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EBRIefing on Enrollment Trends in HSA-Eligible Health Plans and Their Implications

March 7, 2018

Speakers



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Public Policy - HSA Expansion Proposals

Cassidy-Collins (2017)	Rep. Paul Ryan “A Better Way”	AHCA (2017)
<p>Roth HSAs</p> <ul style="list-style-type: none"> • Fed or state govt deposit funds to purchase health insurance and cover cost sharing • Double tax advantage - build up and distributions are tax free • Contributions counted as taxable income • Individual contributions limited to \$5,000 + govt contributions • Tax-deductible HSA contributions are phased out. 	<ul style="list-style-type: none"> • Raise HSA contribution limit to maximum deductible amount • Expand access to HSAs for certain groups (e.g Tricare) • Spouse catch-up contributions to same HSA • Reimbursement for expenses incurred within 60 days of HSA establishment 	<ul style="list-style-type: none"> • Increase contribution limits to max OOP. • Reduce excise tax on non-qualified distributions to 10% • Use HSA for expenses incurred prior to establishment of HSA • Easier for spouses to make catch-up contributions

Chronic Disease Management Act of 2018

- Bi-partisan legislation sponsored by
 - Sens. Tom Carper, D-DE and John Thune, R-SD
 - Reps. Dianne Black, R-TN and Earl Blumenauer, D-OR
- Would allow HSA-eligible health plans to cover chronic disease prevention and treatment prior to the deductible being met
- Draft Executive Order from June 2017 would have same effect
 - “The IRS shall update the preventive care safe harbor under Sec. 223 of the IRC to include services or benefits, including medications, intended to prevent chronic disease progression or complications, for the purpose of helping patients adhere to clinical regimens and thereby reducing costs of healthcare.”

Agenda

- HSAs and public policy
- Highlights from past EBRI research
- Preview of forthcoming EBRI research
- Findings from recent release “Has Enrollment in HSA-Eligible Health Plans Stalled?”
- Recent findings from the EBRI HSA Database
- Q&A

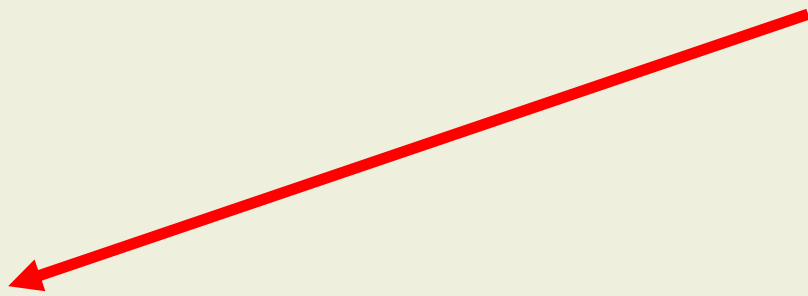
▼ PARTICIPANTS (5)

- Paul Fronstin (Me)
- EBRI - Marcene Pugh
MODERATOR, SHARING
- Ask Questions
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- Meeting information

Q & A



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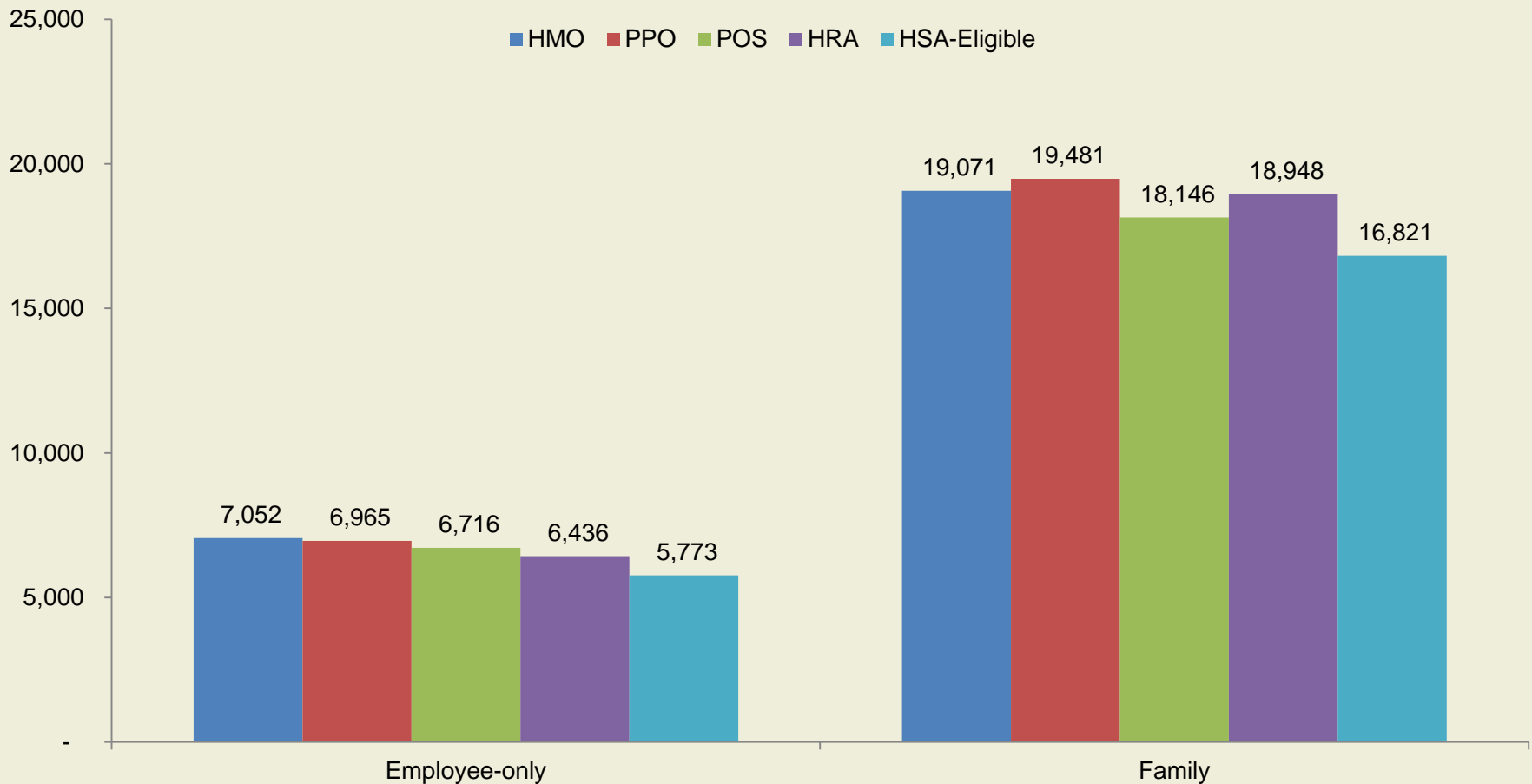


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Why Have Employers Adopted HSA-Eligible Health Plans?

2017 Premiums by Health Plan Type



Past EBRI Research on Consumer-Directed Health Plans

- Consumer Engagement in Health Care Survey (CEHCS) since 2005
- Numerous papers on consumer engagement from about 15 years ago
- Center for Research on Health Benefits Innovation (CRHBI)
 - Evaluation of a Full-Replacement HSA on Use of Services, Quality, Outcomes and Spending
 - Evaluation of HSA-Eligible Health Plan on Use of Health Care Services by Worker Income
 - Financial Incentives to Enroll in an HSA-eligible Health Plan
- EBRI HSA Database

Forthcoming and Planned EBRI Research: HSA-Eligible Health Plans

- Deductibles and low-valued services
- The Relationship Between Health Plan Type, Use of Specialty Medications and Worker Productivity
- Disenrollment from HSA-eligible health plans
- Opioids and health plan design
- The impact of HSA-eligible health plans on enrollee health status
- Findings from the EBRI HSA Database
- Findings from the 2017 EBRI/Greenwald Consumer Engagement in Health Care Survey
- 2018 Consumer Engagement in Health Care Survey

Has Enrollment in HSA-Eligible Health Plans Stalled?

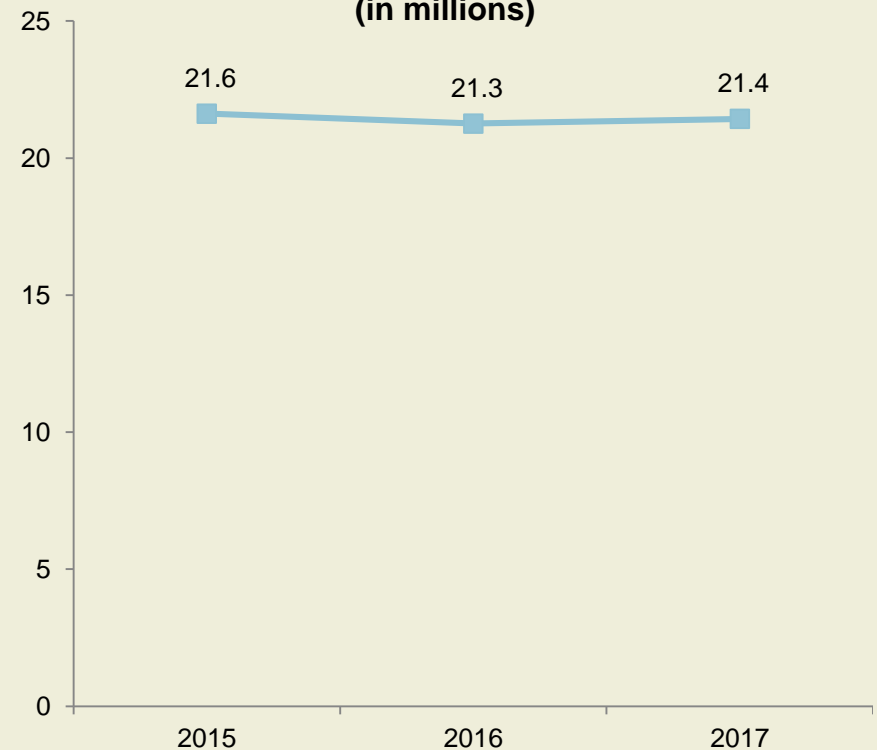
- Enrollment in HSA-eligible health plans have grown to a significant share of the market in last 14 years
- Estimates on the size of the market, and how fast it is growing, vary widely
- The EBRI *Issue Brief* published in February 2018 tries to make sense of what we know

