

Consumer Directed Health Plans: What Does the Research Evidence Tell Us?

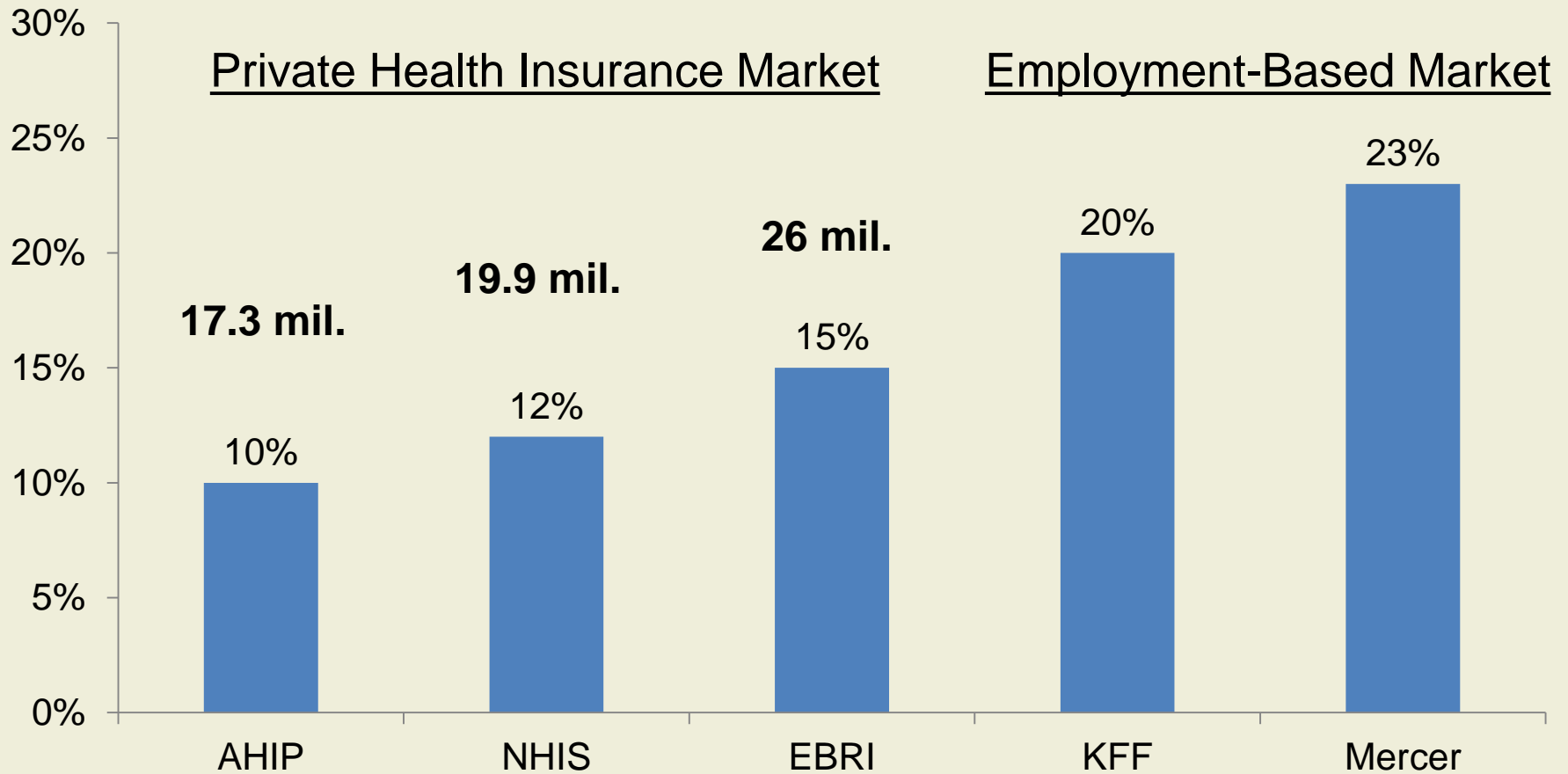
*Greater Philadelphia Business Coalition on Health
March 26, 2015*

Paul Fronstin, Ph.D.
Director, Health Research and Education Program
Employee Benefit Research Institute
Washington, DC

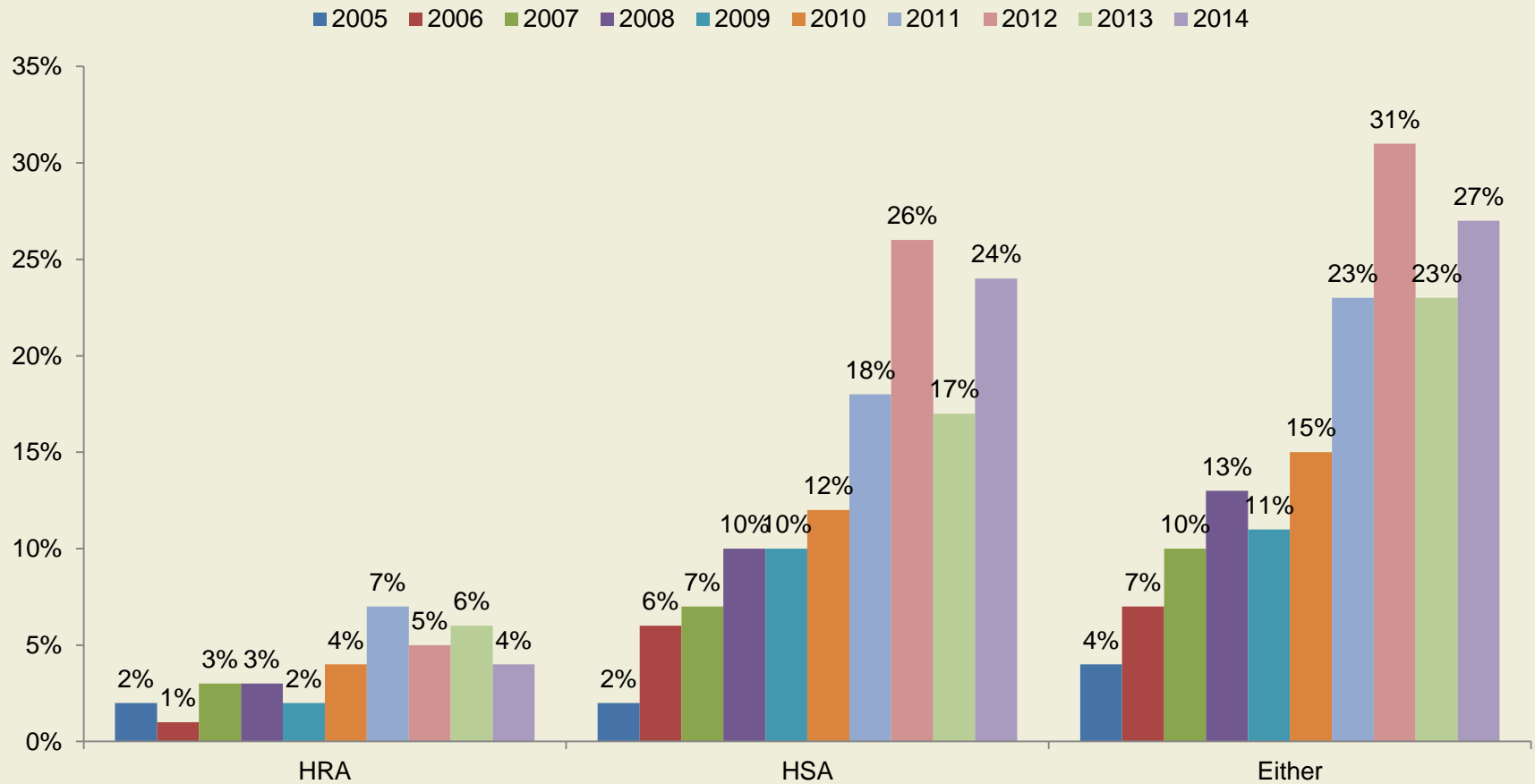
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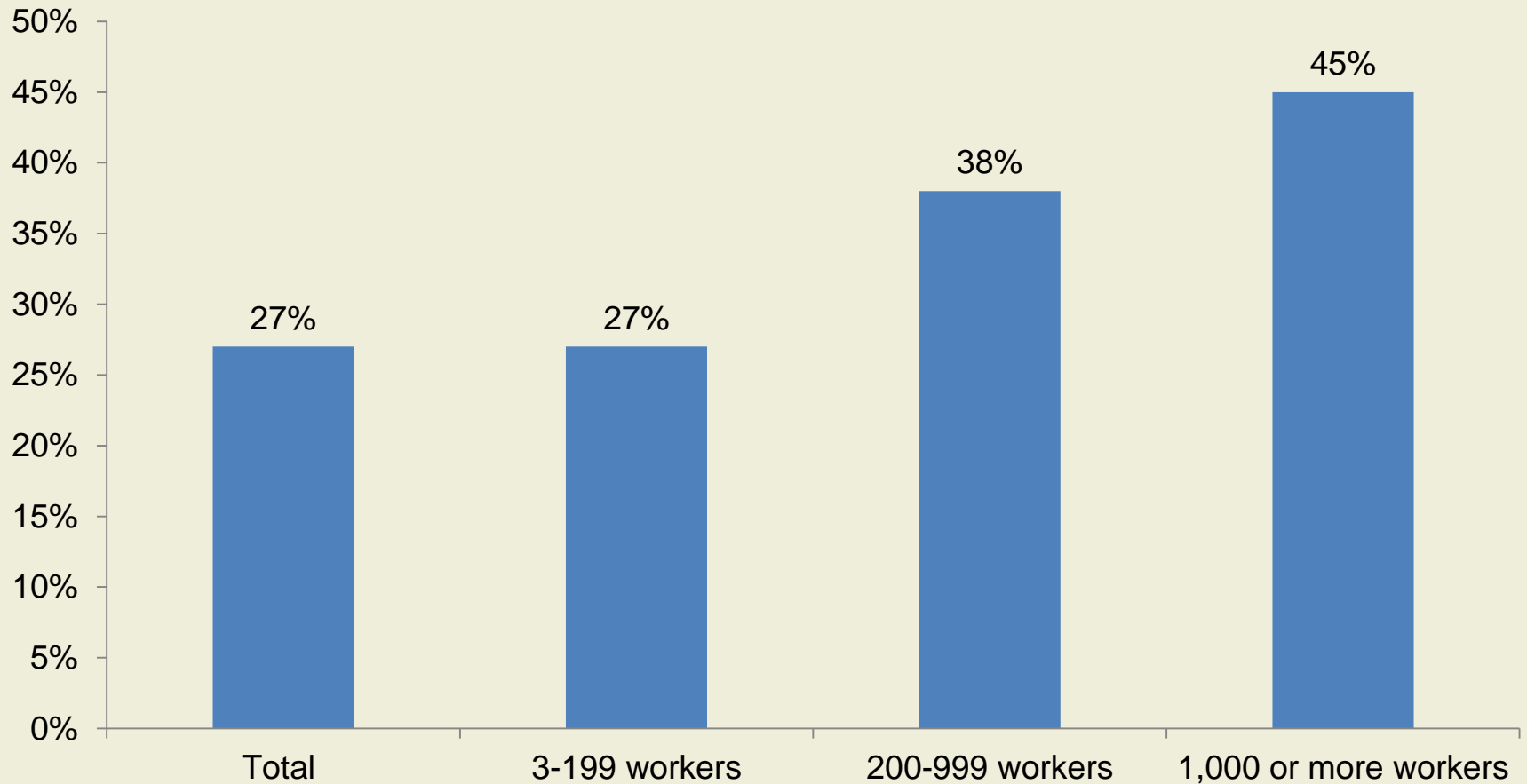
Percent of Private or Employment-Based Health Insurance Market Enrolled in CDHP, 2014



