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High-Deductible Health Plans and Health Savings Accounts:

A Match Made in Heaven but Not for This Irrational World

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In *JAMA Network Open*, a study by Kullgren and colleagues[1] fills a gap in our understanding of health savings account (HSA) use in the context of high-deductible health plans (HDHPs). Proponents for HDHPs argue that these plans can help bend the cost curve in the insured population because premiums are lower than in health plans with lower cost-sharing. In addition, it is argued that HDHP enrollees will be more price-sensitive consumers of health care because they must pay for the full cost of qualified health care services until they reach the deductible limit (a mean deductible of $5316 in 2020 Health Insurance Exchange plans).[2] Enrollees in HDHPs are offered HSAs to have the option of contributing pretax income to an account specifically used to cover the high cost-sharing of HDHPs, and HSA balances can accrue over time because they are not subject to the “use it or lose it” provision of flexible spending accounts. High-deductible health plans have the potential to realize these goals if enrollees participate in an HSA (when offered it) and make contributions equal to their expected out-of-pocket spending.

This study by Kullgren and colleagues[1] makes an important contribution to the existing literature by examining the proportion of HDHP enrollees who had an HSA, the proportion with an HSA who contributed money into it in the prior year, and patient factors associated with uptake and savings decisions. They addressed these questions using data obtained from an online survey fielded to a nationally representative panel of 1637 respondents from 2016. They found that a low proportion of HDHP enrollees were using HSAs to save for health care expenses, and a majority with an HSA saved no money in it. Specifically, 32.5% of HDHP enrollees did not have an HSA, and 55.0% of HDHP enrollees with an HSA did

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not contribute any (pretax) funds to their account in the prior 12 months.[1] There was no difference in HSA enrollment or contributions between patients with or without chronic conditions.

These findings are concerning given that the proportion of employers offering HDHPs has increased dramatically in the past 15 years. From 2005 to 2019, the proportion of employers offering an HDHP with a saving option increased from 4% to 28%.[3] For HDHPs to realize the goals of motivating patients to shop around for health care, increasing their price sensitivity and minimizing the chance that they forego necessary care, a high proportion of HDHP enrollees must enroll in an HSA and contribute sufficient funds to meet their out-of-pocket expenses. However, the study by Kullgren et al[1] showed that a sizable proportion of HDHP enrollees did not enroll in an HSA or contribute to it if they had an HSA. These results by Kullgren and colleagues[1] may help to explain why HDHP enrollees in another survey-based study[4] were not more likely to compare out-of-pocket cost differences across health care professionals than non-HDHP enrollees.

As a result, HDHPs seem to be shifting a substantial amount of risk from employers to employees. This is particularly concerning for low-income families who may not have discretionary income to contribute to an HSA. Kullgren and colleagues[1] found that higher-income respondents (ie, 250%-400% of the federal poverty level) were more likely to enroll in an HSA than lower-income respondents (<250% of the federal poverty level).[1] These enrollment differences may create a greater financial burden of out-of-pocket health care costs on lower-income families, but this study did not address that possibility. However, a recent study of low-income adults with multiple chronic conditions enrolled in employer-sponsored insurance found that almost half had a family out-of-pocket health care burden exceeding 20% of family disposable income, which was considerably higher than that of similar low-income adults in low-deductible or no-deductible plans.[5] Future work should evaluate the differences in short-term and longer-term delayed care, financial burden, health care spending, and health outcomes in HDHP enrollees with and without an HSA and lower-income and higher-income households to understand the full set of consequences of differential rates of HSA enrollment and savings. Such analyses would complement the important results from the study by Kullgren and colleagues.[1]

Based on this study, there is room for improvement in HSA enrollment and account contributions among HDHP enrollees. Employers and policy makers may be able to increase HSA enrollment and savings by making the benefits of HSA participation more transparent and understandable, because this study found that HSA enrollees in the highest tertile of health insurance literacy were more likely to contribute to their HSA than those in the lowest tertile.[1] Even greater improvements might be realized if employers leveraged the important insight from behavioral economics that default options strongly influence participation rates.[6] If HSA enrollment and a monthly contribution at a fixed amount or percentage of income were the default options that employees had to opt out of, future HDHP enrollees may not experience the same outcomes of those in the 2016 sample from this study.

The work by Kullgren et al[1] provides important insights about the discordance between HSA use by HDHP enrollees as intended by proponents and HSA use in the real world.

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More work is needed to make what appears to be a match made in heaven (HDHPs plus HSAs) work as expected in this imperfect real world that is filled with employees who may not be as rational as hoped.

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