EBRI/Greenwald & Associates

Consumer Engagement in Health Care Survey

- Conducted since 2005 to provide reliable data on the growth in CDHPs and HDHPs and their impact on the behavior and attitudes of health care consumers
- Lack of growth in HSA-eligible health plans often questioned by survey funders and others

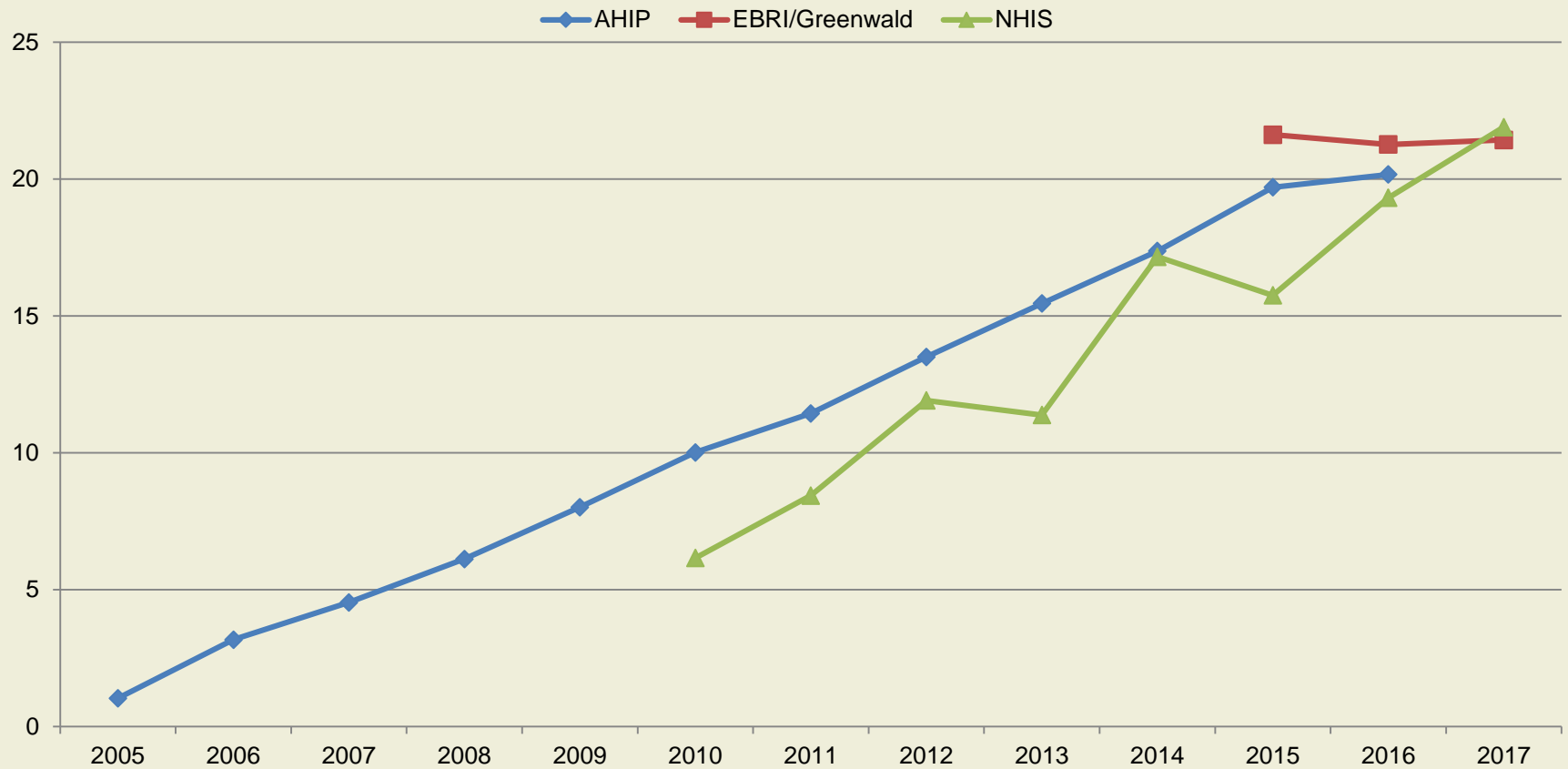
HSA-Eligible Health Plan Enrollment, 2015-2017
(in millions)



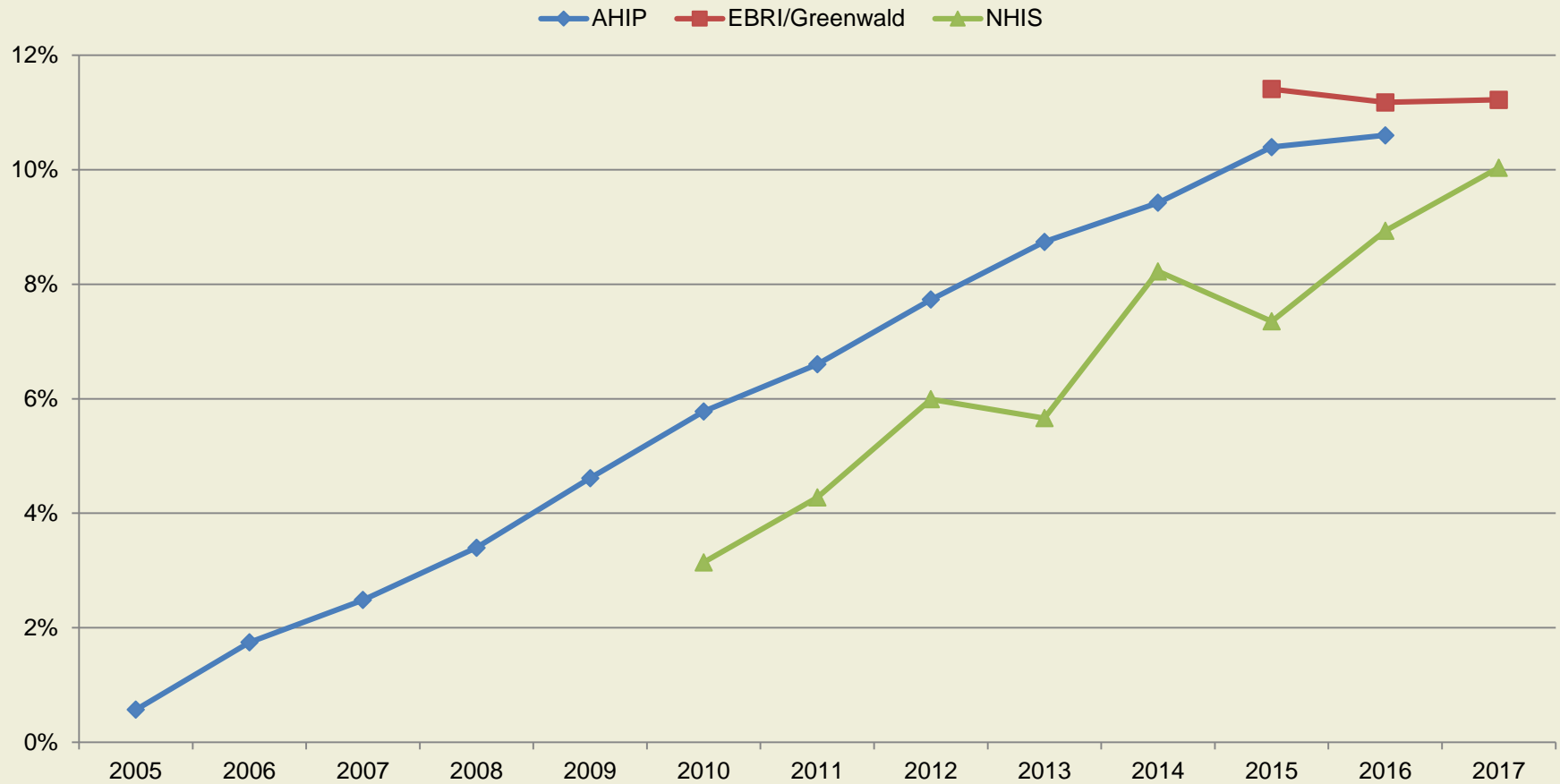
Surveys on HSA-Eligible Health Plan Enrollment

Survey	2017 HSA-Eligible Health Plan Enrollment Estimate		Years	Sample
	(Millions)	(Percent of Total Enrollment)		
EBRI/Greenwald & Associates, CEHCS	21.4	11%	2005-2017	Individuals under age 65 with any private health insurance (calculated from survey of adults)
America's Health Insurance Plans (AHIP)	20.2 *	11%	2005-2016	Health insurers
Kaiser Family Foundation (KFF)	31.5	19%	2006-2017	Employers with 3 or more workers
Mercer	33.7	20%	2006-2017	Employers with 10 or more workers
National Health Interview Survey (NHIS)	23.2	11%	2010-2017	Individuals under age 65 with any private health insurance (calculated from survey of adults)

