



# National Association of Health Underwriters

*America's Benefits Specialists*

## Health Savings Accounts Myths and Realities

### Myth

Health Savings Accounts will only appeal to healthy upper income individuals.

### Fact

Although HSAs are new, we do have two years of experience with Health Reimbursement Arrangements (HRAs). Six insurance companies with experience in this area recently presented evidence at a Galen Institute briefing that showed the following facts:

- Enrollees in these new plans are more likely to be older and sicker, not young and healthy.
- Despite this, these plans do lower costs.
- Utilization of preventive services increases by as much as 60%.
- Patients choose generic drugs up to 50% more often.
- Satisfaction and re-enrollment rates are high, up to 98%.

### Other highlights from the briefing:

- Aetna conducted a detailed study of enrollees in its consumer choice Health Fund and matched it to a similar population. The results: Costs for the Health Fund group rose by only 1.5% while the control group rose 15.7%.
- Definity Health is getting a larger number of less healthy claims – patients with significantly higher risk factors.
- People pay more attention to their health and use resources such as nurse hotlines and on-line information services more often.
- Populations in Destiny's program were equally mixed between blue and white collar workers, with lower-income workers more likely to see the value of this savings opportunity than higher income employees since a savings of \$1,000 a year is more valuable for someone making \$25,000 a year than for someone making \$100,000.

### Conclusions

The accusation that these plans are selected only by the healthy and wealthy doesn't hold up against actual experience. Older workers and those who may need more health services see greater value in the control they get over their health choices. They're using preventive services and making wiser choices on discretionary expenses, reducing the use of the emergency room and outpatient visits and using generic drugs more often.

Details from the briefing are available at <http://www.galen.org/ccbdocs.asp?docID=601>