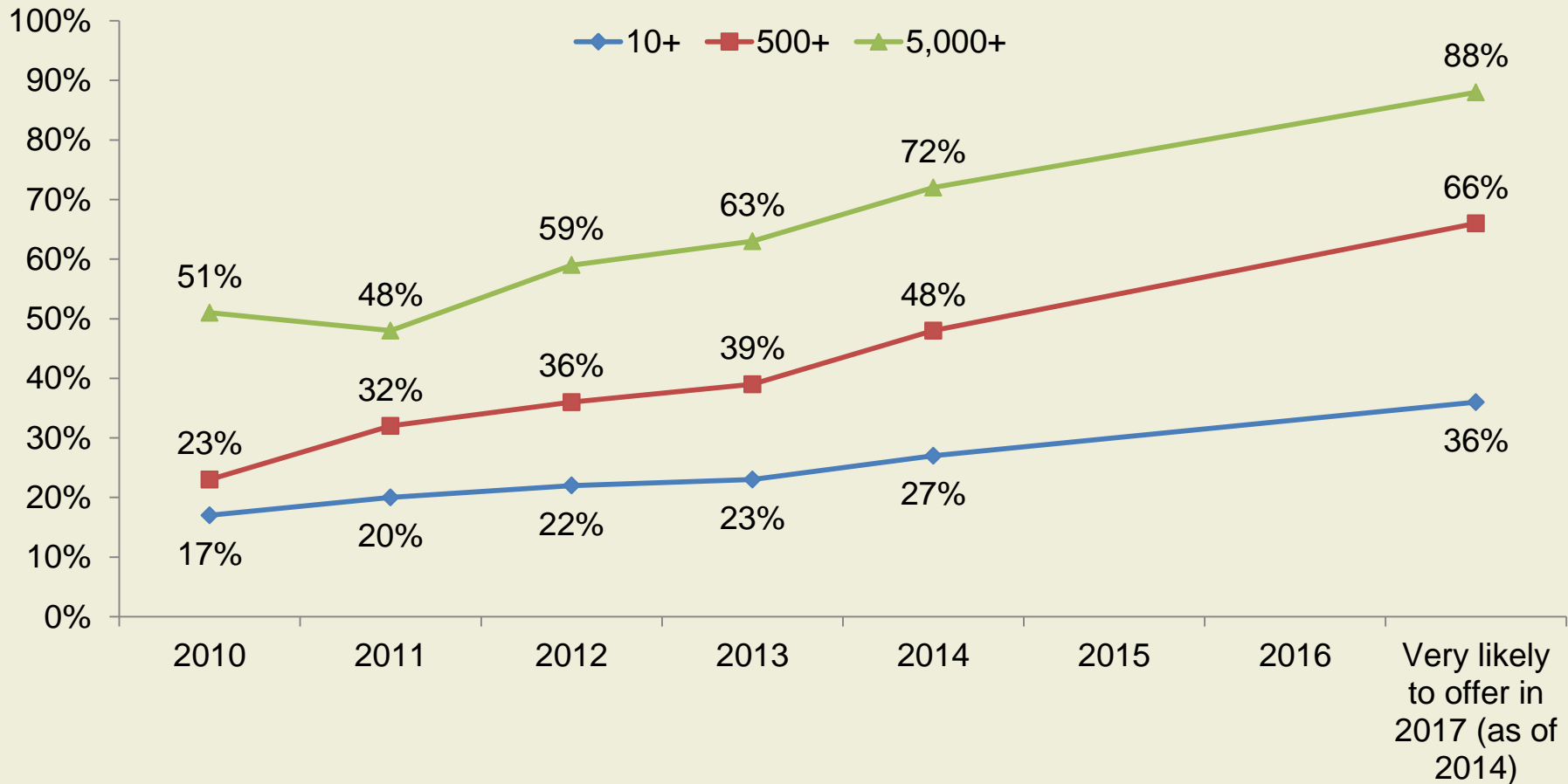
HSA & HRA Offer Rates, 2005-2014



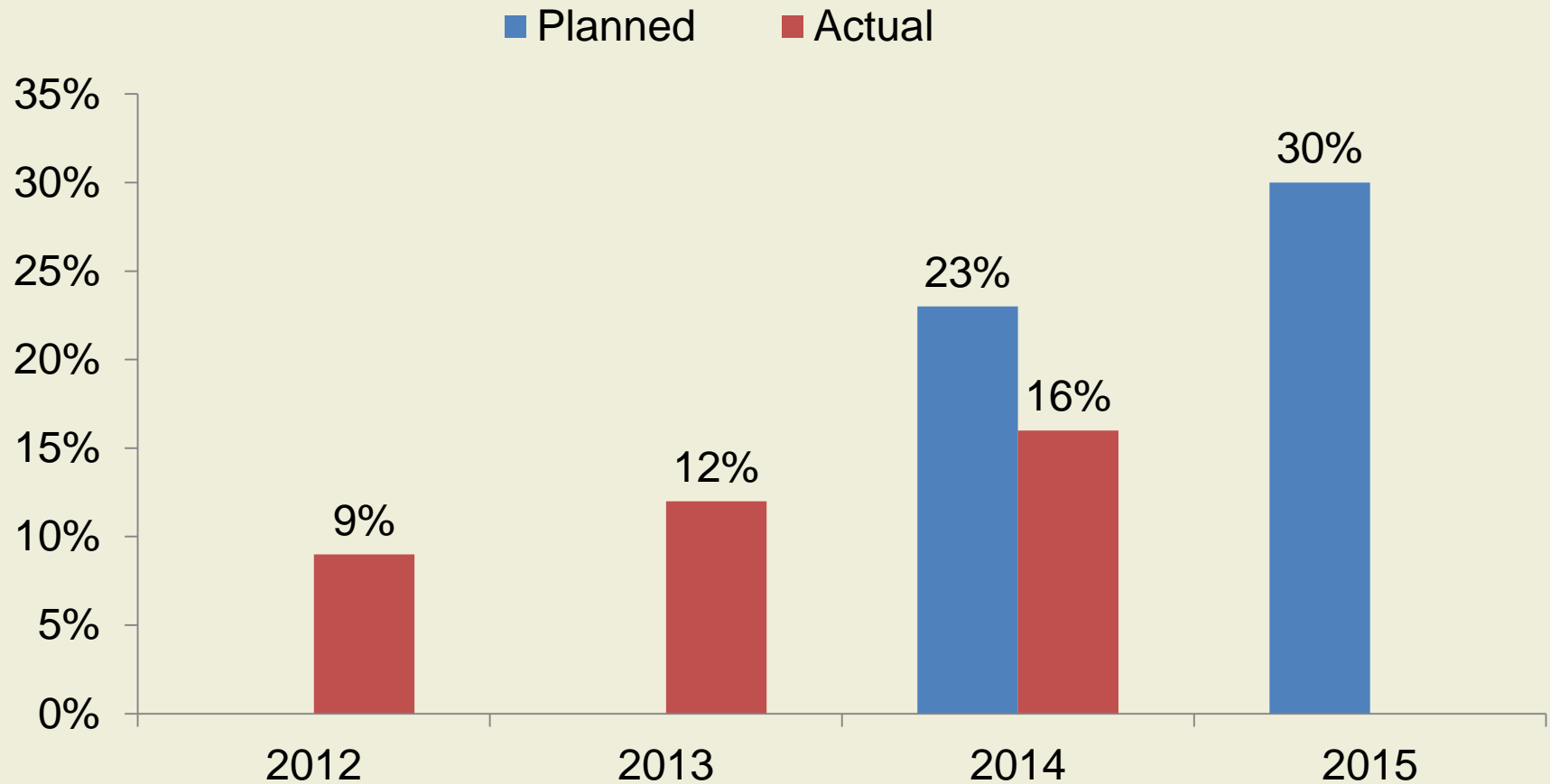
Percentage of Employers Offering an HSA or HRA, by Firm Size, 2014



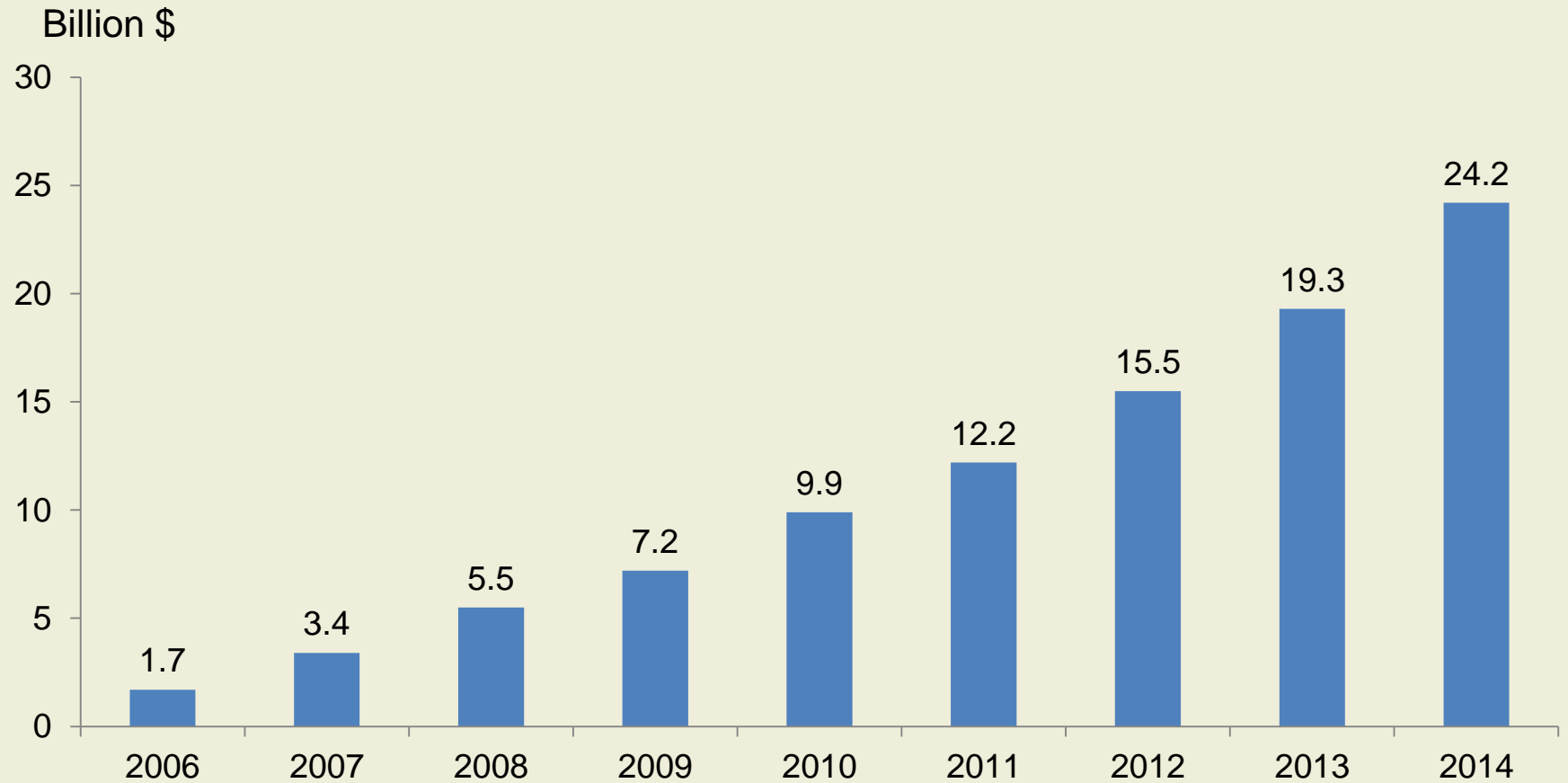
HSA/HRA Offer Rates, by Firm Size, 2008-2014



