

High Deductible Health Plans (HDHPs) & Health Savings Accounts (HSAs): Policy Goals and Evidence:



Building a People-Centered Health System



Goal

Trinity Health is committed to public policies that support better health, better care and lower costs to ensure affordable, high-quality, people-centered care for all. As Trinity Health assesses key components of Affordable Care Act (ACA) replacement proposals, it is important to review the pros and cons associated with each proposal and to evaluate the impact on coverage and access to affordable, high-quality, people-centered care.

Background & Purpose

Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs) are a popular benefit design, especially in commercial markets. They are also being heavily debated as part of ACA repeal and replacement proposals as well as Medicaid reform. The table below provides the “pros” and “cons” of extending HSA/HDHP plans more broadly to the subsidized marketplace and Medicaid populations. The pros and cons are based on available research and evidence assessing their impact, feasibility and success.

Defining the Terms: HSAs and HDHPs

High Deductible Health Plans: an insurance plan that meets specified requirements for deductibles and out-of-pocket expenses. Consumers are required to pay the amount of the deductible before the health plans contributes to costs.

Health Savings Accounts: a savings account into which consumers set aside money on a pre-tax basis to pay for qualified medical expenses (e.g. cost-sharing towards the deductible). Funds can roll over from year to year. HSAs and HDHPs are often paired together, so that HSA funds can be used to offset cost-sharing in HDHPs.

Policy	Pro ¹	Con ²
Increasing HSA/HDHP Enrollment in ACA and Medicaid Populations	<ul style="list-style-type: none"> Lower monthly premium could increase enrollment among healthier individuals. HDHPs increase consumer responsibility, may lead to decreased health spending. HSAs have tax benefits; contributions to and spending from are non-taxable. 	<ul style="list-style-type: none"> HSAs associated with financial burdens, especially for low-income populations. Higher cost-sharing negatively impacts pre-existing conditions. HSAs associated with delays or avoiding care.
Overall Takeaway – While HDHP/HSAs are valuable coverage options for many, they are not a one-size fits all solution. In particular, they are associated with delays in utilization of needed care and financial burdens on low-income beneficiaries.		
Trinity Health Supports policies that promote affordable coverage that incentivizes people to purchase insurance and responsibly use health care services.		
Supporting Research: 1. High-Deductible Health Plans. As high deductible health plans become increasingly prevalent in both group and individual markets, it remains to be seen how they will affect health care access and outcomes. (February 2014) Health Affairs and Robert Wood Johnson Foundation. Do “Consumer-Directed” Health Plans Bend the Cost Curve Over Time. (March 2015) National Bureau of Economic Research and Analysis of High Deductible Health Plans , Rand Corporation. Lifetime Accumulations and Tax Savings from HSA Contributions and “IRA Withdrawals in 2012 and Longitudinal Results, 2010–2012.” (July 2014) Employee Benefit Research Institute 2. Nearly Half of Families in High-Deductible Health Plans Whose Members Have Chronic Conditions Face Substantial Financial Burden (2011), Health Affairs. Delayed and Forgone Care for Families with Chronic Conditions in High-Deductible Health Plans (2012), Journal of General Internal Medicine. Value-Based Insurance Design: A “Clinically Sensitive, Fiscally Responsible” Approach to Mitigate The Adverse Clinical Effects of High-Deductible Consumer-Directed Health Plans (2007), Journal of General Internal Medicine		

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Mission: We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Core Values: Reverence • Commitment to Those Who Are Poor • Justice • Stewardship • Integrity

