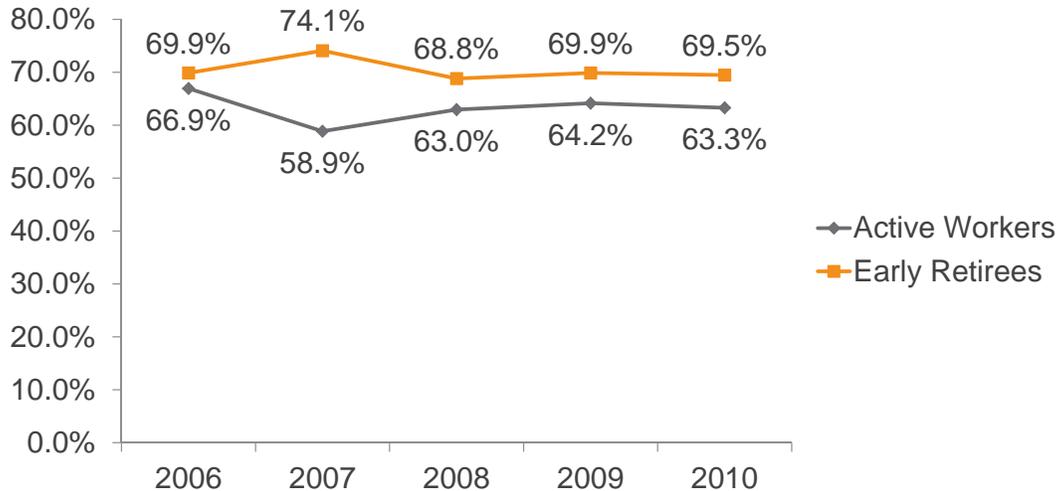
### Continuously Enrolled Active Workers and Early Retirees



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Percent of Female Beneficiaries at Least Age 40  
Receiving Breast Cancer Screening, 2006-2010

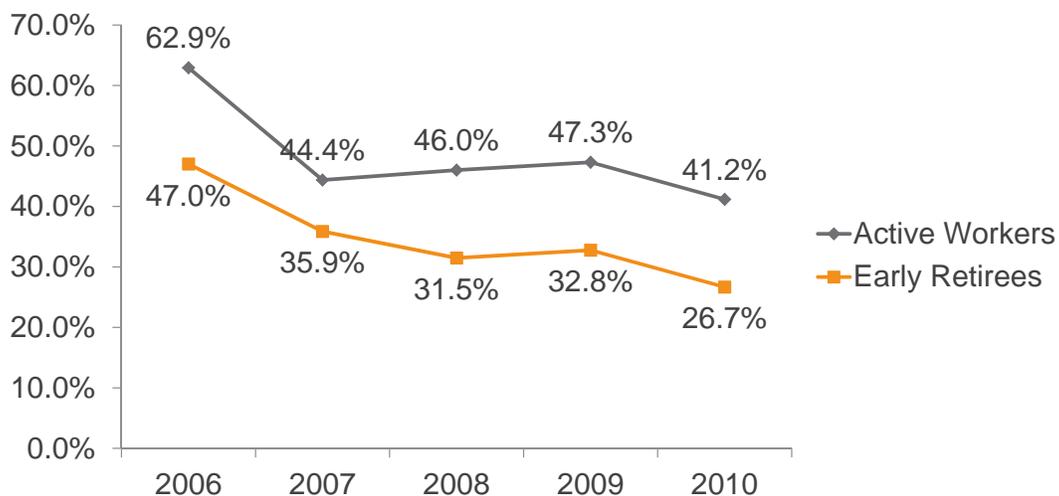
Continuously Enrolled Active Workers and Early Retirees



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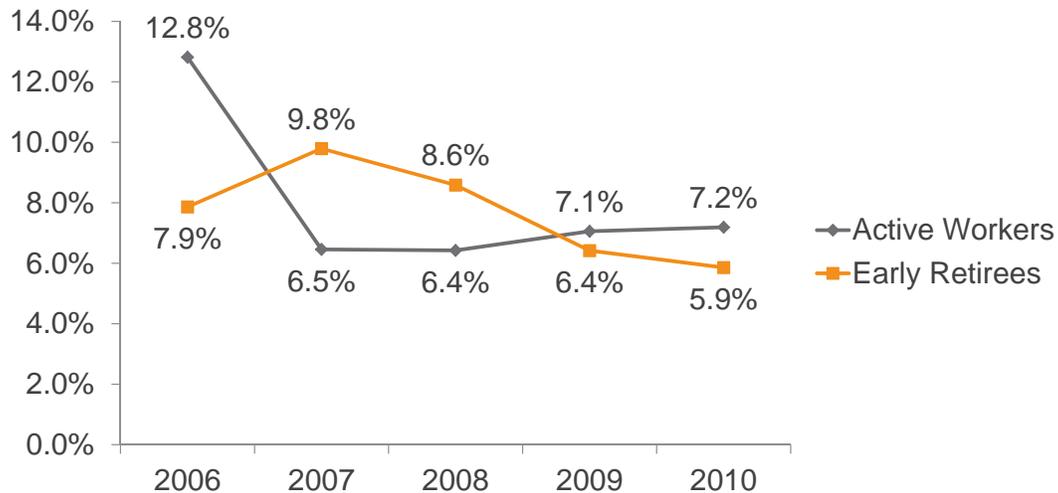
Percent of Female Beneficiaries at Least Age 18  
Receiving Cervical Cancer Screening, 2006-2010

Continuously Enrolled Active Workers and Early Retirees



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### Continuously Enrolled Active Workers and Early Retirees



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## Summary

### Major Findings

- Allowed charges declined for both actives and retirees following changeover to HSA plan.
- In subsequent years, increases in allowed charges were substantial.
- Outpatient visits and drug claims fell in first year of HSA but rose in subsequent years.
  - Inpatient days were volatile during the study period.
- In first year of HSA use of preventive services generally declined, but rose for some services

Thank You!



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