HSA/HRA as the “Only Plan Option” in Employment-Based Market on the Rise, 2012-2015 (aka Full Replacement Plan)



HSA Assets Reached \$24.2 billion in 2014: 13.8 million Accounts



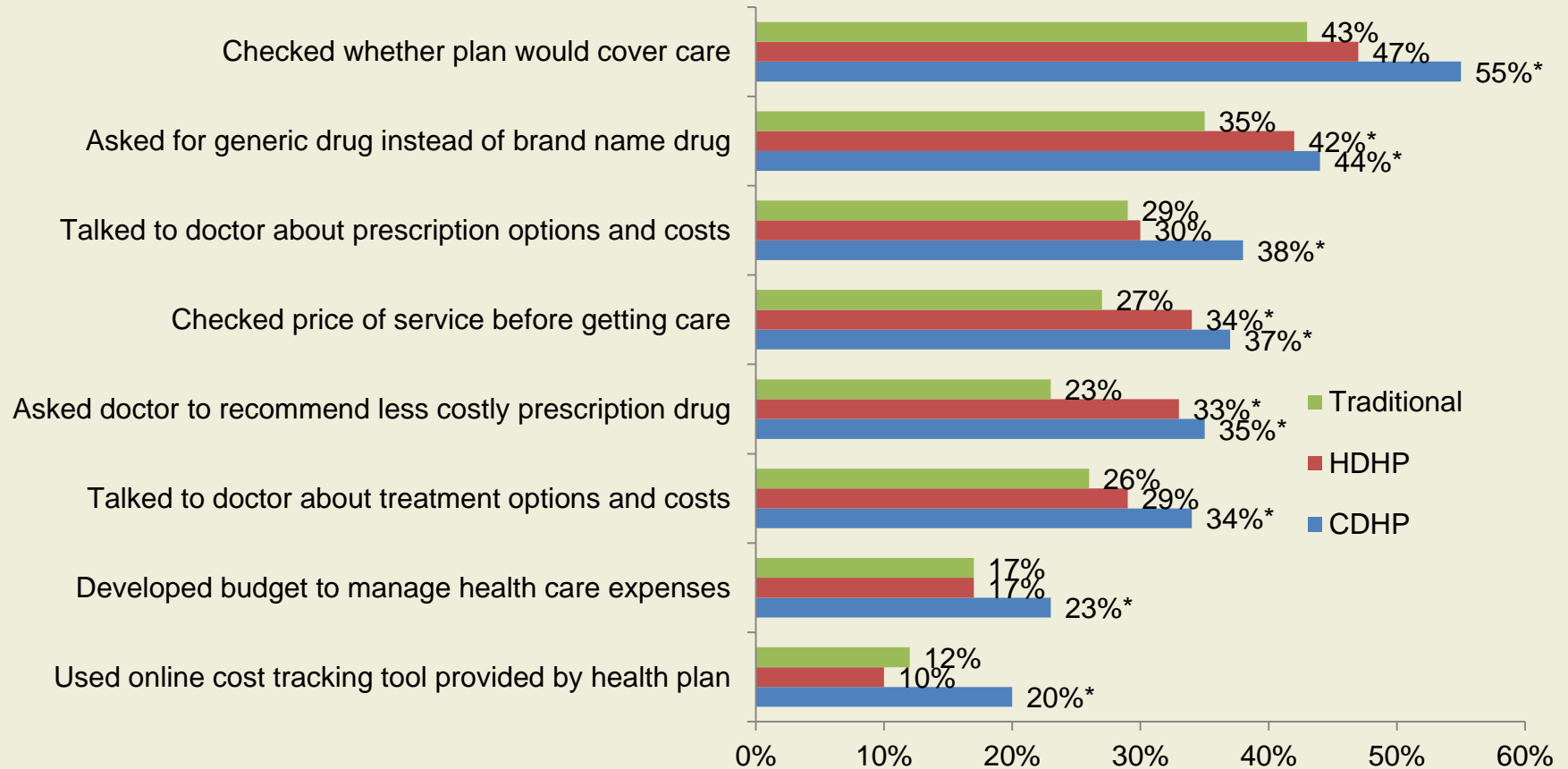
EBRI/Greenwald & Associates

Consumer Engagement in Health Care Survey

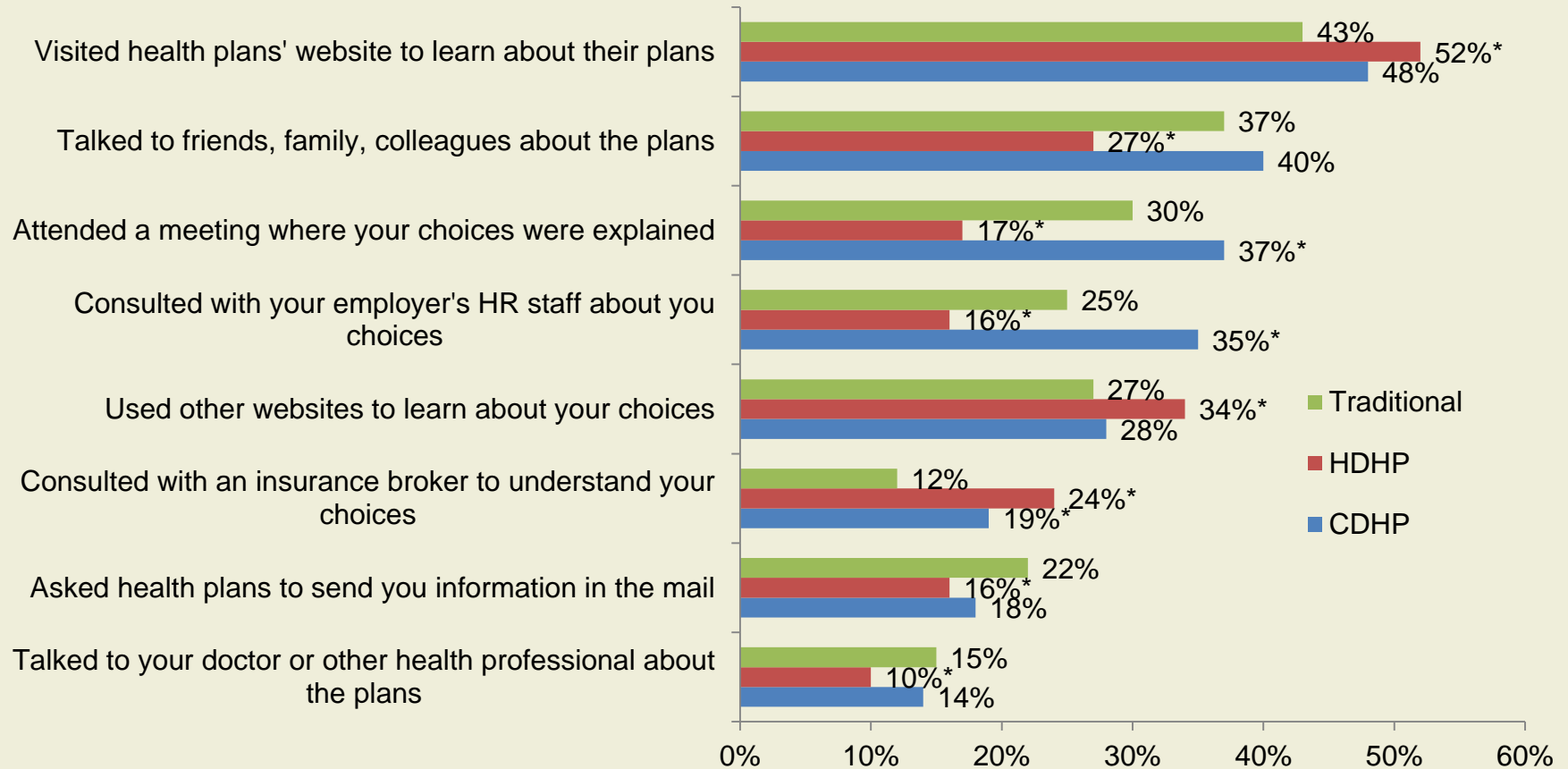
The EBRI/Greenwald & Associates Consumer Engagement in Healthcare Survey was conducted online using a panel. Oversample records were pre-screened using an online omnibus study.

Eligibility:	Americans age 21 to 64 with private health insurance coverage		
Sample Groups:	1.	National sample	n=1,981
	2.	CDHP sample*	n=1,242 (294– national; 1,165 – oversample)
	3.	HDHP sample*	n=978 (237 – national; 741 – oversample)
	*Groups 2 and 3 are composed of national sample records and oversample records		
Weighting:	The national sample is weighted by gender, age, income, ethnicity, education and region to reflect the actual proportions in the population. The CDHP and HDHP samples are weighted by gender, age, income, and ethnicity.		
Survey Dates:	August 7th – August 27th, 2014		
Survey Length:	11 minutes (mean)		
Response rate:	30.6%		

