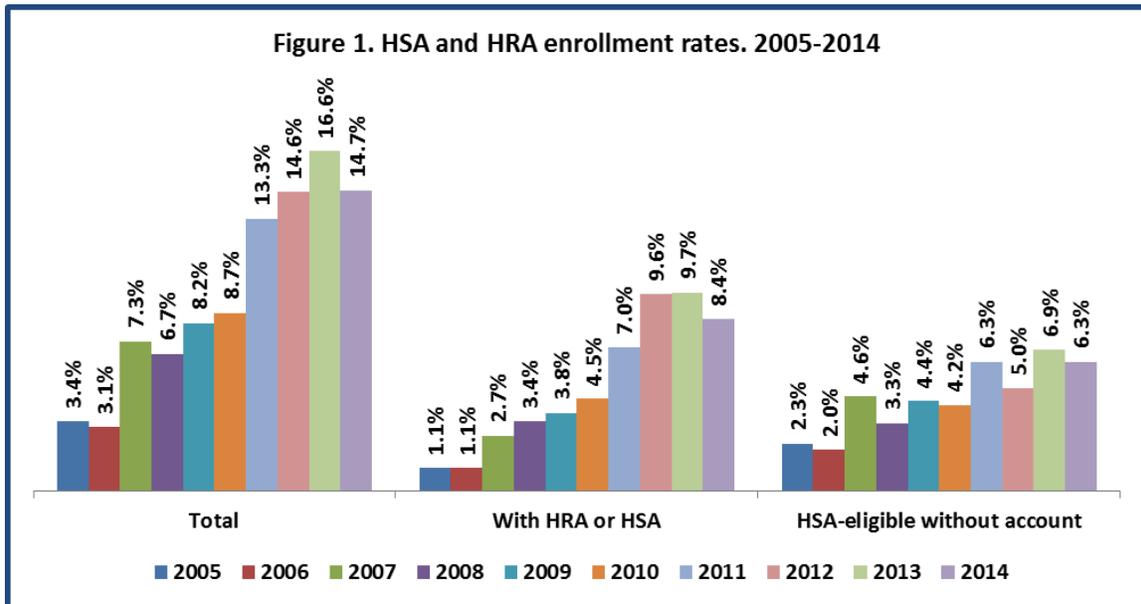




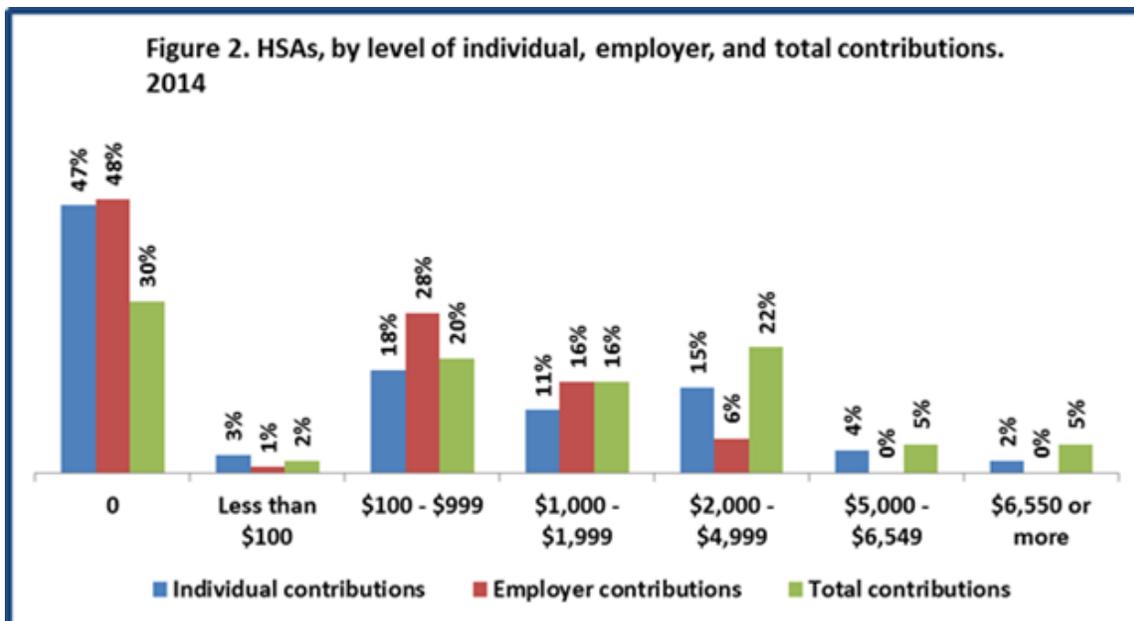
Latest Trends in High Deductible Health Plans

