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New Research from EBRI:

HRA/HSA Health Plan Contributions Continue to Grow

WASHINGTON—A growing share of both employers and individual participants are contributing to their health reimbursement arrangements (HRAs) and health savings accounts (HSAs), according to a new report from the nonpartisan Employee Benefit Research Institute (EBRI).

Almost 70 percent of workers with an HRA or HSA said their employers contributed to the account in 2012, continuing a steady increase since 2009, EBRI found. Employer contributions of \$200–\$499 increased from 14 percent to 22 percent between 2009 and 2011, while employers that contributed \$1,000 or more increased from 24 percent to 28 percent. Among workers with family coverage, employer contribution levels were unchanged between 2010 and 2012, with 63 percent contributing \$1,000 or more.

Individuals' contributions to HSA plans have varied over the years but generally have been increasing, the survey found. In 2012, 15 percent of individuals reported they contributed nothing to their HSA, 42 percent said they contributed \$1,500 or more. The data come from the 2012 EBRI/MGA Consumer Engagement in Health Care Survey (CEHCS).

“The share of the adult population with private health insurance enrolled in an HRA or with an HSA-eligible plan continues to increase, and employer contributions to the account also increased,” said Paul Fronstin, director of EBRI’s Health Research and Education program. “This may be due to the strengthening economy.”

HRAs and HSA-eligible health plans constitute what is called “consumer-driven” health plans (CDHPs). According to the 2012 CEHCS, 11.6 million adults ages 21–64 (or 7 percent of the population) were enrolled in a plan with an HRA or HSA. An additional 7 million reported that they were covered by an HSA-eligible plan but had not opened such an account. Thus, overall, 18.6 million adults ages 21–64 with private insurance, representing 15.4 percent of that market, were either in a CDHP or an HSA-eligible plan but had not opened the account that would be used to fund covered expenses. When their children were counted, 25.2 million individuals with private insurance, representing 14.6 percent of the market, were either in a CDHP or an HSA-eligible plan.

The report found a correlation between health engagement and individual contributions to an HSA. Those defined as being engaged in their health reported that they did at least one of the following: checked whether their health plan would cover their care or medication; checked the price of a doctor’s visit, medication, or other health care service before receiving care; checked the quality rating of a doctor or hospital before receiving care; talked to their doctor about prescription options, costs, other treatment options and costs; used an online cost tracking tool provided by their health plan to manage health expenses; developed a budget to manage healthcare expenses; asked for a generic drug instead of a brand name drug; or asked their doctor to recommend a less costly prescription drug.

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It was found that individuals with some engagement with the health care system contributed higher amounts to their HSA than those with no engagement. In 2012, 48 percent of those with no engagement with the health care system contributed \$1,500 or more, whereas 55 percent of those with some engagement with the health care system contributed \$1,500 or more.

The February *EBRI Notes* article, “Employer and Workers Contributions to Health Reimbursement Arrangements and Health Savings Accounts, 2006–2012,” presents findings from the 2012 EBRI/MGA Consumer Engagement in Health Care survey, as well as earlier surveys, examining the availability of HRAs and HSA-eligible health plans. It also looks at employer and individual contribution behavior. The report is available on EBRI’s website at www.ebri.org

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