Cost-Conscious Decision Making, by Type of Health Plan, 2014

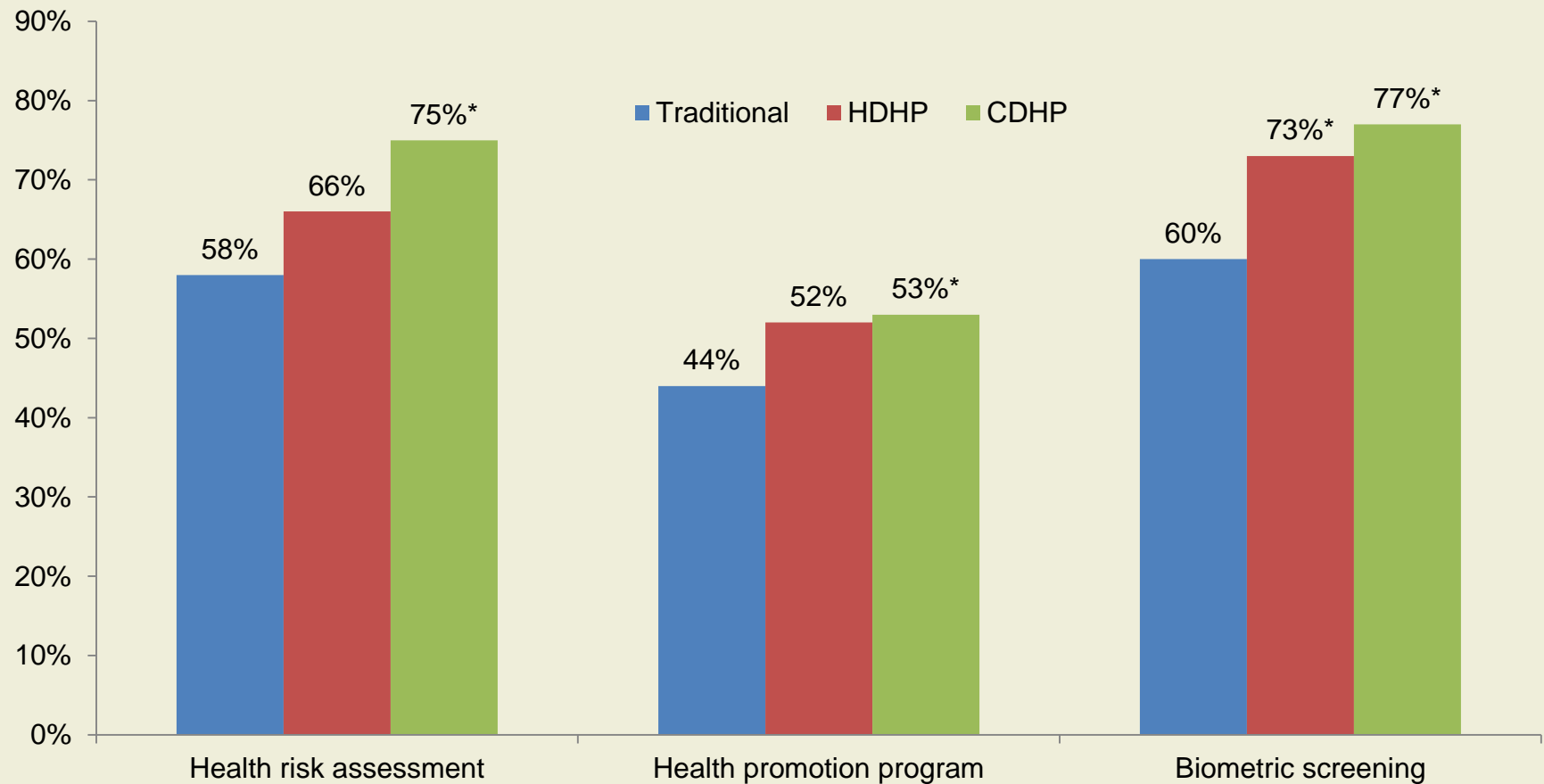


Informed Decision Making for Health Plan Choice, by Type of Health Plan, 2014

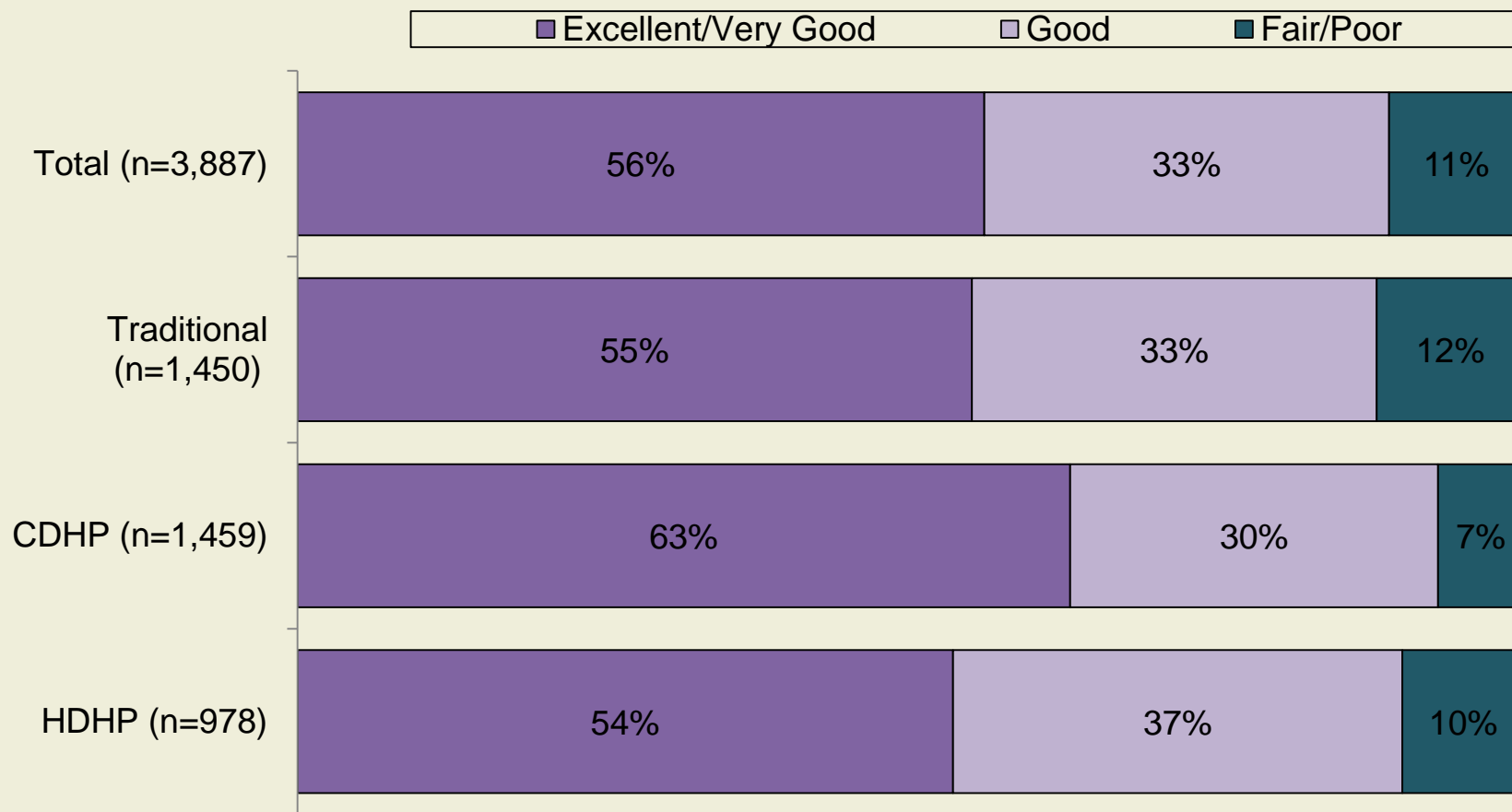


Source: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2014.

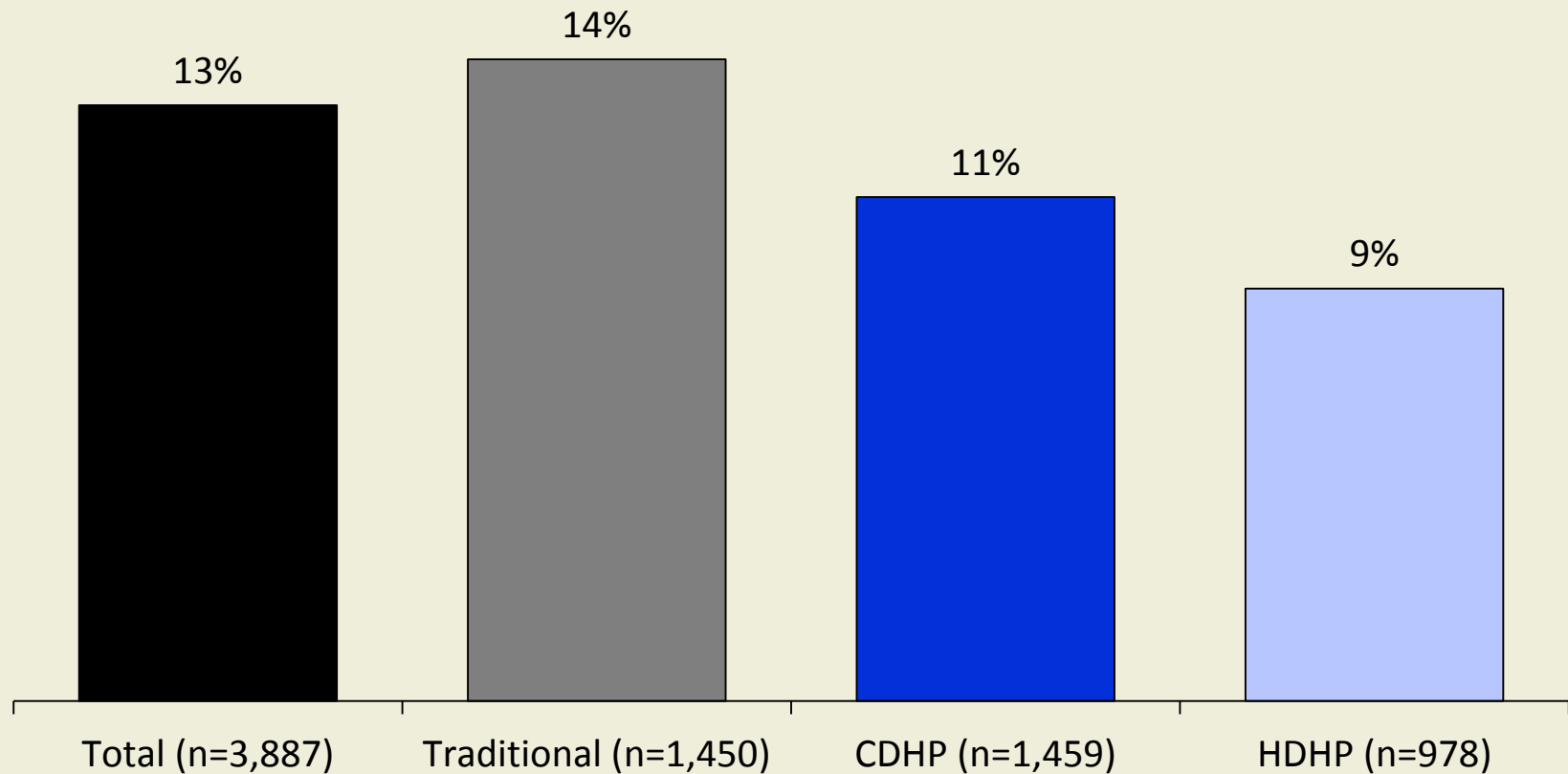
Individual Participates in Wellness Program Offered by Employer, Among Those Offered a Wellness Program, by Type of Health Plan, 2014