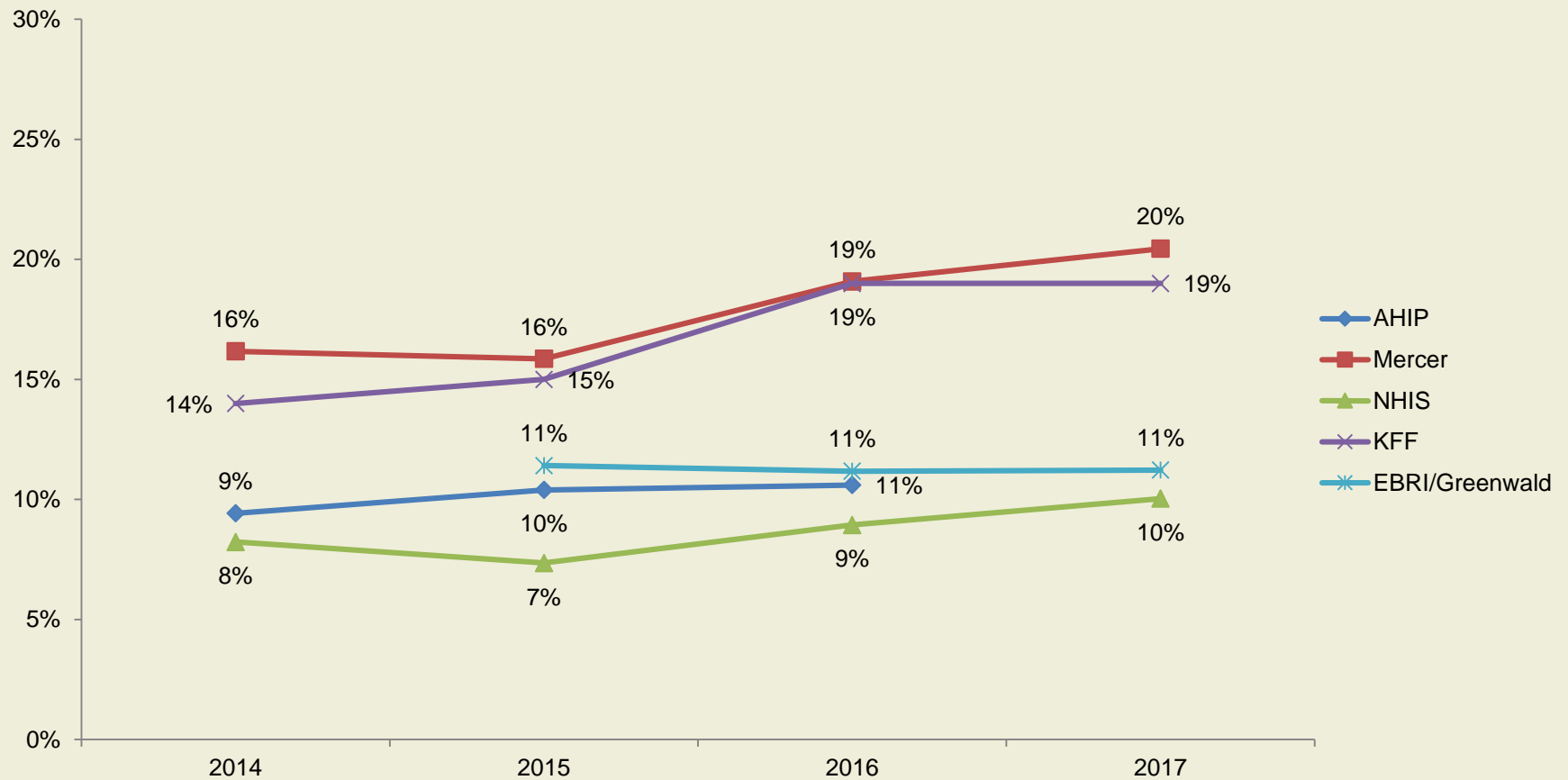
HSA-Eligible Health Plan Enrollment in Millions, 2005-2017



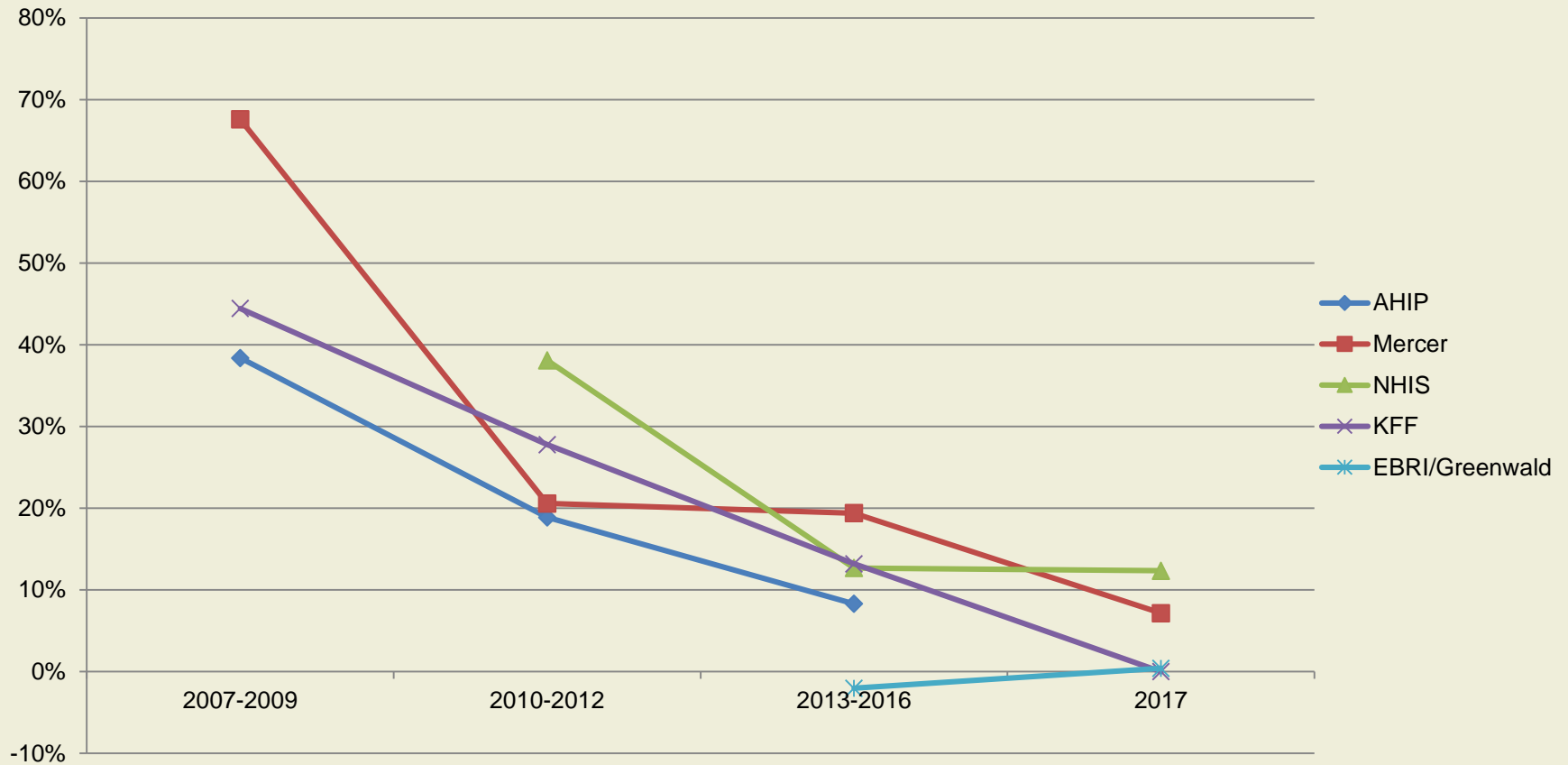
HSA-Eligible Health Plan Enrollment as a Percent of Total Private Health Insurance Market, 2005-2017



