



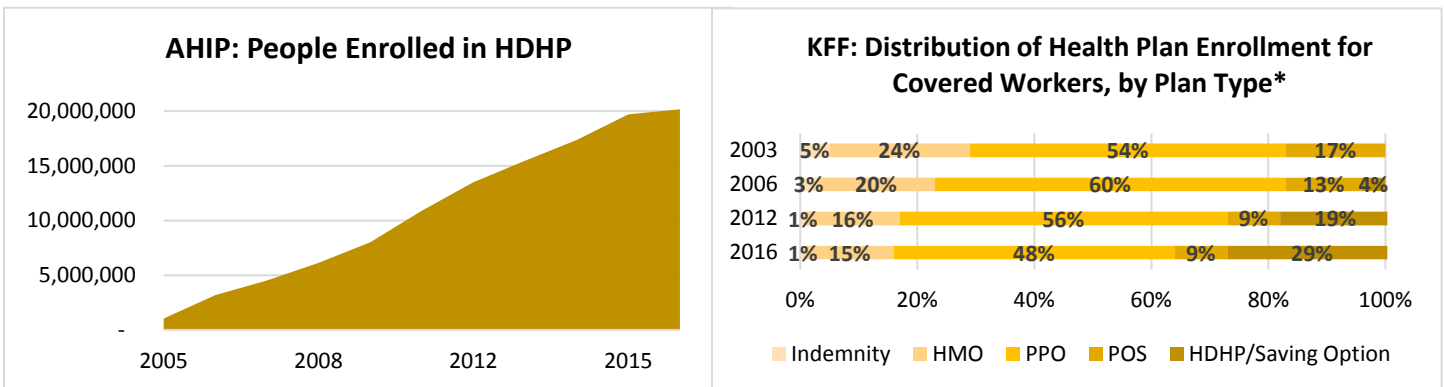
CONSUMER DIRECTED HEALTH PLANS WITH HSAs ARE GROWING IN POPULARITY

Takeaway: More people are using HDHP/HSA plans and these plans helped control the cost of health care for participants. HSAs offer a cost effective payment and savings option for an increasing number of Americans.

Cost effective choice. Consumer-directed health plans—typically a High Deductible Health Plan with a Health Savings Account (HSA) or other savings option—offer the benefit of a lower premium along with a tax-favored savings vehicle to help consumers afford the deductible and other out-of-pocket costs.

Increasingly popular. The number of people enrolled in some form of consumer-directed health plan has risen dramatically since HSAs were created when President George W. Bush signed the Medicare

Modernization Act of 2003 into law.¹ According to data from the Kaiser Family Foundation employer benefits survey, nearly 30 percent of employees nationwide were covered under HDHP plans with a savings option like an HSA in 2016.² According to America's Health Insurance Plans (AHIP) 2016 survey of health insurance companies, 20.2 million people were enrolled in HDHP/HSA plans in 2015, either individually or through their employer.³



Informed choices. AHIP reports that most HDHP/HSA insurance companies offer services that help their enrollees make informed decisions regarding their care and health care budget. Of the insurers surveyed, 60 percent offered physician specific quality data, 67 percent offered hospital quality data, 87 percent offered information regarding the enrollee's HSA, and 98 percent offered health/wellness resources.⁴

Health care cost containment. On a macro level, economists at Harvard and Dartmouth found that the rise in cost sharing through HDHPs helped to control costs.⁵ Across a three-year study of employer sponsored HDHPs, economists found reductions in health care cost growth beyond the first year of using such a health insurance plan.⁶

For families choosing health coverage, HDHP/HSA plans offer a cost effective option to save for, and pay for, health care services.

¹ P.L. 108-173, Section 1201

² KFF, "Employer Health Benefits Survey: 2016," Exhibit 5.1, p. 79

³ AHIP, "2016 Survey of Health Savings Account – High Deductible Health Plans," https://ahip.org/wp-content/uploads/2017/02/2016_HSASurvey_Draft_2.14.17.pdf

⁴ AHIP, "2016 Survey of Health Savings Account – High Deductible Health Plans," Figure 5, https://ahip.org/wp-content/uploads/2017/02/2016_HSASurvey_Draft_2.14.17.pdf

⁵ Chandra, Amitabh, Jonathan Holms and Jonathan Skinner, "Is This Time Different? The Slowdown in Healthcare Spending," National Bureau of Economic Research, December 2013, <http://www.nber.org/papers/w19700.pdf>

⁶ Haviland, Amelia, Matthew D. Eisenberg, Ateev Mehrotra, Peter J. Huckfeldt, Neraj Sood, "Do 'Consumer-Directed' Health Plans Bend the Cost Curve Over Time?" National Bureau of Economic Research, March 2015, p.28, <http://www.nber.org/papers/w21031.pdf>

* Plan types: HMO is Health Maintenance Organization, PPO is Preferred Provider Organization, POS is Point of Service Plan