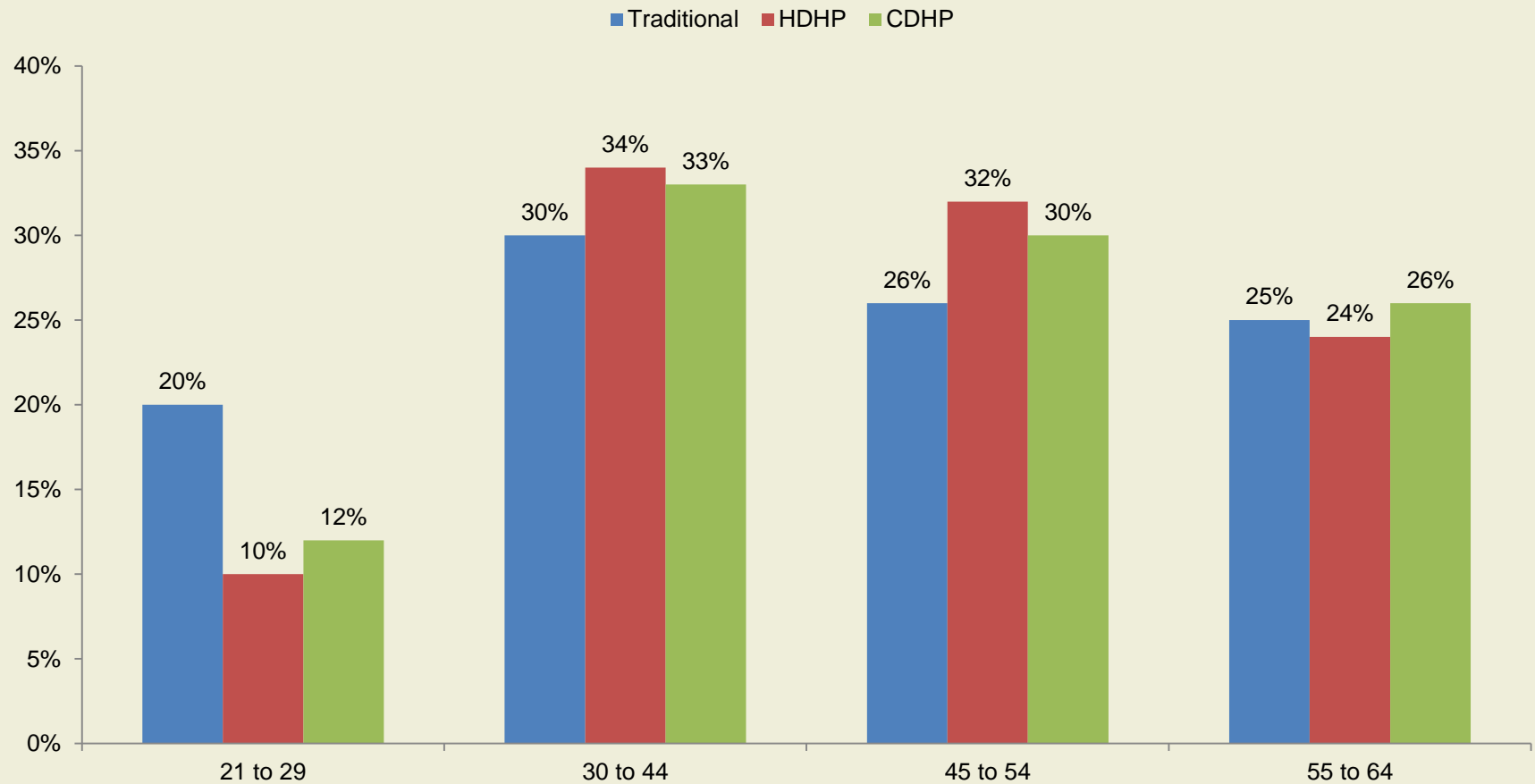
Self-Reported Health Status, by Plan Type, 2014



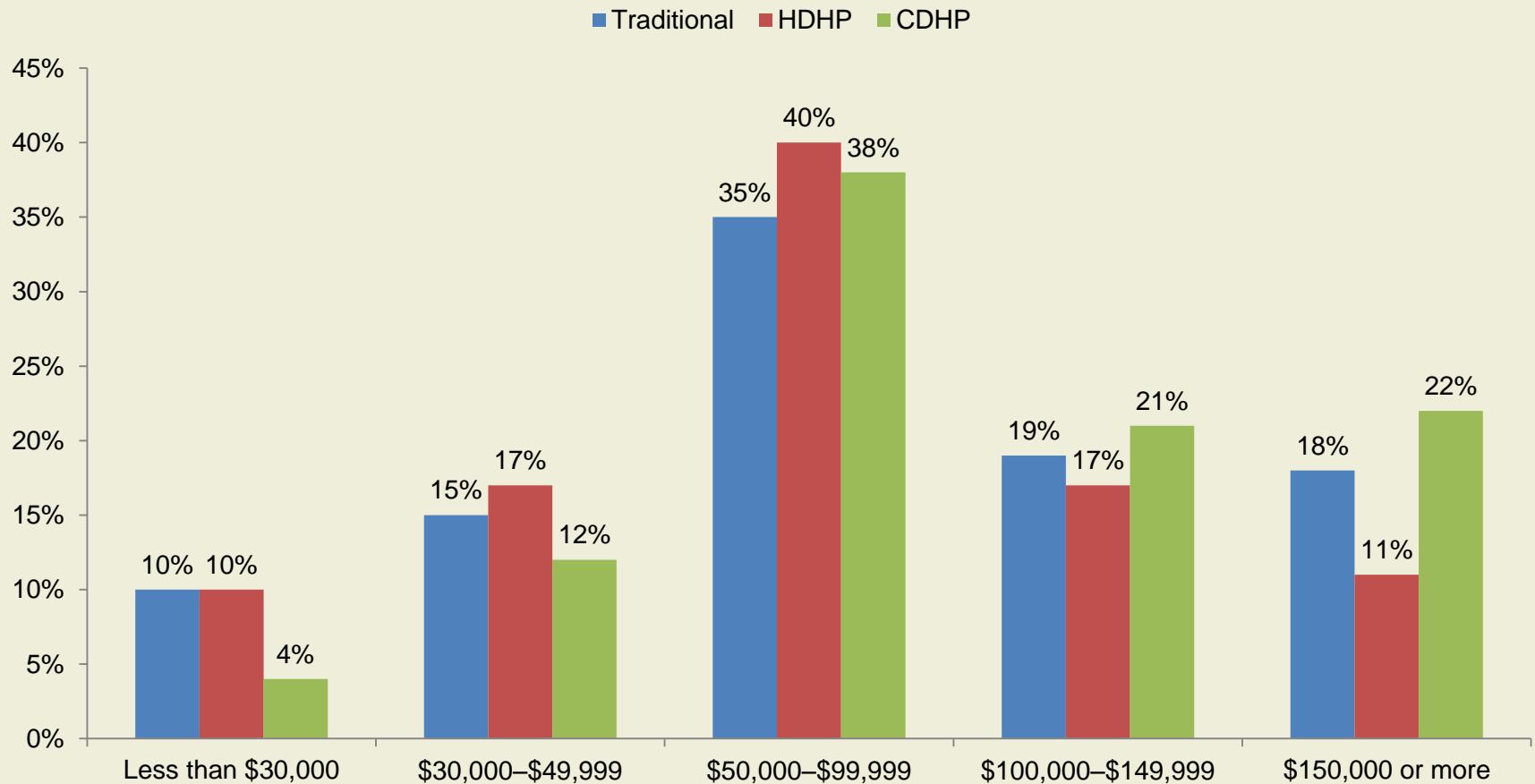
Percentage Currently Smoking Cigarettes, by Plan Type, 2014



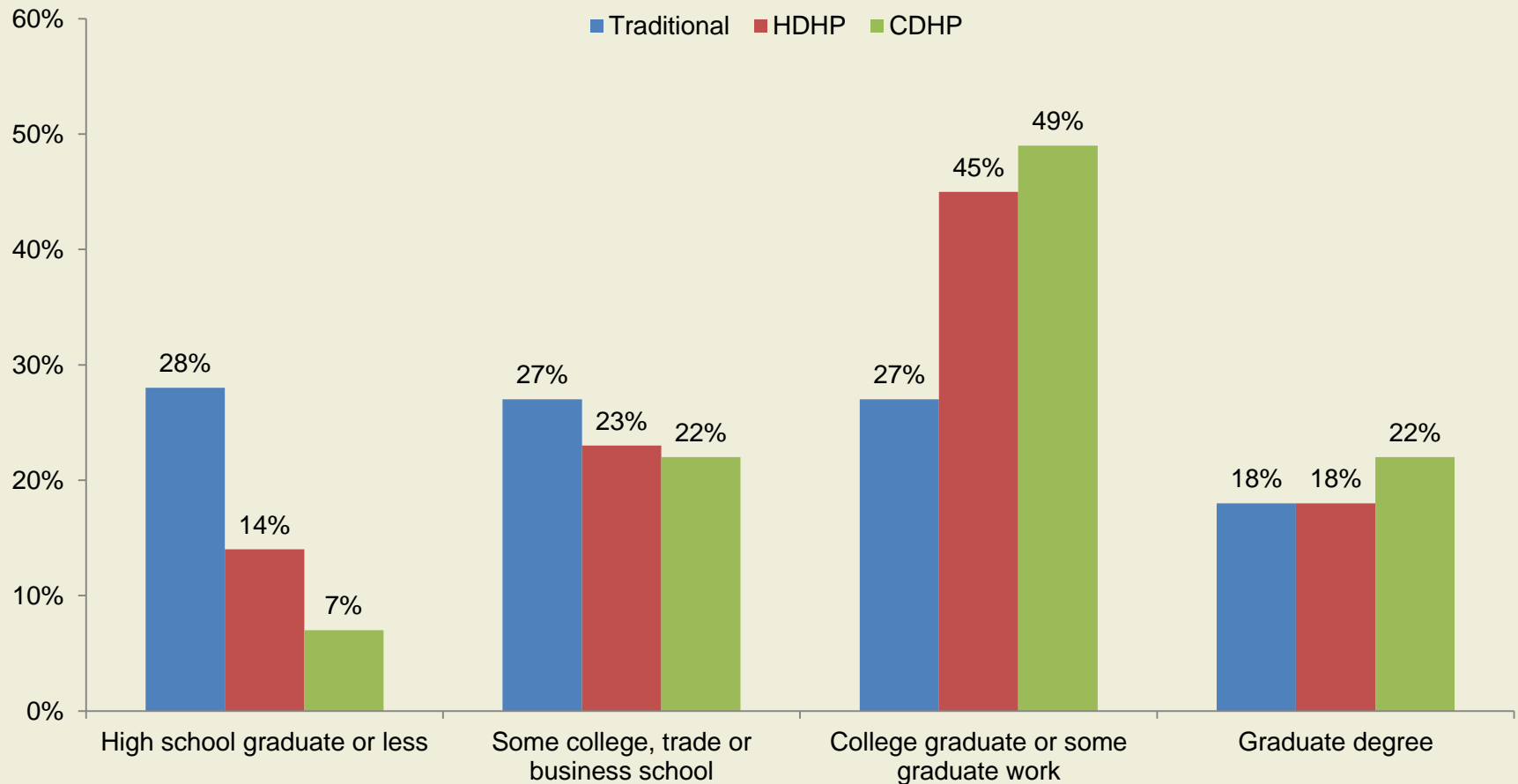
CDHP Enrollees Older than Traditional Plan Enrollees, 2014



CDHP Enrollees Higher Income than Traditional Plan Enrollees, 2014



CDHP Enrollees More Educated than Traditional Plan Enrollees, 2014



EBRIs

Center for Research on Health Benefits Innovation

*Helping employers assess the impact of plan design
—with the goal of increasing consumer engagement—
on cost, quality, and access to health care*

Research Partners

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- Federal Reserve Employee Benefits System
- General Mills
- Healthways
- IBM
- JP Morgan Chase
- Mercer
- Pfizer

Findings from the Longest-Ever Study of a Full- Replacement HSA-Eligible Health Plan

- A large Midwestern employer replaced PPOs with an HSA-eligible plan on Jan. 1, 2007
- Choice of two deductibles:
 - \$1,250 (individual)/\$2,150 (family)
 - \$2,500 (individual)/\$4,300 (family)
- Pharmacy and medical administrative claims data and insurance enrollment information obtained from a large employer
- Data used from Jan. 1, 2006 – Dec. 31, 2010
- Deductibles and HSA contributions unchanged over 5-year period
- Between 10,000 & 18,000 continuously enrolled during the 5-year period
- Data from second employer used to create a comparison group

Topics Addressed

"Consumer-Directed Health Plans Reduce The Long-Term Use Of Outpatient Physician Visits And Prescription Drugs." *Health Affairs*, June 2013.

"Health Care Spending after Adopting a Full Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study." *EBRI Issue Brief*, July 2013.

"Medication Utilization and Adherence in a Health Savings Account-Eligible Plan." *American Journal of Managed Care*, December 2013.