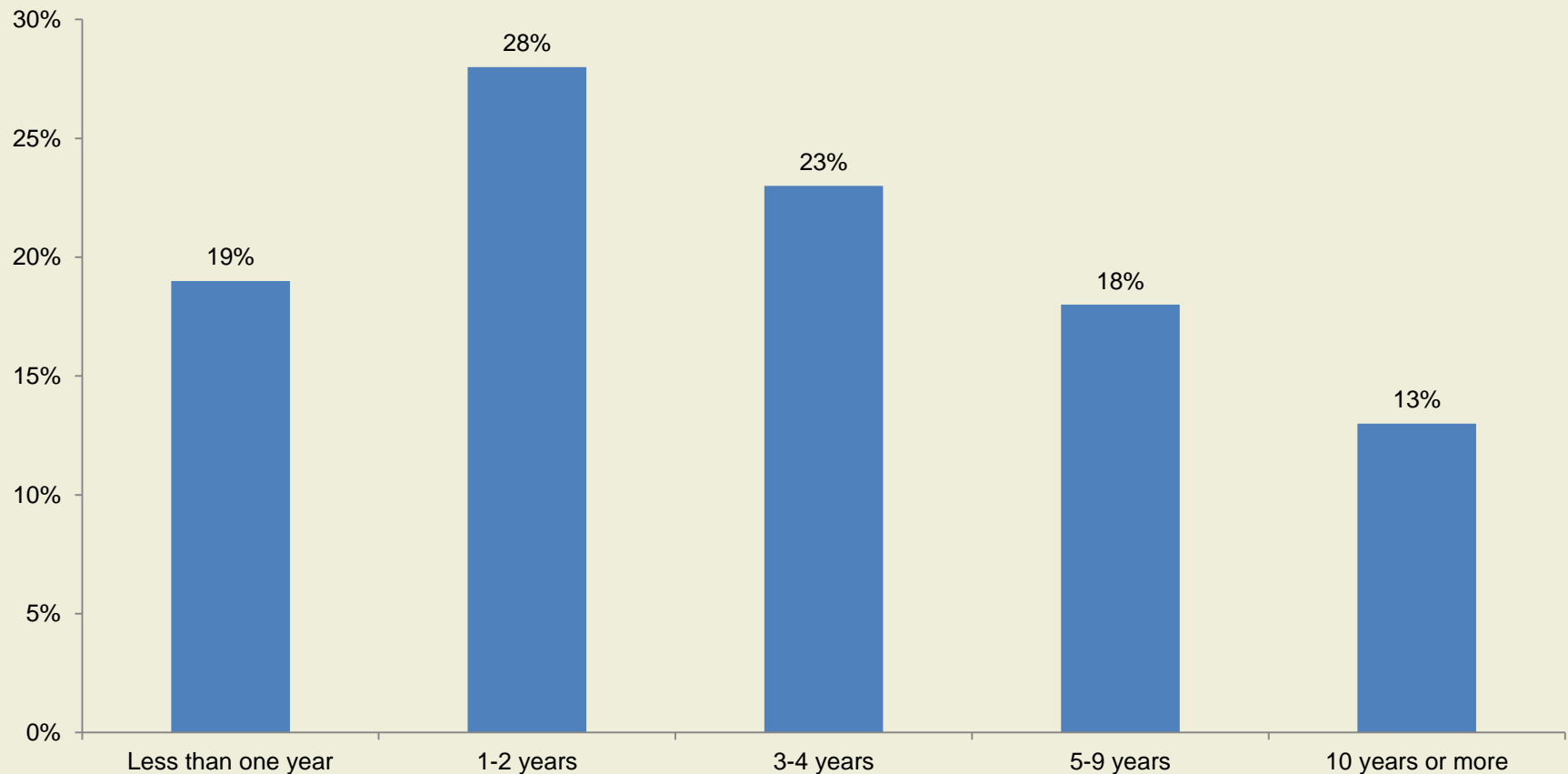
Percentage of Enrollees in HSA-Eligible Health Plans, 2014-2017



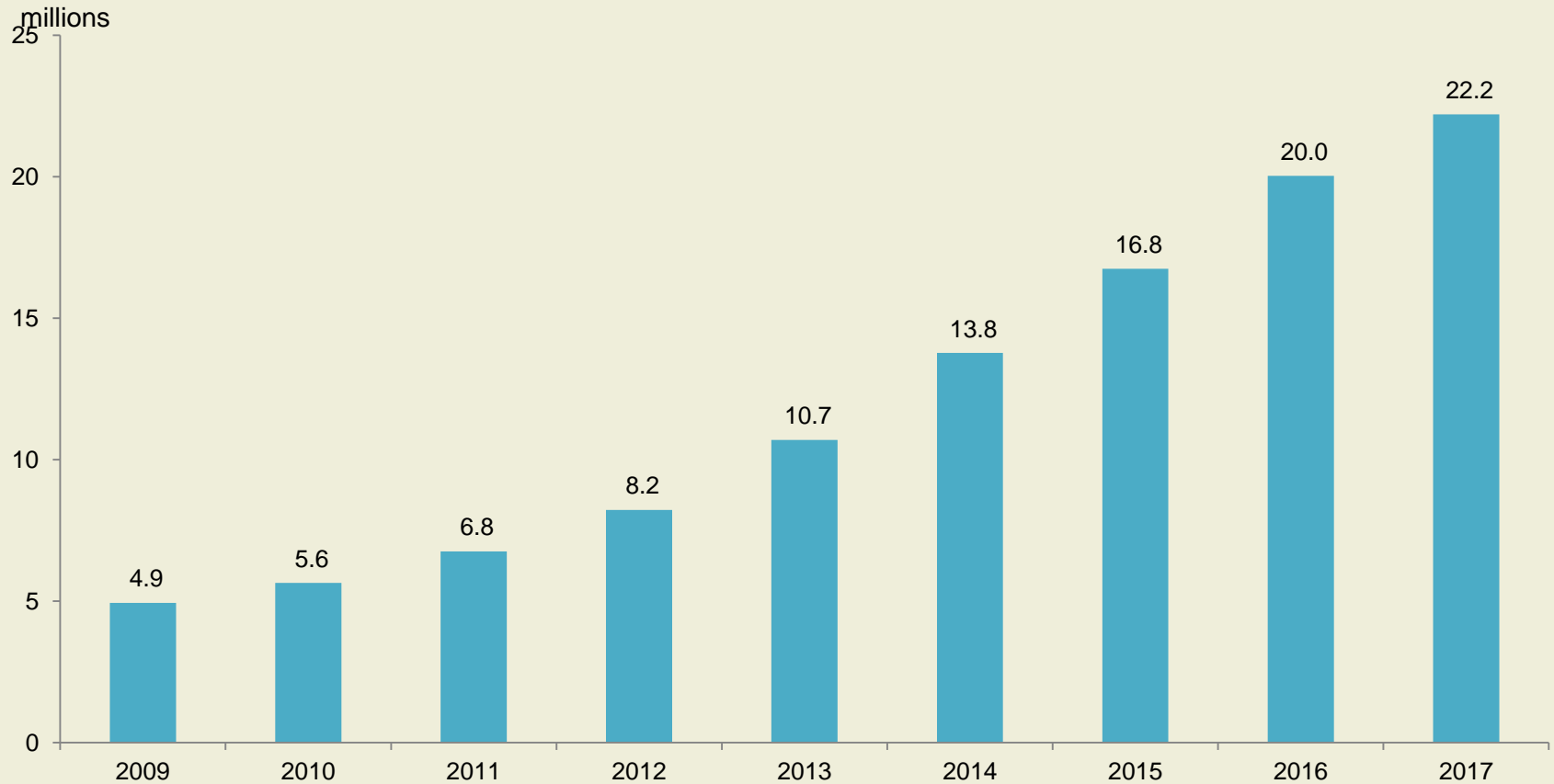
Average Growth Rates in HSA-Eligible Health Plan Enrollment, by Select Time Periods



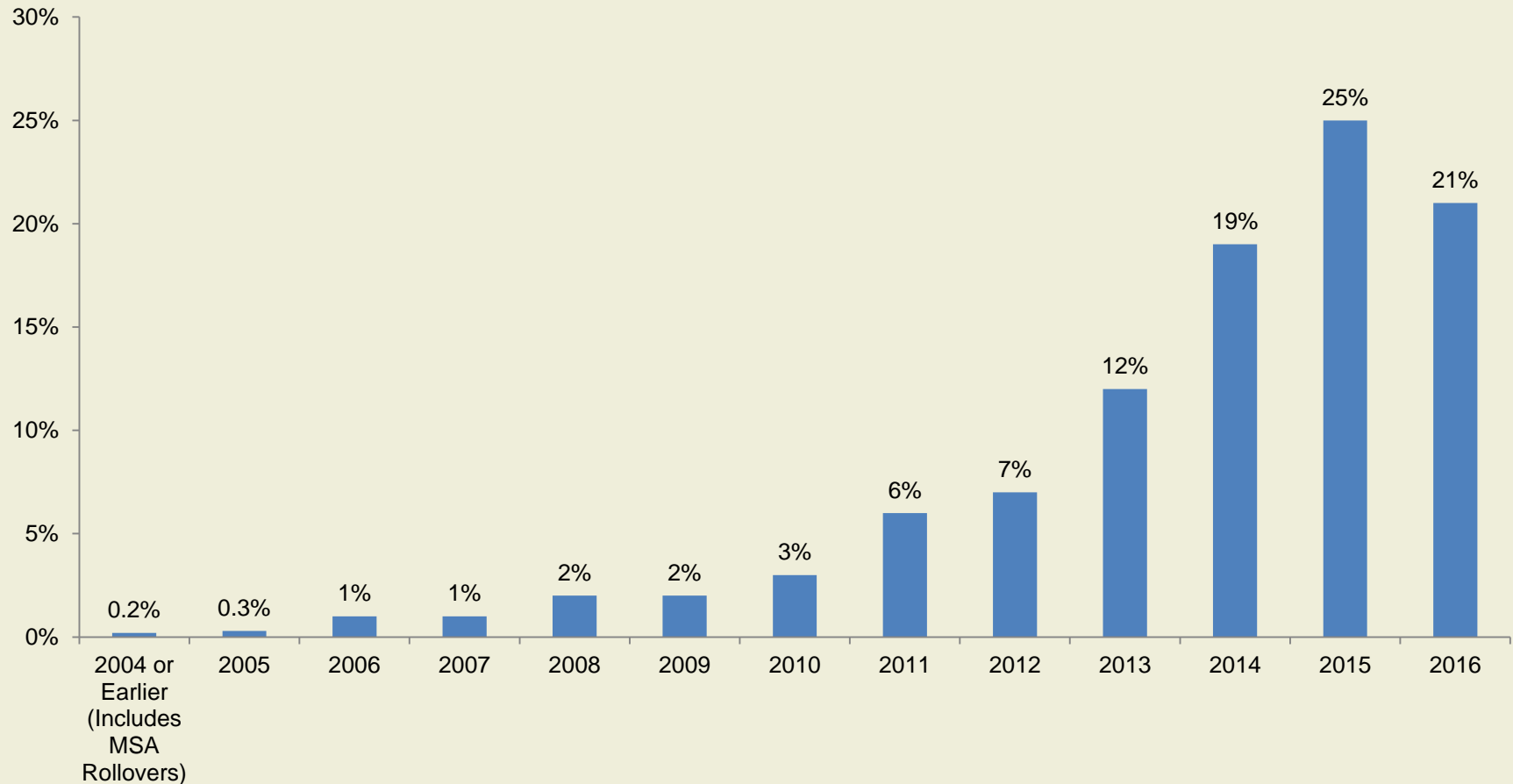
Evidence of Recent Growth in EBRI/Greenwald Survey: Length of Time Enrolled in a HSA or HRA Plan, 2017



