

## WORDS OF AUTHORITY

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# How the Convergence of Health and Wealth Impacts Employer Benefits Programs

WHITE PAPERS

**W**ith the high cost of healthcare services in today's marketplace, it's more important than ever for healthcare consumers to focus not only on their physical health but also on their financial health. And for consumers entering retirement age, particularly the baby boomer generation, physical health and its potential costs are a top concern. This uneasiness is compelling some consumers to work well into the typical retirement years, increasing healthcare costs for employers.

Educating employees on how to manage their healthcare finances alongside their physical health is an important component of helping them prepare to balance the decisions and costs associated with healthy living and healthcare. However, more than education is needed. Employers and plan sponsors are seeking actionable ways to measure and improve employee engagement when it comes to physical and financial health.

The *HSA Bank Health & Wealth Index<sup>SM</sup>* raises awareness of gaps in the knowledge and behaviors of consumers. The supplemental calculator tool provides a personalized starting point for employees with actionable recommendations to increase engagement. The goal of these tools is to encourage consumers to think and act differently, specifically for the long term.

## Consumers Can Improve Their Focus on the Financial Aspect of Healthcare

According to the *HSA Bank Health & Wealth Index*, 41 percent of consumers never save money for future healthcare expenses, and 35 percent never consider cost when selecting health services. Additionally, the majority of consumers (83 percent) agree that their health-plan coverage helps them attain the medical services needed while managing costs; however, 35 percent are not aware of their health plan's



cost-sharing amounts, including the copay, deductible or out-of-pocket maximum. Consumers' confidence in the effectiveness of their health plan's ability to help them attain medical services while managing costs is surprising given that many do not fully understand the financial implications behind the medical services they receive. These findings indicate there is room for improvement when it comes to the engagement level of consumers.

The good news is that consumers are willing to make changes, evidenced by the fact that 93 percent received at least one preventative health service or screening annually. The majority of consumers (86 percent) believe they have made lifestyle changes to improve their health in the past year. The next step is to enable consumers to pay more attention to improving both their health and wealth engagement, and to provide them with the tools and knowledge to do so.

## Improve the Health and Wealth Engagement of Employee Populations by Focusing on the Masses

The index grouped consumers into four categories that identify how they rank for both physical and financial well-being: minimally engaged, moderately engaged, highly engaged

and optimally engaged. The index found that 7.4 percent of consumers are minimally engaged, 33 percent are moderately engaged, 37 percent are highly engaged and 22.6 percent are optimally engaged. Many would assume that the best way to help employees is to focus on the minimally engaged group.

However, HSA Bank recommends focusing on the masses to achieve the greatest impact. Consumers in the moderately to highly engaged categories make up 70 percent of the employee population, and their current engagement level suggests that they may be more open to taking further steps to improve their financial well-being.

Employees do not need to take all steps at once; making small changes and establishing positive financial-wellness habits can make a big difference. With the actionable direction provided by the index and calculator, employers can help employees assess their current engagement level and develop and implement effective benefits programs. These programs will put employees on the path to a healthy physical and financial future.

For more information, visit [hsabank.com/HRE2018](http://hsabank.com/HRE2018). To get your personal health and wealth index score, visit [hsabank.com/indexscore](http://hsabank.com/indexscore).