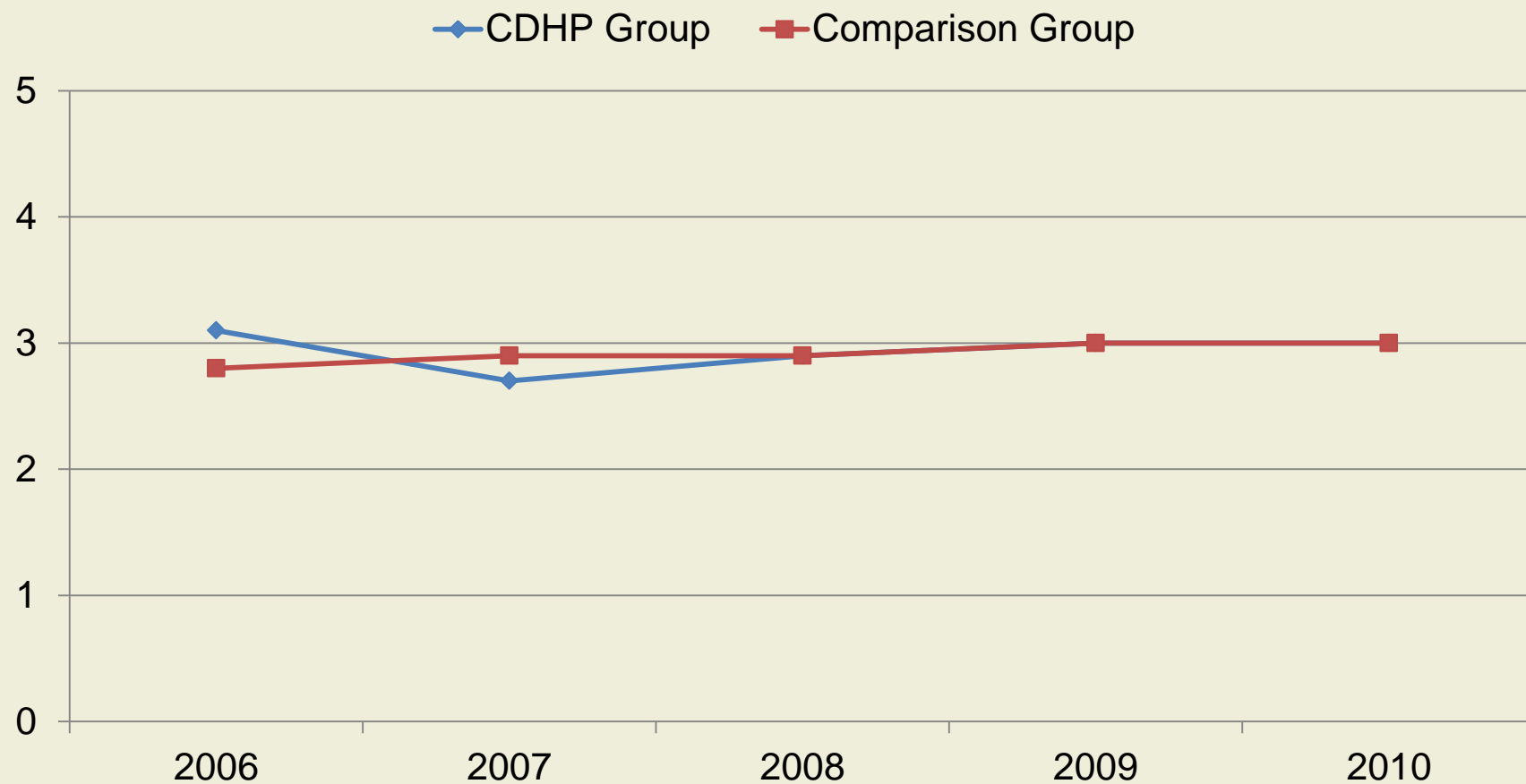
"Brand-Name and Generic Prescription Drug Use After Adoption of a Full-Replacement, Consumer-Directed Health Plan With a Health Savings Account." *EBRI Notes*, March 2014.

"Quality of Health Care After Adopting a Full-Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study." *EBRI Issue Brief*, September 2014.

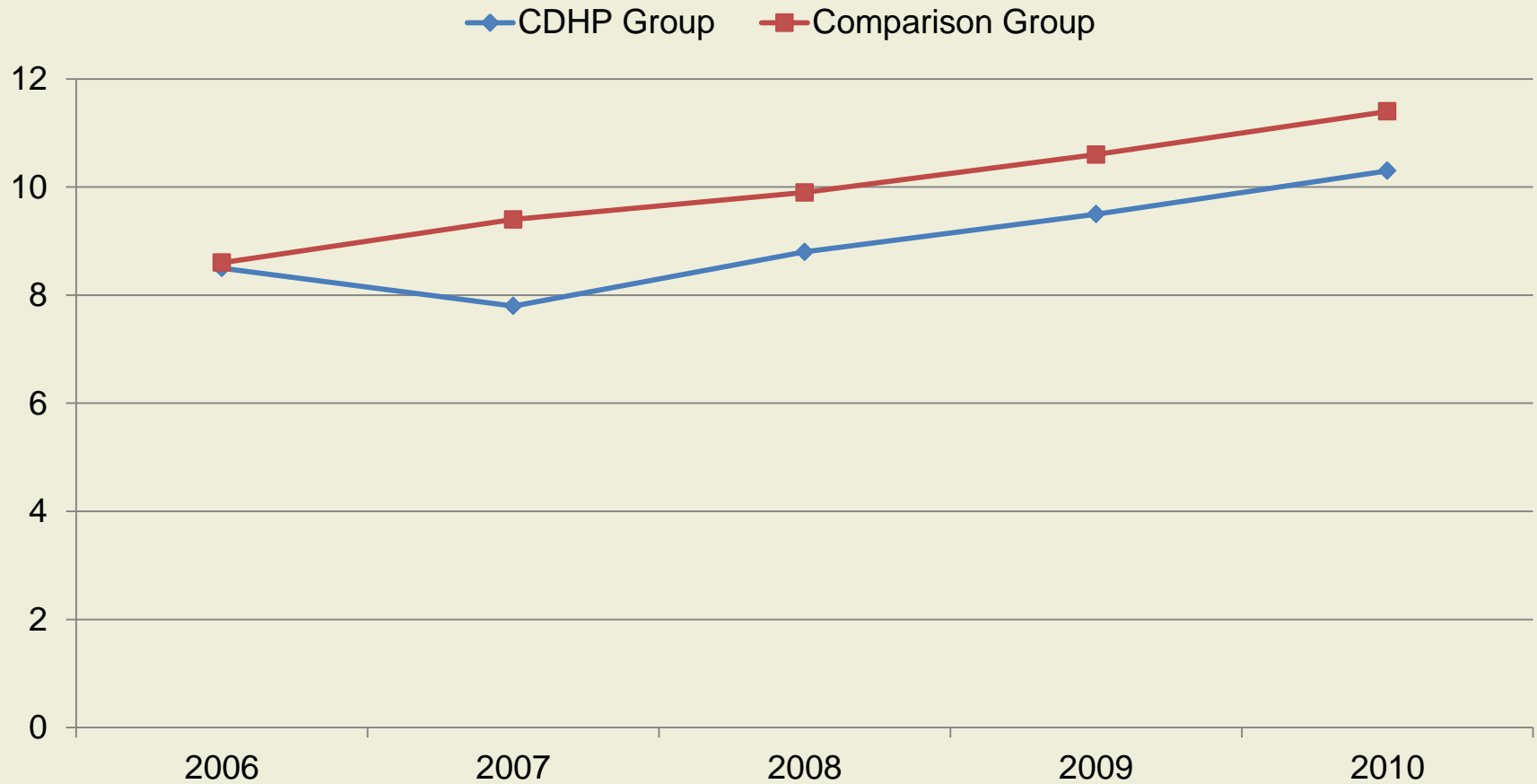
Summary of Findings – Use of Health Care Services

- Outpatient office visits fell in all years
- Prescription drug fills fell in all years
- Both generic and brand name use fell
 - Brand name fell more than generics, so generic dispensing rate increased
- Medication adherence fell for hypertension, dyslipidemia and diabetes in year 1
 - May be rebounding in year 2 for dyslipidemia and diabetes
 - No effect on Asthma/COPD or depression
- Emergency department visits higher in years 3 & 4

HSA Reduced Outpatient Office Visits: Number of Office Visits, by Group, 2006-2010



HSA Reduced Rx Use: Number of Prescription Fills, by Group, 2006-2010

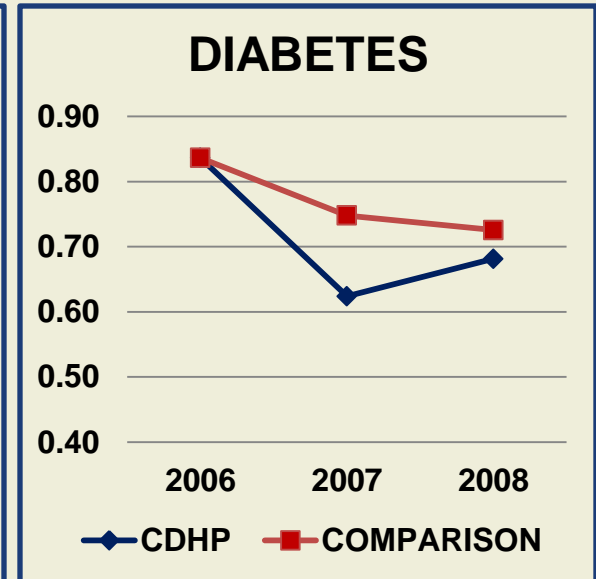
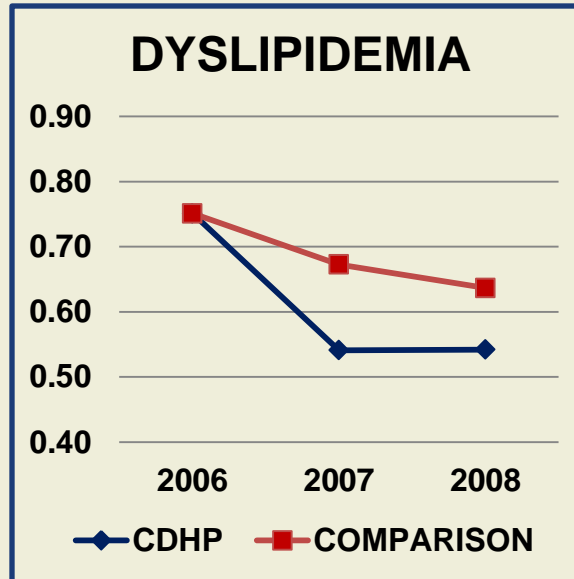
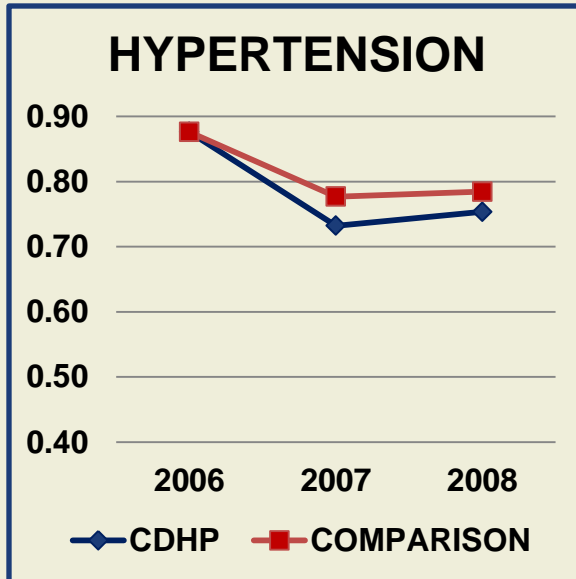


Source: Fronstin, et al. *Health Affairs* (June 2013).