Evidence of Recent Growth from Accounts: Total HSA Accounts, 2009-2017*



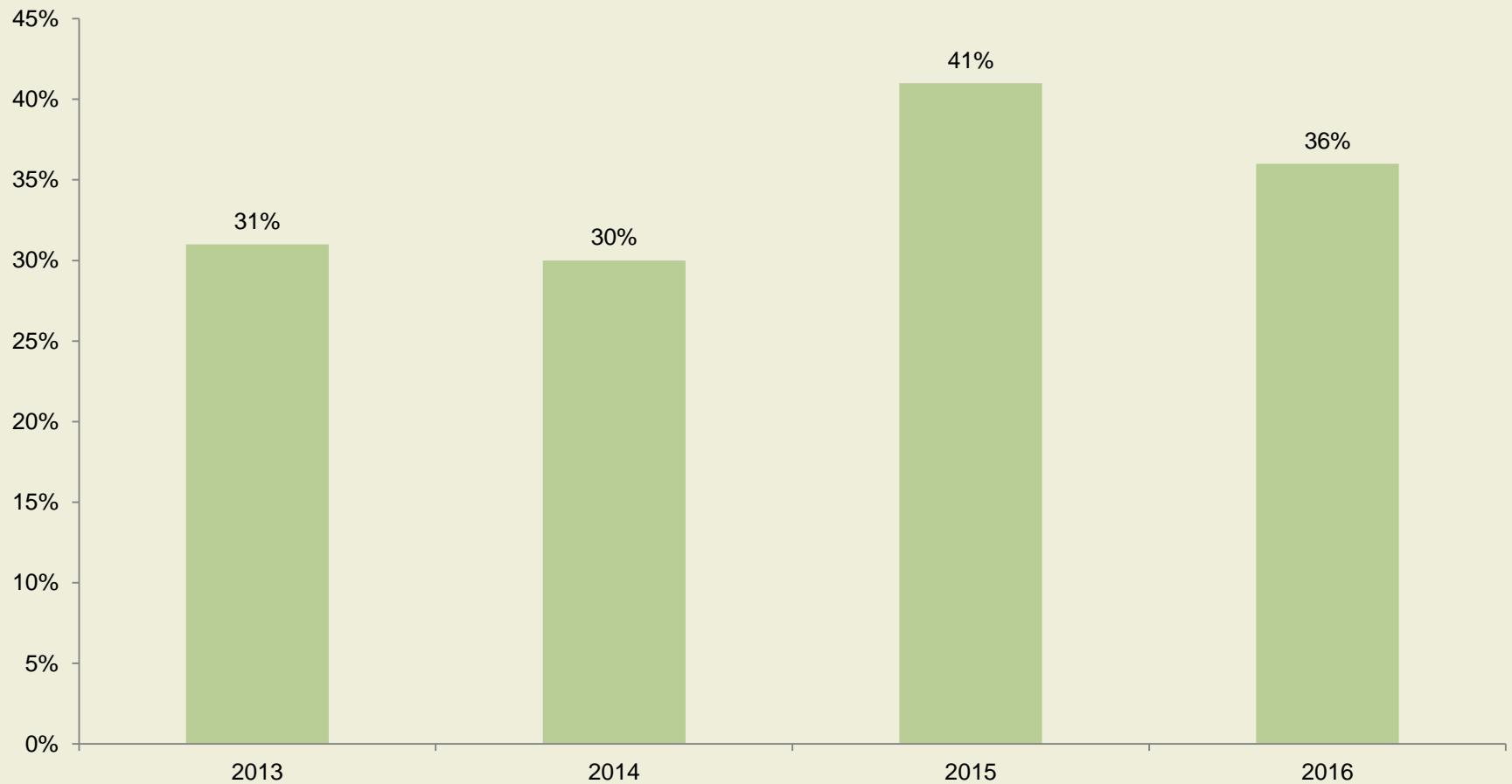
Evidence of Growth from EBRI HSA Database: HSAs, by Year Account was Opened



Why Might Account-Based Counts Show Growth When Enrollment is Not?

- Surveys on enrollment do not measure disenrollment
 - EBRI analysis of Truven data finds 8-10% annual disenrollment between 2013 and 2014
- HSAs count people ever enrolled
 - 36% of accounts in EBRI HSA Database did not receive contributions in 2016, and appears to be trending up
 - Suggests that an increasing percentage of the HSA universe is no longer connected to an HSA-eligible health plan

Percentage of HSAs Without Any Contributions, 2013-2016



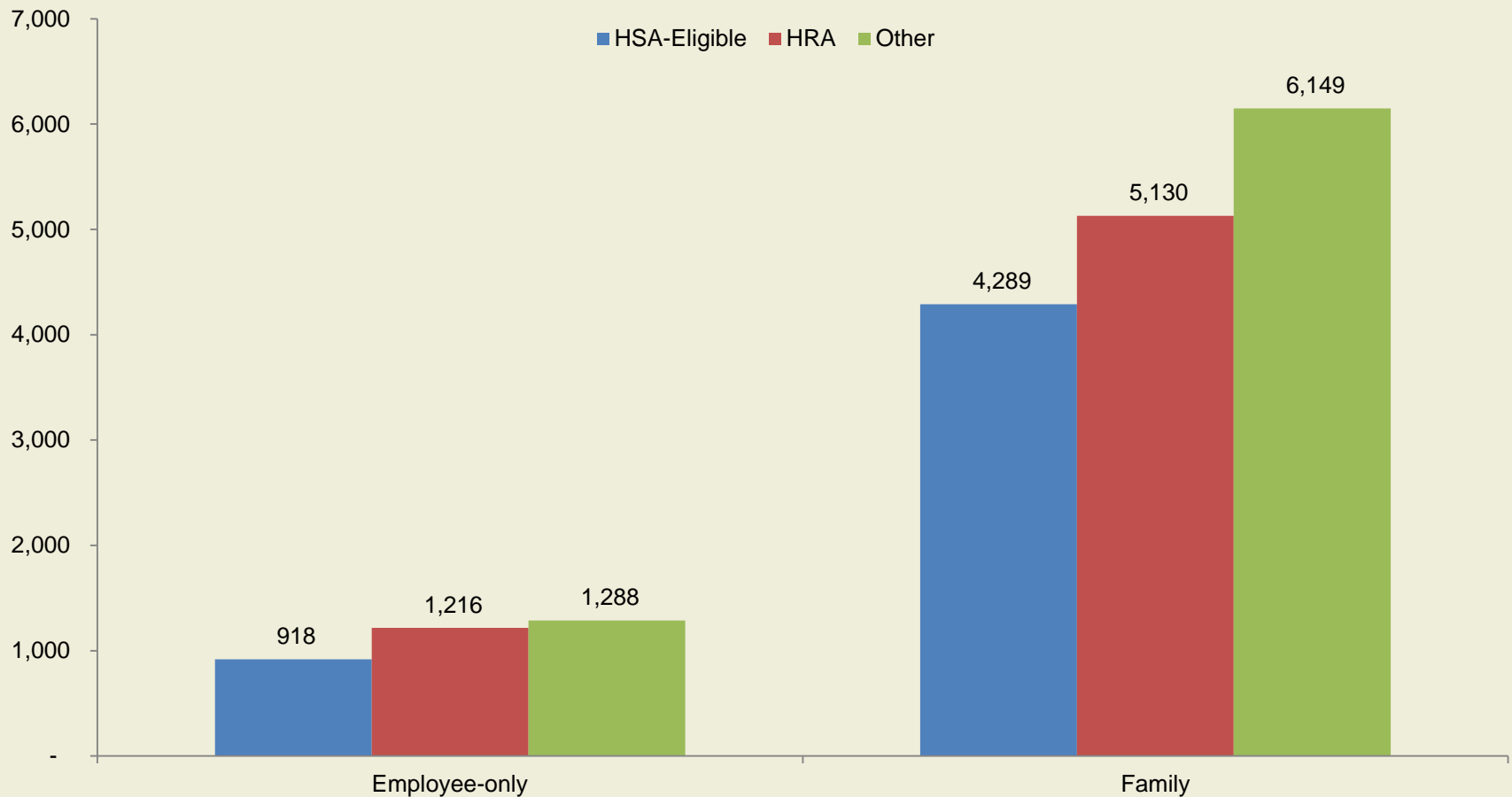
What might be holding back enrollment growth?

