



CDH Industry Report

Health Plan Professionals
Envision HSAs and CDH in Future
Healthcare System

August 2017

EXECUTIVE SUMMARY

The ever-changing healthcare landscape has been top of mind for Americans in 2017, primarily due to the current administration's focus on healthcare reform which has brought significant attention to the industry.

This survey aims to gauge sentiment on key issues facing the U.S. healthcare system from those in the health plan industry by asking questions related to healthcare reform improvements, the structure of Health Savings Accounts (HSAs), and consumer understanding of health plan coverage.

KEY TAKEAWAYS

- 1** *Insiders of consumer-directed healthcare and health plans see eye to eye on HSA enhancements.*
- 2** *Americans lack understanding of their health plan coverage; improvements are seen under HSA-based plans.*
- 3** *Increased personal control found to be the second most important improvement to be incorporated in healthcare reform.*

ABOUT THE REPORT

The report was compiled from 326 anonymous survey responses from health plan professionals collected in June 2017. The survey asked respondents five multiple-choice questions and was conducted by a third-party on HSA Bank's behalf.

SURVEY FINDINGS

1

Insiders of consumer-directed healthcare and health plans see eye to eye on Health Savings Account enhancements.

Encouraging a healthcare system that values consumer choice and allows individuals to elect the health plan that best supports their individual health and financial needs has been a top priority for the consumer-directed healthcare (CDH) industry.

Those involved in the CDH industry have been supportive of changes to Health Savings Accounts (HSAs) that would improve the consumer's ability to own their health.

When health plan professionals were asked about enhancements to the existing HSA structure that would be most valuable to consumers, the top three survey responses reflected alignment with the perspective of CDH industry insiders.



Expanding the definition of high deductible health plans (HDHPs)

An expanded definition of HDHPs would allow more Americans to have access to HSAs and benefit from the triple tax advantage that accompanies the account, when funds are used to pay for IRS-qualified medical expenses.



Higher funding limits

Higher funding limits will allow consumers to cover the entire out-of-pocket exposure of the health plan with HSA funds, and provide a savings vehicle to grow funds needed to pay for healthcare expenses in retirement.



Medicare HSA option

Currently, individuals enrolled in Medicare are unable to contribute to an HSA. A Medicare HSA option would allow Americans enrolled in Medicare to open and fund a tax-advantaged account to help them pay and save for healthcare expenses in retirement.

The response from health plan professionals validates the enhancements to HSAs that HSA Bank, and others in the industry have been supporting, which would simplify how individuals are able to save with an HSA and expand the availability of HSAs to more Americans.

2

Americans lack understanding of their health plan coverage; improvements are seen under HSA-based plans.

Most Americans don't have a comprehensive understanding of their health plan coverage making it difficult to make the right decisions. The majority of respondents either disagreed (39 percent) or somewhat disagreed (32 percent) with the statement "In general, Americans with health plan coverage understand how it works."

This is a significant hurdle that needs to be solved in order to improve the healthcare system across the country.



45%

BELIEVE THOSE WHO HAVE AN HSA-BASED PLAN HAVE A BETTER UNDERSTANDING OF THEIR HEALTH PLAN COVERAGE

Although consumer understanding of health plan coverage is questionable, the survey found that 45 percent of respondents believe when consumers have an HSA-based plan versus a non-HSA-based plan, their understanding of their health plan coverage improves.

These findings reinforce the premise that consumer-directed healthcare makes Americans better healthcare consumers by improving the way they manage their health and healthcare spending, due to a greater understanding of their plan. While there is significant improvement that needs to be made to American's understanding of healthcare and plan coverage, HSAs and CDH plans, when combined with ongoing education and tools that compare cost, quality and value could close this gap.

3

Increased personal control found to be the second most important improvement to be incorporated in healthcare reform.

The survey findings show that the majority of respondents (56 percent) believe "reduced costs for individuals and their families" is the most important improvement that should be made in healthcare reform. This is the expected top response as healthcare costs continue to rise and remain a primary concern for Americans.

It was anticipated that "no exclusions for individuals with pre-existing conditions" and "increased provider choice" would follow "reduced costs" as key improvement initiatives. However, a quarter of respondents (26 percent) indicated "increased personal control" as the second most important improvement to healthcare reform. This finding bodes well for consumers and could be linked to the second takeaway of the survey, in which health plan professionals indicated consumer understanding of health plan coverage improves under HSA-based plans.



26%

BELIEVE INCREASED PERSONAL CONTROL IS THE SECOND MOST IMPORTANT IMPROVEMENT TO HEALTHCARE REFORM

Increased personal control is the premise of consumer-directed healthcare and HSAs, enabling consumers to select providers and services based on cost, quality, and value.

The healthcare reform efforts that have been presented thus far have included provisions related to consumer-directed healthcare, which align with the improvements that a quarter of respondents deem to be the most important improvement to healthcare reform.

CONCLUSION

The value of consumer-directed healthcare and specifically HSAs in the future healthcare system can be seen in the responses from health plan professionals who are seeking increased personal control for consumers, greater consumer understanding of plan coverage, and improvements to HSAs that would simplify the accounts and expand access for Americans.



HSA



FSA



HRA



COMMUTER
BENEFITS

ABOUT HSA BANK

HSA Bank is a trusted leader in consumer-directed healthcare (CDH), focusing on Health Savings Accounts (HSAs) for over two decades and serving as both the bank and administrator. Discover how we can support your benefits strategy with our comprehensive account-based health benefit solutions that include HSAs, Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs), and Commuter Benefits. With a reputation for outstanding service and thought leadership in the CDH space, we offer one platform and one portal for all of our members. HSA Bank inspires over 2 million members and more than 35,000 employer groups to own their health by making it easy to access, understand, and afford healthcare. HSA Bank has \$6 billion in assets under management with nearly \$5 billion in HSA deposits and over \$1 billion in investment assets, and is a division of Webster Bank, N.A., Member FDIC.

CONTACT US

To learn more about the value of consumer-directed healthcare and Health Savings Accounts in the future healthcare system, contact our Business Relations team at 866-357-5232 or businessrelations@hsabank.com.