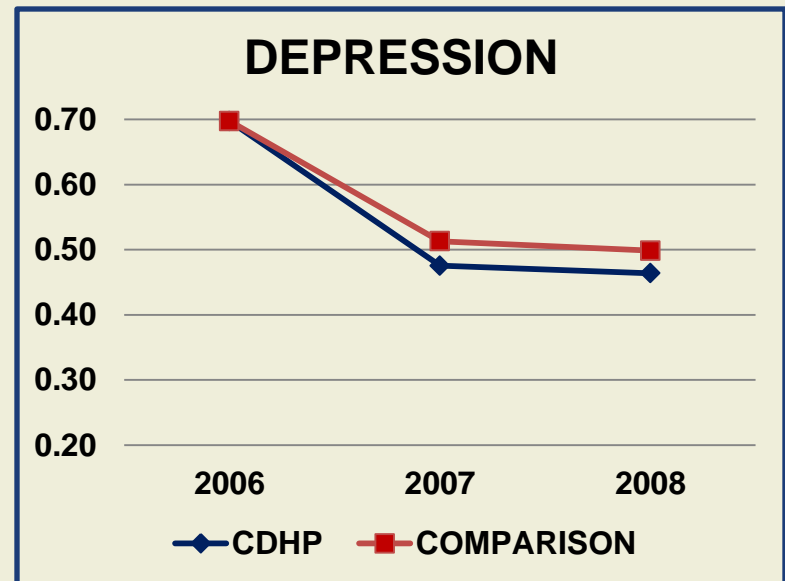
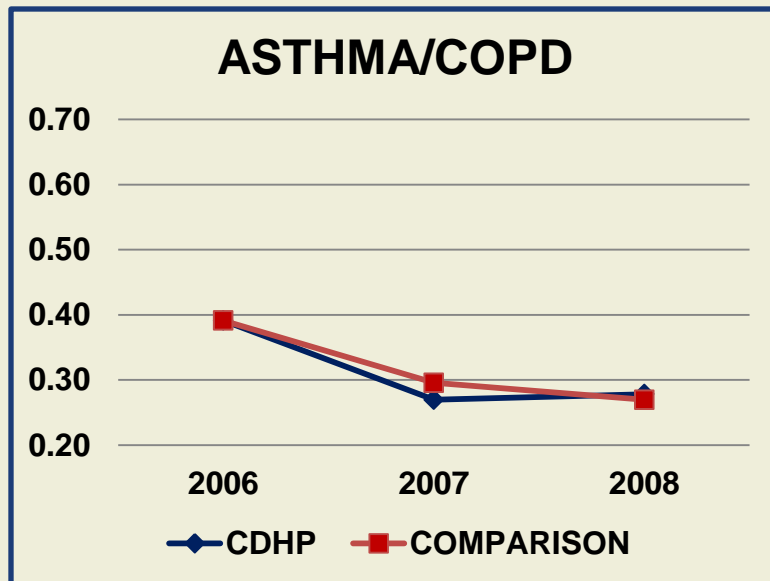
HSA Plan Did NOT Result in Generics Substituted for Brand Named Drugs

- Proportion of drug fills that were generic increased, but...
 - Not because generics were being substituted from brand names
- Both brand name and generic use fell
- Brand name fell more than generic fell

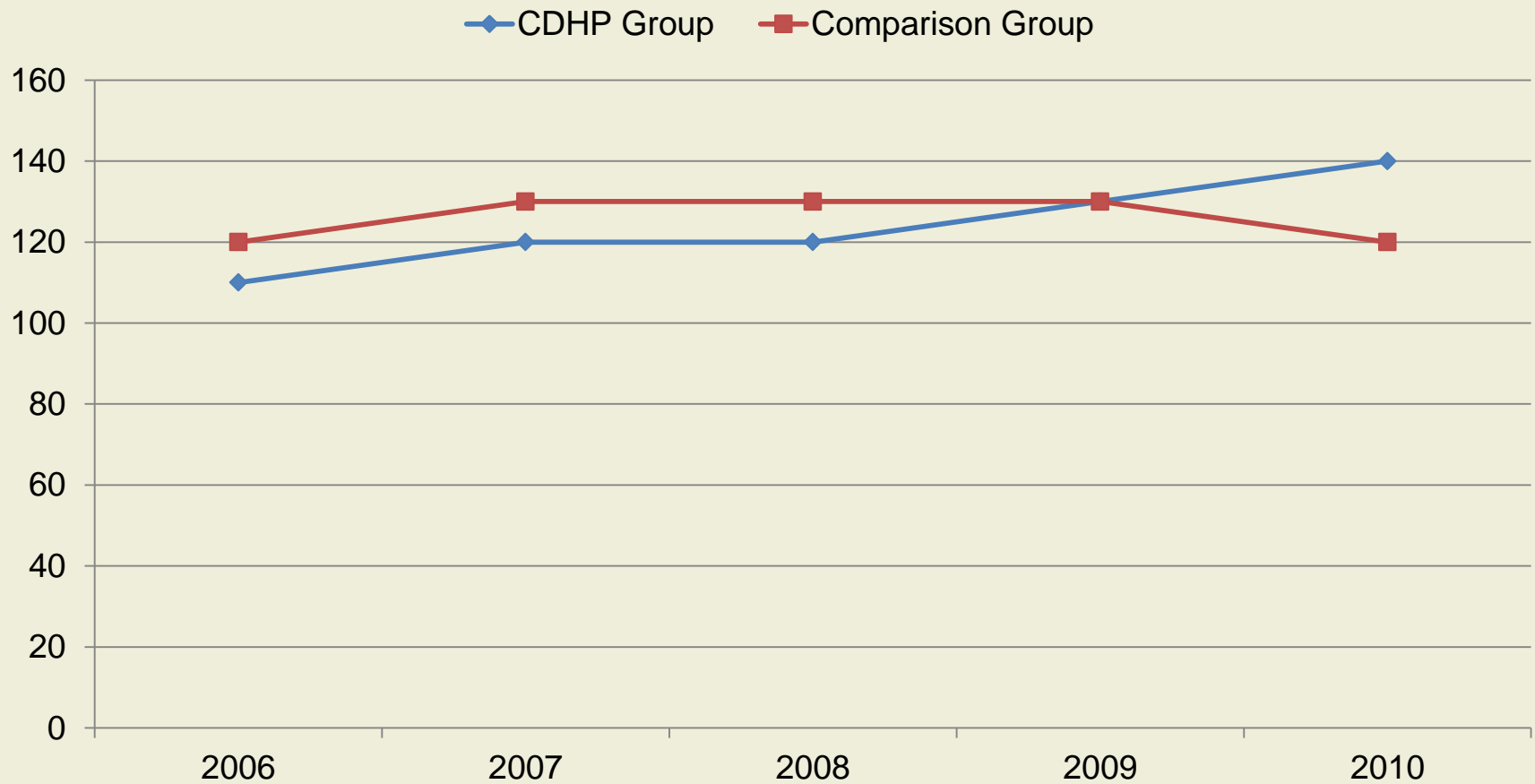
Proportion of Population With Various Chronic Conditions that Adherent to Medication



Proportion of Population With Various Chronic Conditions that Adherent to Medication



HSA Increased ER Use: Number of Emergency Room Visits (Per 1,000), by Group, 2006-2010



Source: Fronstin, et al. *Health Affairs* (June 2013).

Summary of Findings – Quality Measures

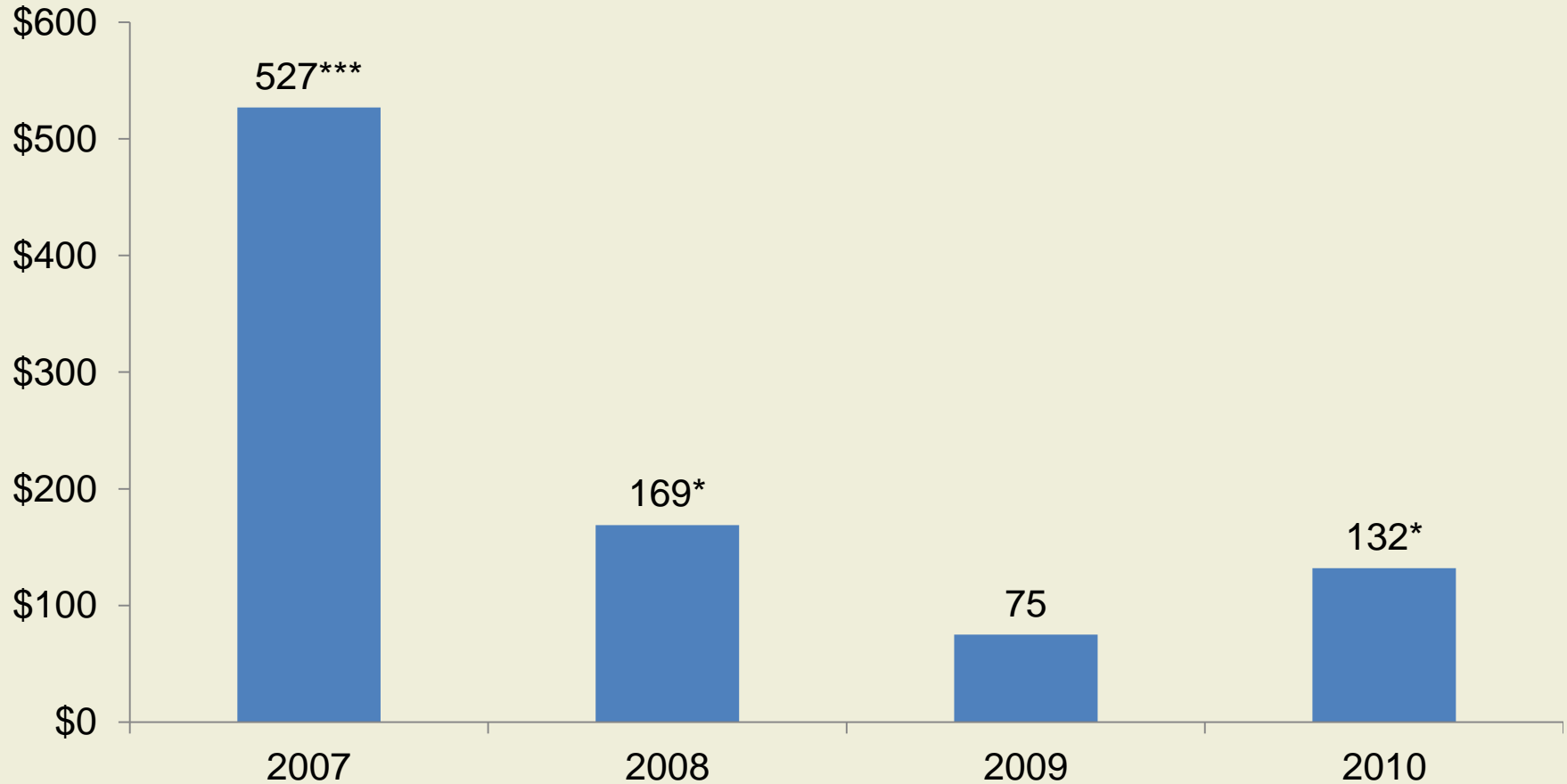
Preventive services not subject to deductible

- Office visits fell in years 1 and 4
- Breast cancer screening fell in year 1, higher in year 4
- Cervical cancer screening fell in years 1 and 4
- Colorectal cancer screening lower in all years

Other services

- Medication monitoring fell
- Higher use of imaging for back pain & antibiotics for bronchitis
- Lower LDL testing for diabetics
- No impact on HbA1c testing for diabetics

Estimates of the Impact of the HSA Plan on Health Spending Per Person, by Year



Statistical significance denoted as follows: *** $p < 0.01$; ** $p < 0.05$; * $p < 0.10$.