- Expected growth from Cadillac tax has not materialized
- Low premium increases
- Low unemployment
- Lack of flexibility in plan design
- Impact of health plan design
 - Recent research has found that HSA-eligible health plans may be associated with a reduction in appropriate preventive care and medication adherence
- Longer-term growth should be focus
 - Frequent evidence that low, no, negative growth has been followed by a large jump in enrollment
 - Lack of short-term growth may reflect statistical anomalies

EBRI Research on the Impact of HSA-Eligible Health Plans

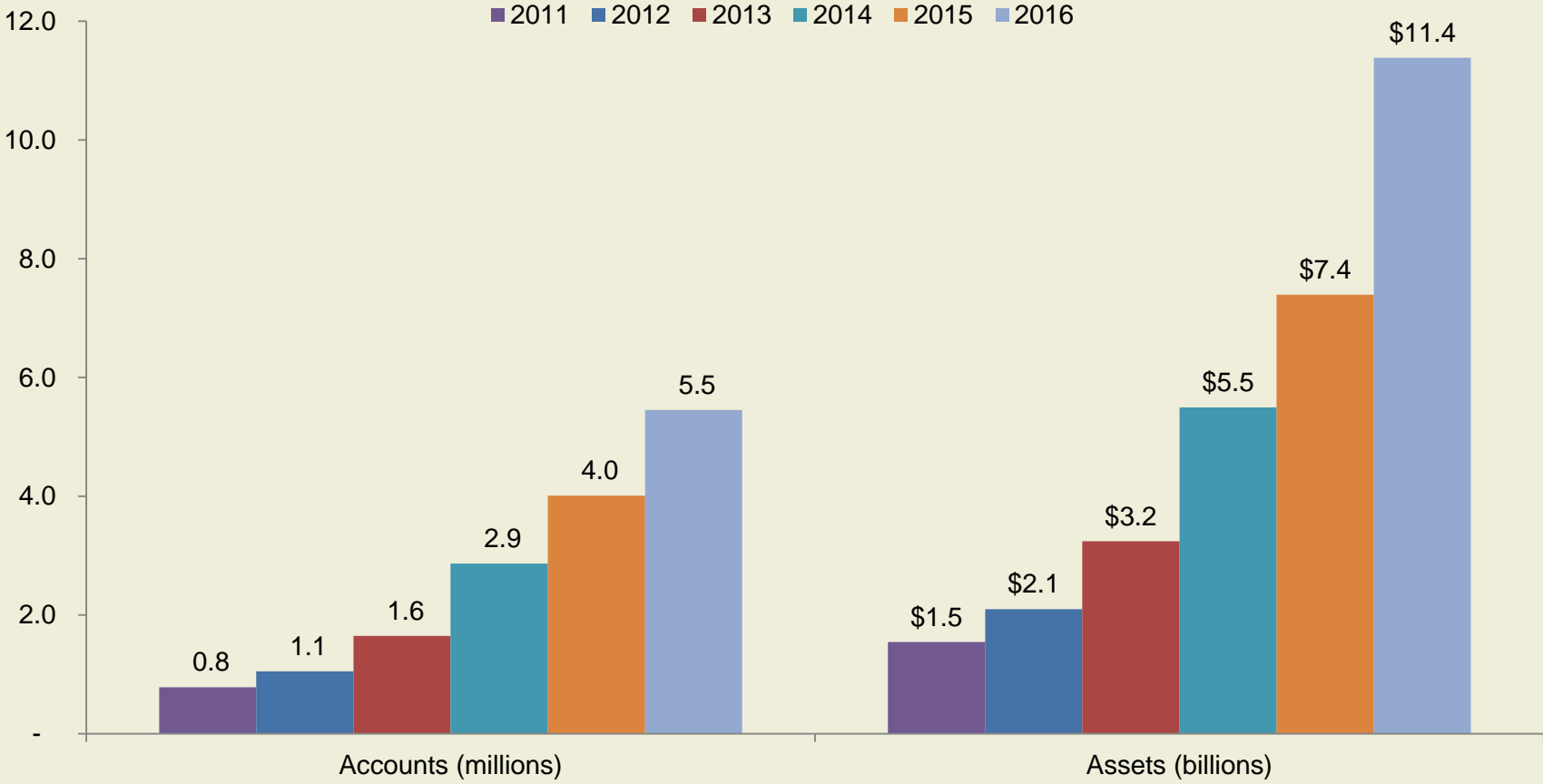
- Reduction in preventive cancer screenings
- Reduction in flu shots among lower income
- Reduction in medication adherence among people with chronic conditions
- Higher use of low-valued services
 - imaging for back pain
 - antibiotics for bronchitis
 - Imaging for head ache
 - Chest x-ray for routine surgery
 - Vitamin D testing
- Lower LDL testing for diabetics
- Increased emergency department visits