According to a new report from the Employee Benefit Research Institute (EBRI), enrollment in health savings account (HSA)-eligible health plans is estimated to be about 17 million policyholders and their dependents, and it has also been estimated that there are 13.8 million accounts holding \$24.2 billion in assets as of December 31, 2014. Almost four in five HSAs have been opened since the beginning of 2011 (Figure 1). Key highlights of the report are below:



- Enrollment in HSA-eligible health plans is expected to grow. Twenty-seven percent of employers with 10-499 employees and 48% of employers with 500 or more employees offered an HSA-eligible health plan or health reimbursement arrangement (HRA) in 2014. By 2017, 36% of employers with 10-499 employees and 66% of employers with 500 or more employees are very likely to offer such a health plan. It is expected that 18% of employers with 500 or more workers will offer an HSA-eligible health plan or HRA as the only plan option by 2017.
- HSA owners were fairly evenly distributed by age. One-quarter each were ages 25-34, 35-44, or 45-54. About one-fifth (19%) were ages 55-64, while only 4% were under age 25, and 3% were ages 65 and older. The average age was 43.4 years.
- Just over one-half (53%) of HSA owners contributed to their account (Figure 2). Eleven percent made a contribution in the range of \$1,000-\$1,999 and 15% contributed between \$2,000 and \$4,999. Only 2% contributed the maximum of at least \$6,550, though individuals

with employee-only coverage were allowed a maximum contribution of \$3,300 in 2014 (individuals ages 55 or older could make catch-up contributions up to an additional \$1,000).



- Just over one-half (52%) of HSA owners received an employer contribution. About one-quarter (28%) had an employer contribution of \$100-\$999; 16% received an employer contribution of \$1,000-\$1,999; and 6% had an employer contribution of \$2,000 or more. When accounts that received individual and employer contributions were combined, nearly one-third (30%) of accounts did not have any contributions, while 22% had contributions between \$2,000 and \$4,999, and 5% had \$6,550 or more in contributions.
- Contribution levels were higher in accounts that had investment assets. Among accounts with investment assets, 31% had contributions between \$2,000 and \$4,999, 11% had contributions between \$5,000 and \$6,549, and 11% had \$6,550 or more in contributions. Thirty-seven percent of HSAs with investment assets ended 2014 with a balance of \$10,000 or more. In contrast, among accounts that did not have investment assets, 17% had contributions between \$2,000 and \$4,999, 4% had contributions between \$5,000 and \$6,549, and 3% had \$6,550 or more in contributions.
- The average HSA balance at the end of 2014 was \$1,933, up from \$1,408 at the beginning of the year. Average account balances increased with the age of the owner of the account. Account balances averaged \$655 for owners under age 25 and \$5,016 for owners ages 65 and older.
- Among HSAs with investment assets, accounts opened in 2014 ended the year with an average balance of \$6,544; whereas those opened in 2005 had an average balance of \$19,269 at the end of 2014.
- HSAs with either individual or employer contributions accounted for 70% of all accounts and 86% of the assets in 2014. Four percent of these accounts ended the year with a zero balance.
- On a yearly average, individuals who made contributions deposited \$2,096 to their account. HSAs receiving employer contributions received \$1,021 a year, on average.
- Four-fifths of HSAs with a contribution also had a distribution for a healthcare claim during 2014. Among HSAs with claims, the average amount distributed for healthcare claims was \$1,951. Distributions for healthcare claims increased with age, with the exception of those ages 65 and older. Average annual distributions were \$636 for account owners under age

25; \$2,373 for account owners ages 55-64; and \$2,373 for account owners ages 55-64; and \$2,124 for account owners age 65 and older. Average annual distributions were higher for accounts that were older. However, the likelihood of taking a distribution for healthcare claims was higher among accounts opened more recently.

This report uses cross-sectional data from the EBRI's national HSA Database, which contains 2.9 million accounts with total assets of \$5 billion as of December 31, 2014.

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