

For Immediate Release

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Growing Health Savings Account Balances Impact Health Care Access, Increase Spending

Small, but significant increase in health care consumption exposes need for more education on the value of accounts for meeting long-term health care needs.

Washington, D.C. – May 23, 2019 — A new study from the EBRI Center for Research on Health Benefits Innovation finds a relationship between health savings account (HSA) balances and increased use of health care services. Consumers with larger HSA balances at the beginning of the year visited the emergency room, primary care physicians, and specialists with greater frequency than those with lower HSA balances.

The study, “Do Accumulating HSA Balances Affect Use of Health Care Services and Spending?,” also found that those with higher HSA balances at the beginning of the year were more likely to use chiropractic services, physical therapy, psychotherapy, blood tests, X-rays, CT scans, MRIs, and musculoskeletal surgery than individuals with lower balances.

Employers have adopted HSA-eligible health plans as a way to manage the cost of providing health benefits to workers and their families. HSA-eligible health plans are expected to make health plan members more cost conscious because they are paying more out of pocket than in traditional health plans. In theory, health plan members will use less unnecessary care and will be more cost conscious about the health care services that they use.

“Larger HSA balances may be viewed as ‘free money’ to pay for current health care,” said Paul Fronstin, Director of the Health Research and Education Program at EBRI and co-author of the study. “Employees may not realize they can save their HSA balances for expenses in retirement and that this can provide an important way to meet retirement spending needs.”

Balances in HSAs more than doubled in the study population between 2014 and 2016. Among enrollees with employee-only coverage, balances increased from \$1,131 at the beginning of 2014 to \$2,861 at the beginning of 2016. Similarly, balances more than doubled among enrollees with family coverage. The average balance was \$3,312 at the beginning of 2016. The percentage of accounts with a zero balance at the beginning of the year fell to nearly nothing after two years of contributions. Only 2 percent of HSAs started 2016 with a zero balance. At the beginning of 2014, 20 percent of those with employee-only coverage and 17 percent of those with family coverage had a zero balance.

The health insurance eligibility and claims data for this study come from an employer with approximately 120,000 employees and were matched to HSA balance, contribution, distribution, and investment data from the EBRI HSA database. A subset of about 6,500 policyholders was used in the study. Data from 2014–2016 was analyzed.

The EBRI Center for Research on Health Benefits Innovation is financially supported by Aon Hewitt, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, Milliman, Pfizer, and PhRMA. The study, “Do Accumulating HSA Balances Affect Use of Health Care Services and Spending?,” is available at www.ebri.org.

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