Worker Contribution to Premium is Lowest in HSA-Eligible Health Plan



EBRI HSA Database

EBRI HSA Database: Accounts and Assets, 2011-2016



EBRI HSA Database

Variables Collected

Beginning year balance

End of year balance

Individual contributions

Employer contributions

Distributions

Year and month account was opened and/or closed

Account owner age

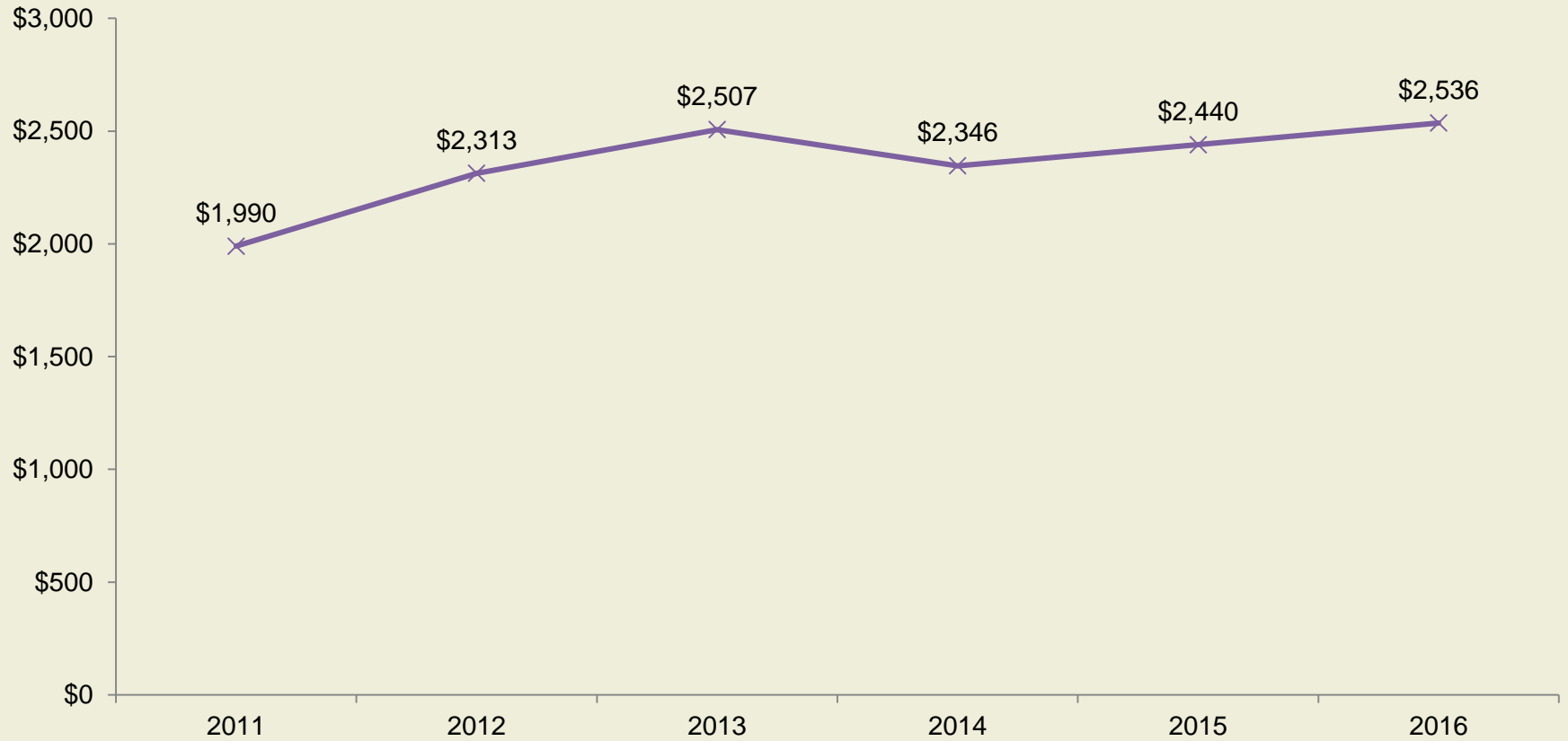
Presence of investments

Balance in investments

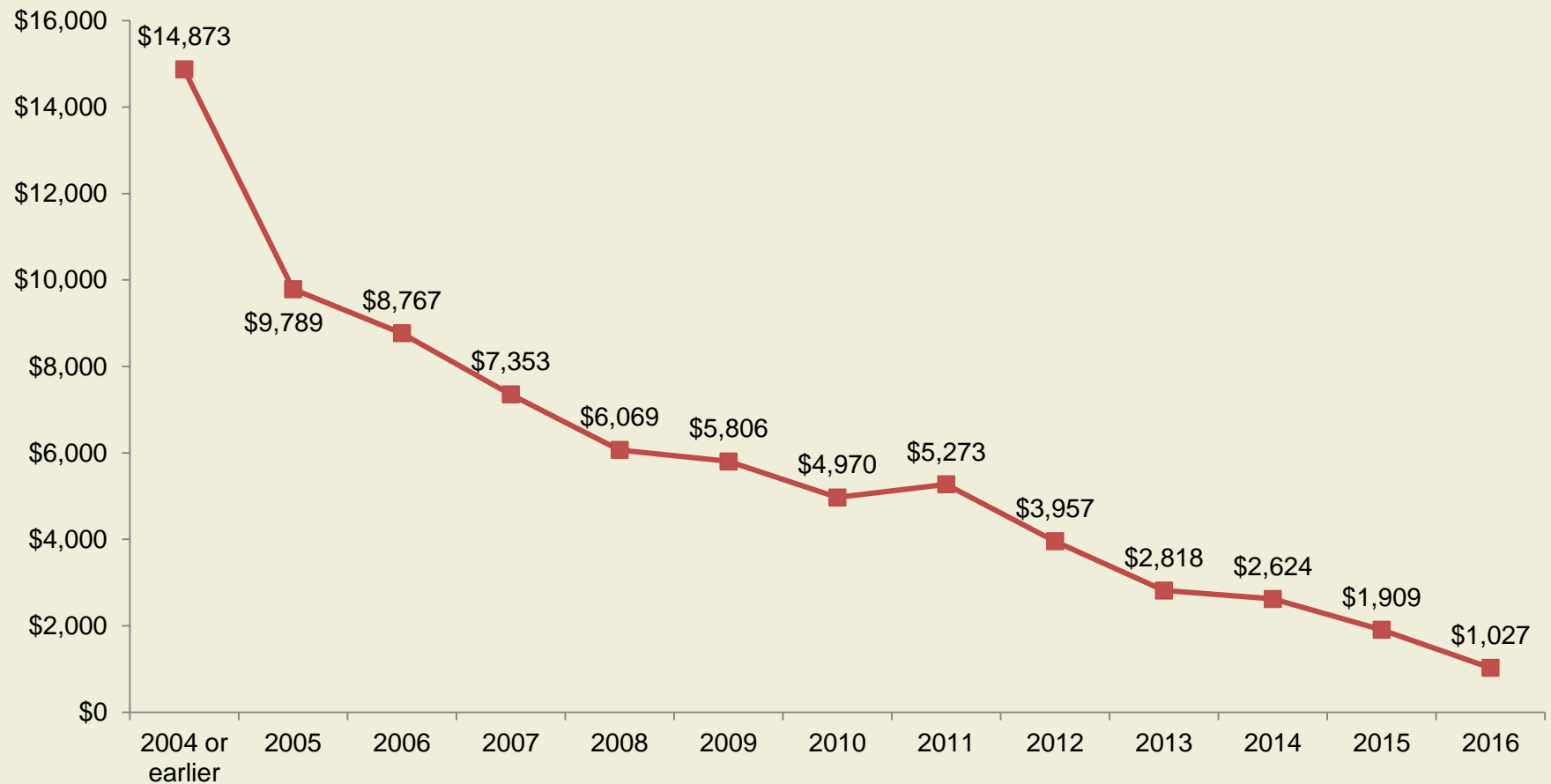
Transfers in and out of account

Zip code: geo-coded income, education and race

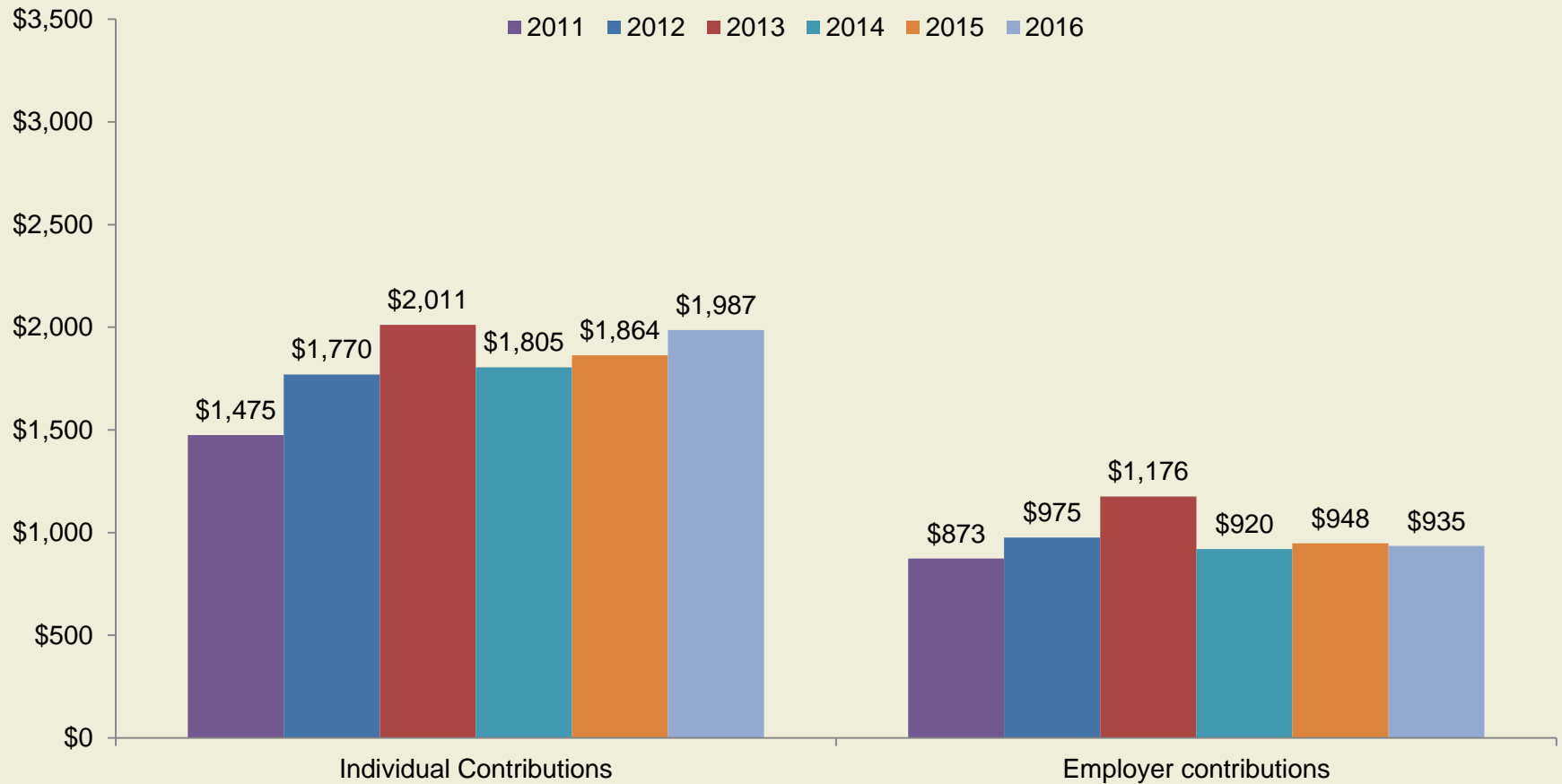
Average End of Year Account Balance, by Year, 2011-2016



Average End of Year Account Balance, by Year Account was Opened, 2016



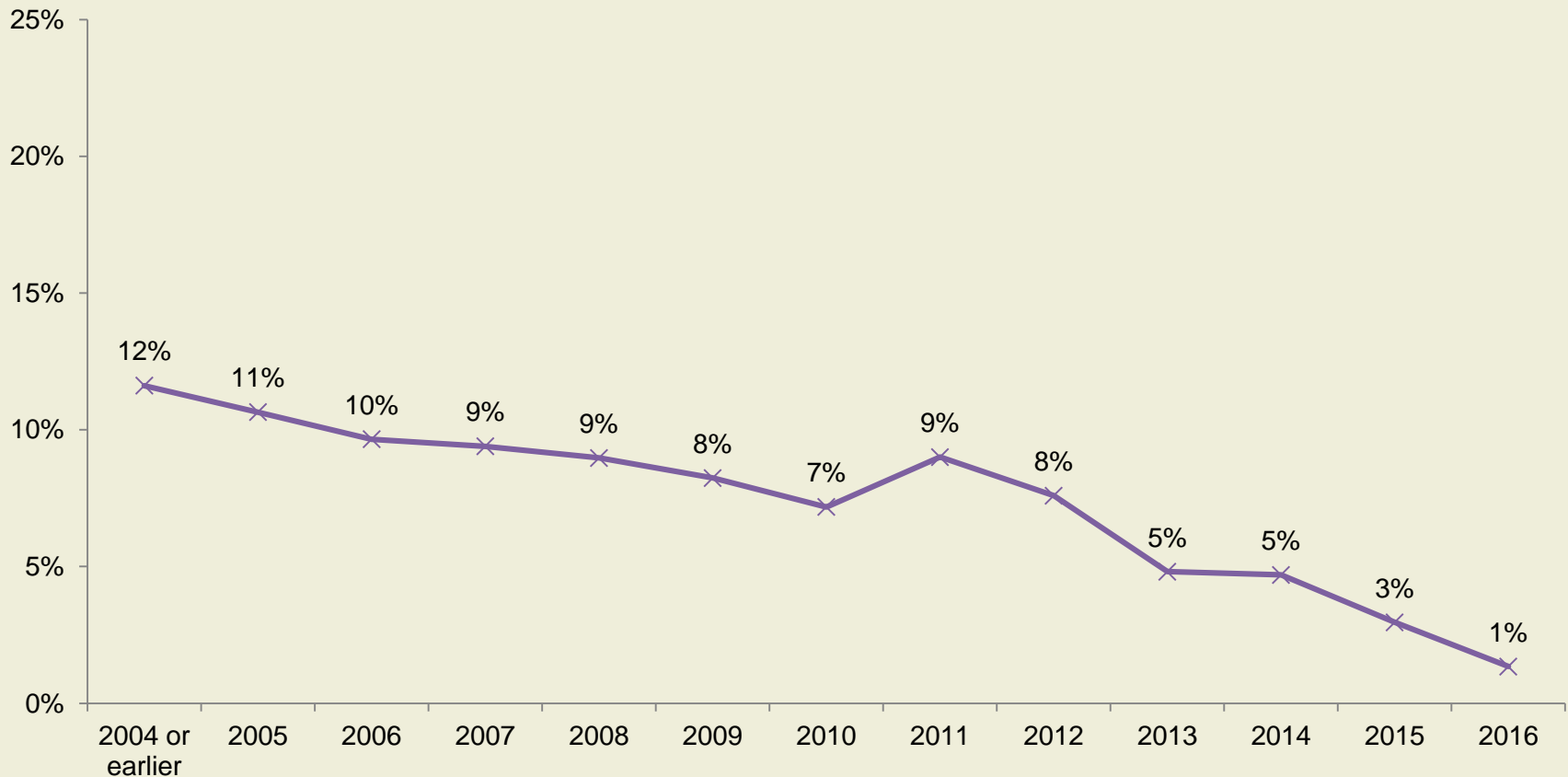
Annual Average Individual and Employer Contributions to HSAs, 2011-2016



