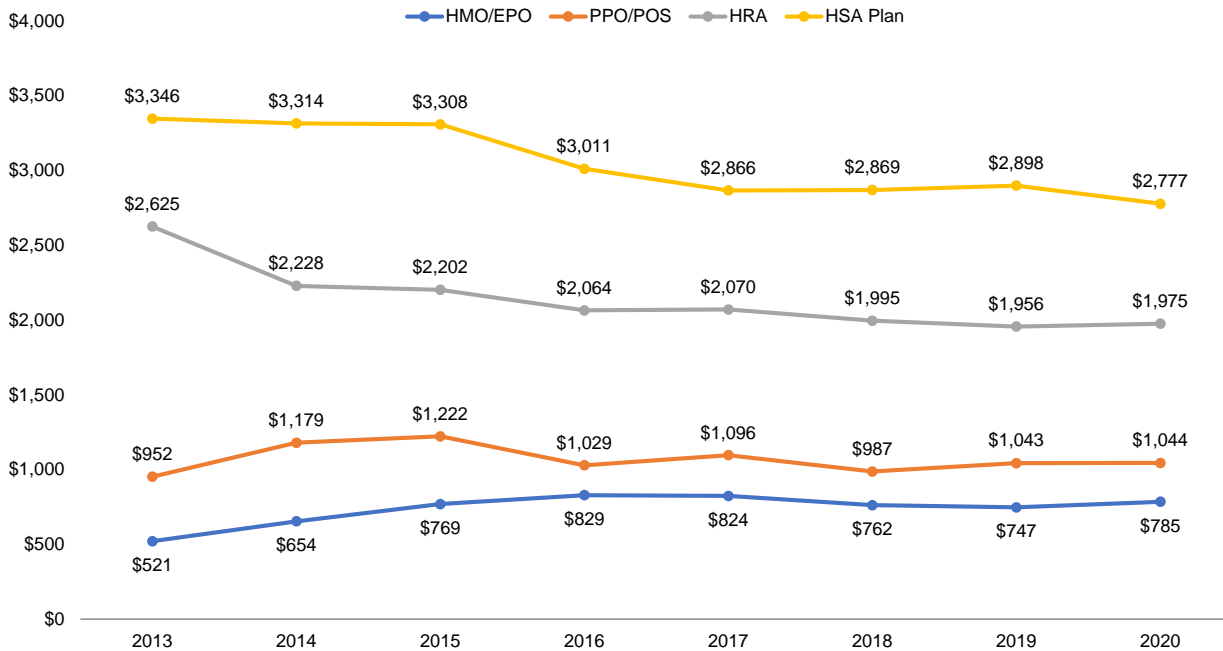


HSAs Reduce Use of Outpatient Services and Prescription Drugs, Increase Use of Inpatient Services; Overall Spending Unaffected

It appears that deductibles have been falling in both real and nominal dollars in health savings account (HSA) plans, but they have been increasing in other types of health plans, such as preferred provider organizations (PPOs). Furthermore, employer contributions to HSAs fill in part of the difference in deductibles between HSA plans and PPOs. While a gap remains, the movement of PPO deductibles toward HSA plan deductibles raises a question as to whether differences in deductibles are less of a distinguishing factor when it comes to managing health care use by type of health plan. If that is the case, it is important to understand whether the HSA impacts use of health care services and overall spending. A recent Employee Benefit Research Institute (EBRI) [report](#) found that HSA plans have mixed effects on use of health care services. Inpatient admissions and days were higher in HSA plans than in PPOs. The additional inpatient admissions do not appear to be coming from emergency department visits, as HSA plan enrollees used emergency departments less than PPO enrollees.

Figure 1
Deductibles, Employee-Only Coverage, by Plan Type, 2013–2020



Source: Employee Benefit Research Institute estimates based on administrative enrollment data.
Note: Deductibles are adjusted for inflation and are in 2020 dollars.

Other Key Findings From the Report:

- Office visits shifted from specialist visits to primary care visits among HSA plan enrollees.
- HSA plan enrollees filled fewer prescriptions as compared with PPO enrollees.
- When it comes to health conditions, we see vast differences in changes in use of health care services by plan type between those with no health conditions and those with two or more. Among individuals with no health conditions, HSA plans resulted in fewer emergency department visits relative to PPO enrollees, fewer specialist visits, and fewer prescription drug fills, while visits to primary care providers increased. In contrast, among enrollees with two or more health conditions, there were no instances of decline in health care services among those in HSA plans relative to PPO enrollees. Instead, those with two or more health conditions experienced increases in inpatient admissions, inpatient days, and primary care office visits.
- Overall, HSA plan enrollment had no impact on total spending — there was no statistically significant difference in overall spending between HSA plan and PPO enrollees. However, spending was \$60.30 or 2 percent lower per member per year among HSA plan enrollees with no health conditions as compared with PPO enrollees, but spending was \$2,490 or 6 percent higher per member per year among HSA plan enrollees with two or more health conditions. This higher spending was driven by 21 percent higher spending on inpatient services.

About EBRI: The Employee Benefit Research Institute is a private, nonpartisan, and nonprofit research institute based in Washington, D.C., that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public and private organizations. For more information, visit www.ebri.org.

A Thank You to Our Funders: This study was conducted through the EBRI Center for Research on Health Benefits Innovation (EBRI CRHBI), with the funding support of the following organizations: Aon, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, and PhRMA.

###