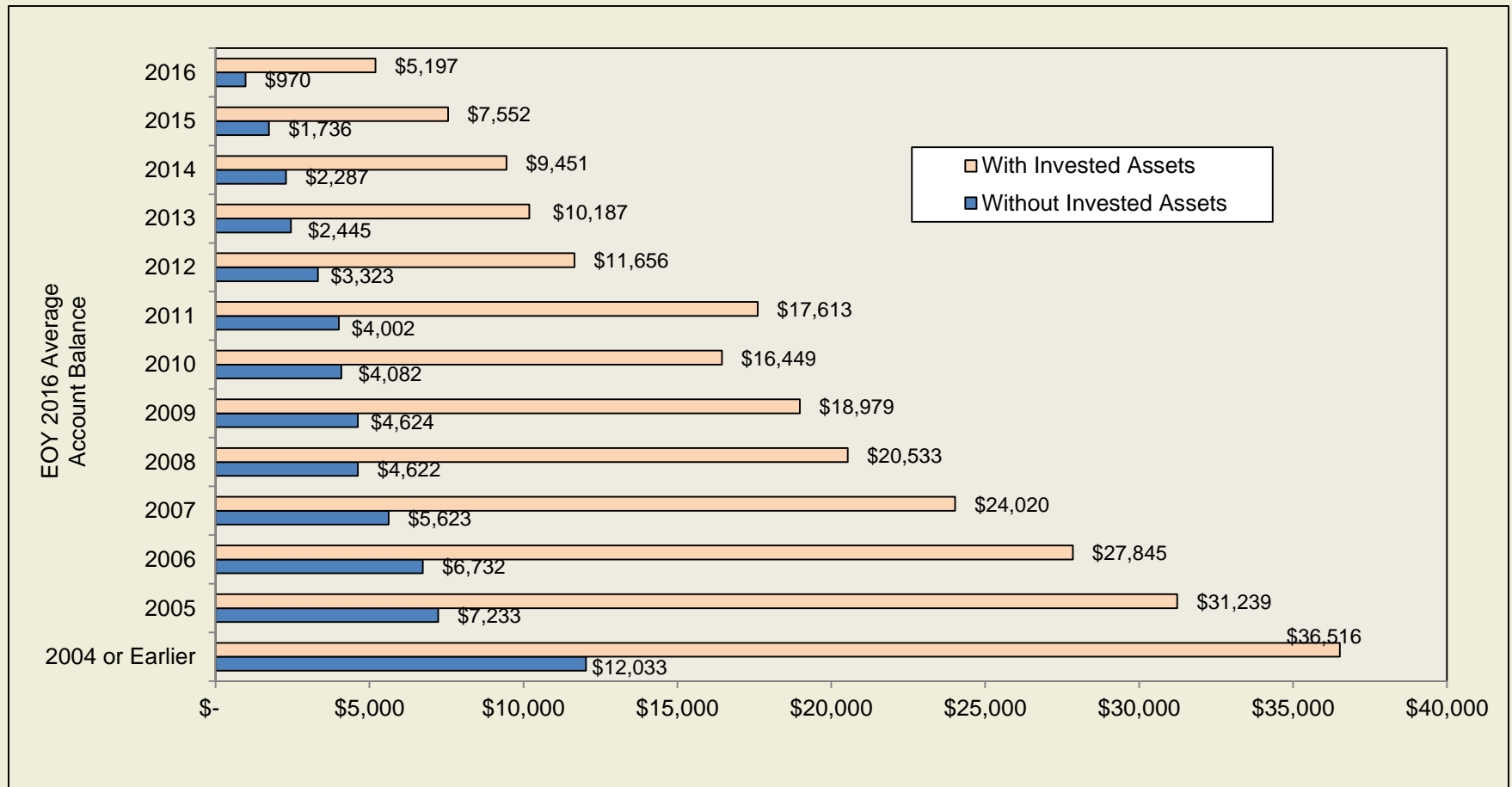
Annual Average Individual Contributions to HSA, by Year Account was Opened, 2016



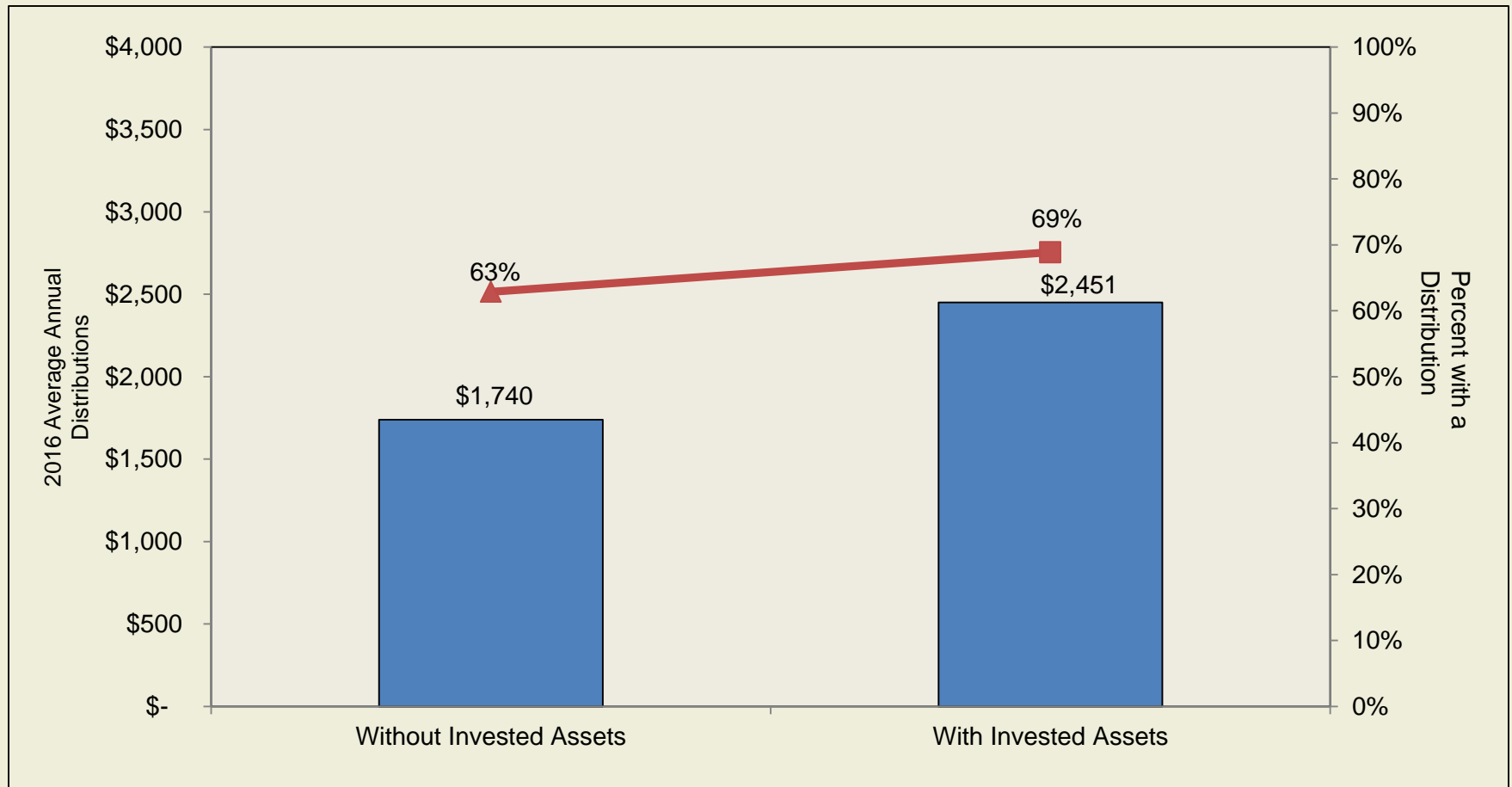
Are HSAs Being Used to Save for Retirement? Presence of Investments, by Year Account was Opened, 2016



Average End-of-Year Account Balance Among Accounts With Contributions and Invested Assets, by Year HSA Was Opened, 2016



Average Annual Distributions Among Accounts With Distributions and the Likelihood of Having a Distribution, by Presence of Invested Assets, 2016



Appendix

EBRI Research: Impact of HSA-Eligible Health Plans

- ["Consumer-Directed Health Plans Reduce The Long-Term Use Of Outpatient Physician Visits And Prescription Drugs."](#) *Health Affairs*, June 2013.
- ["Health Care Spending after Adopting a Full Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study."](#) *EBRI Issue Brief*, July 2013.
- ["Medication Utilization and Adherence in a Health Savings Account-Eligible Plan."](#) *American Journal of Managed Care*, December 2013.
- ["Brand-Name and Generic Prescription Drug Use After Adoption of a Full-Replacement, Consumer-Directed Health Plan With a Health Savings Account."](#) *EBRI Notes*, March 2014.
- ["Quality of Health Care After Adopting a Full-Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study."](#) *EBRI Issue Brief*, September 2014.
- ["The Impact of an HSA-Eligible Health Plan on Health Care Services Use and Spending by Worker Income."](#) *EBRI Issue Brief*, August 2016.
- ["The Impact of Offering Free Coverage on Enrollment Choice and Risk Selection in an HSA-eligible Health Plan."](#) *EBRI Issue Brief*, July 2017.

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