Source: Fronstin, et al. *EBRI Issue Brief* (July 2013).

Summary of Findings – Spending

- Spending lower in all 4 years relative to 2006 baseline
 - 25% lower in year 1
 - 6% lower in year 4
- Year 1, spending reductions across the board
- Year 4, spending reductions limited to Rx and lab

Estimates of the Impact of the HSA Plan on Health Spending, by Type of Service and Year

Cost Measure	2007	2010
Total %	-25% ***	-6% *
Inpatient	-33%	11%
Emergency Dept.	-17% *	5%
Outpatient	-13% *	-12%
Office visit	-14% ***	5%
SA/MH	-22% **	0%
Laboratory	-36% ***	-19% *
Pharmacy	-32% ***	-20% ***

Estimates of the Impact of the HSA Plan on Pharmacy Spending, by 2006 Spending Quintile and Year

2006 Spending Quintile	2007	2010
1 (lowest spending)	-47% ***	-41% ***
2	-44% ***	-25% *
3	-40% ***	-21% *
4	-42% ***	-30% ***
5 (highest spending)	-24% ***	-5%

Estimates of the Impact of the HSA Plan on Total Spending, by 2006 Spending Quintile and Year

2006 Spending Quintile	2007	2010
1 (lowest spending)	-12%	9%
2	-14%	-1%
3	-29%***	-15%**
4	-31%***	-9%
5 (highest spending)	-15%*	-1%

Summary of Results from EBRI Research on HSA-Eligible Health Plan

- Spending lower in the HSA group
- Across the board reduction in spending in year one for all types of health care services
- By year 4 of HSA, lower spending confined to Rx & mid-level users
- Outpatient visits down in all years
- Rx use down in all years
- Generic Rx rate higher because it fell less than brand names
- Cancer screenings lower in year 1, but not in years 2-4
- Medication adherence down for hypertension, dyslipidemia and diabetes in year 1, but (maybe) rebounding in year 2 for dyslipidemia and diabetes
- No effect on medication adherence for Asthma/COPD or depression
- ER visits up in years 3 and 4 for the HSA group
- Limited negative impact on quality of care provided

EBRI HSA Database

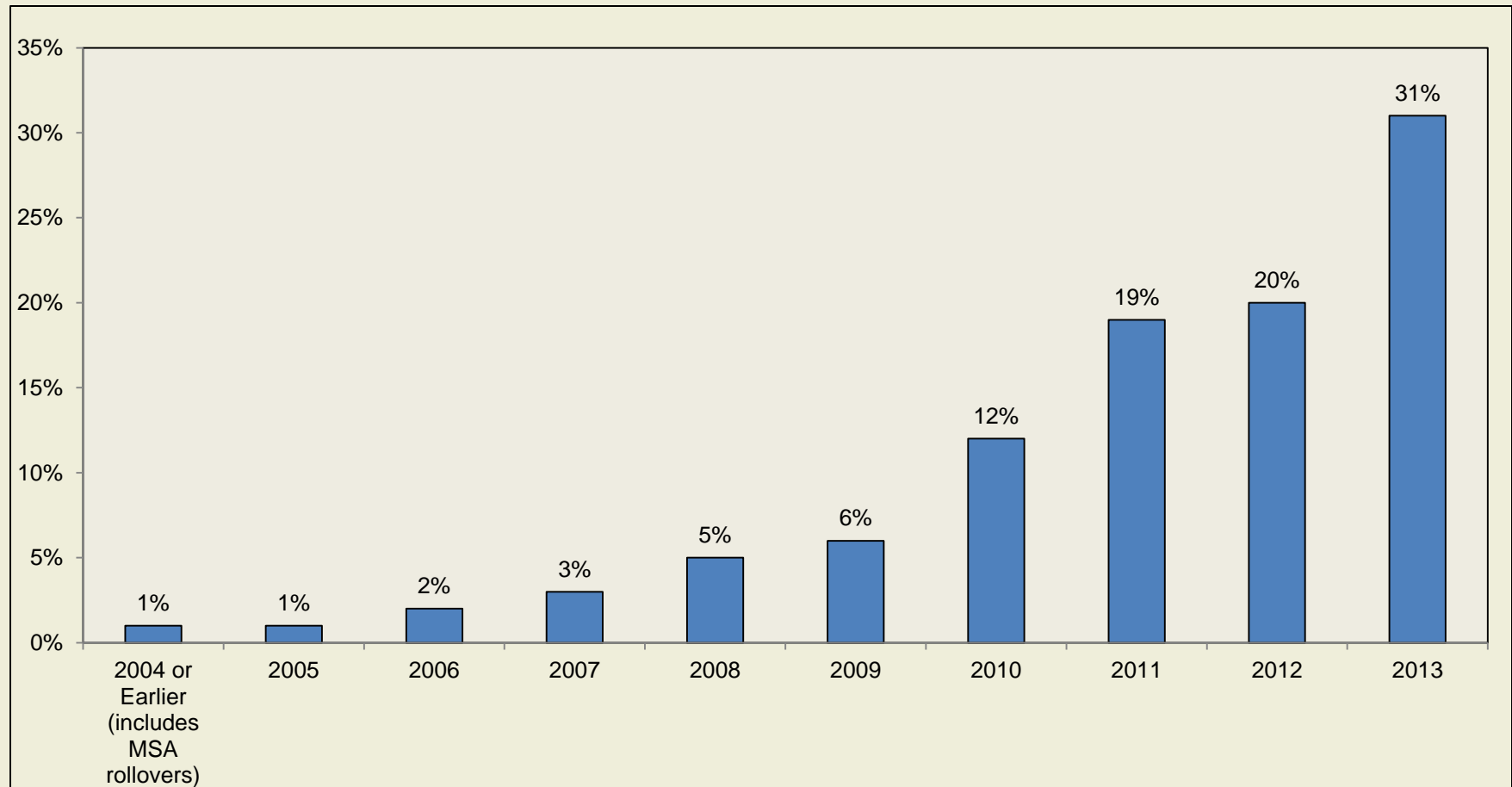
The EBRI HSA Database is a large, representative repository of information about individual HSAs. As of Dec. 31, 2013, the EBRI database included statistical information for:

- 1.5 million health savings accounts.
- \$2.7 billion in assets.
- Records were de-identified prior to inclusion in the database to conceal the identity of account owners, but the data were coded so that account owner activity could be tracked over time.
- Database can link the accounts of individuals with more than one account in the database, thus permitting the aggregation of the HSA asset totals of individuals with multiple accounts, within or across account record-keepers.

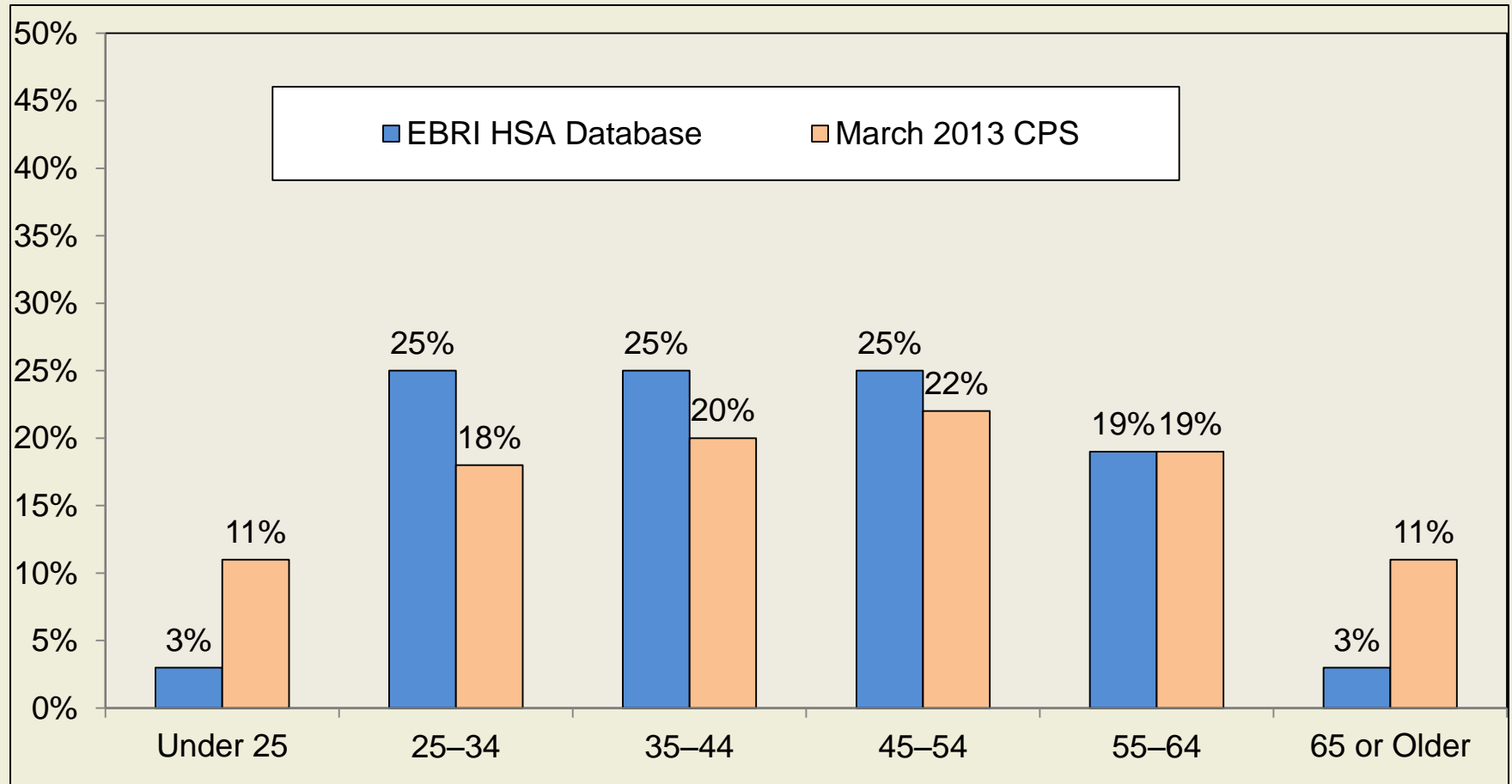
Summary Statistics from EBRI HSA Database

	Total	Accounts With Employer or Individual Contributions	Accounts With No Employer or Individual Contributions
Number of Accounts (millions)	1.5	1.1	0.5
Distribution of Accounts (percent)	100%	69%	31%
Average Beginning of Year Account Balance	\$1,280	\$1,436	\$841
Average End of Year Account Balance	\$1,766	\$2,242	\$731
Total Assets (billions)	\$2.7	\$2.4	\$0.4
Distribution of Assets (percent)	100%	87%	13%

HSA Owners, by Year Account was Opened, as of 2013



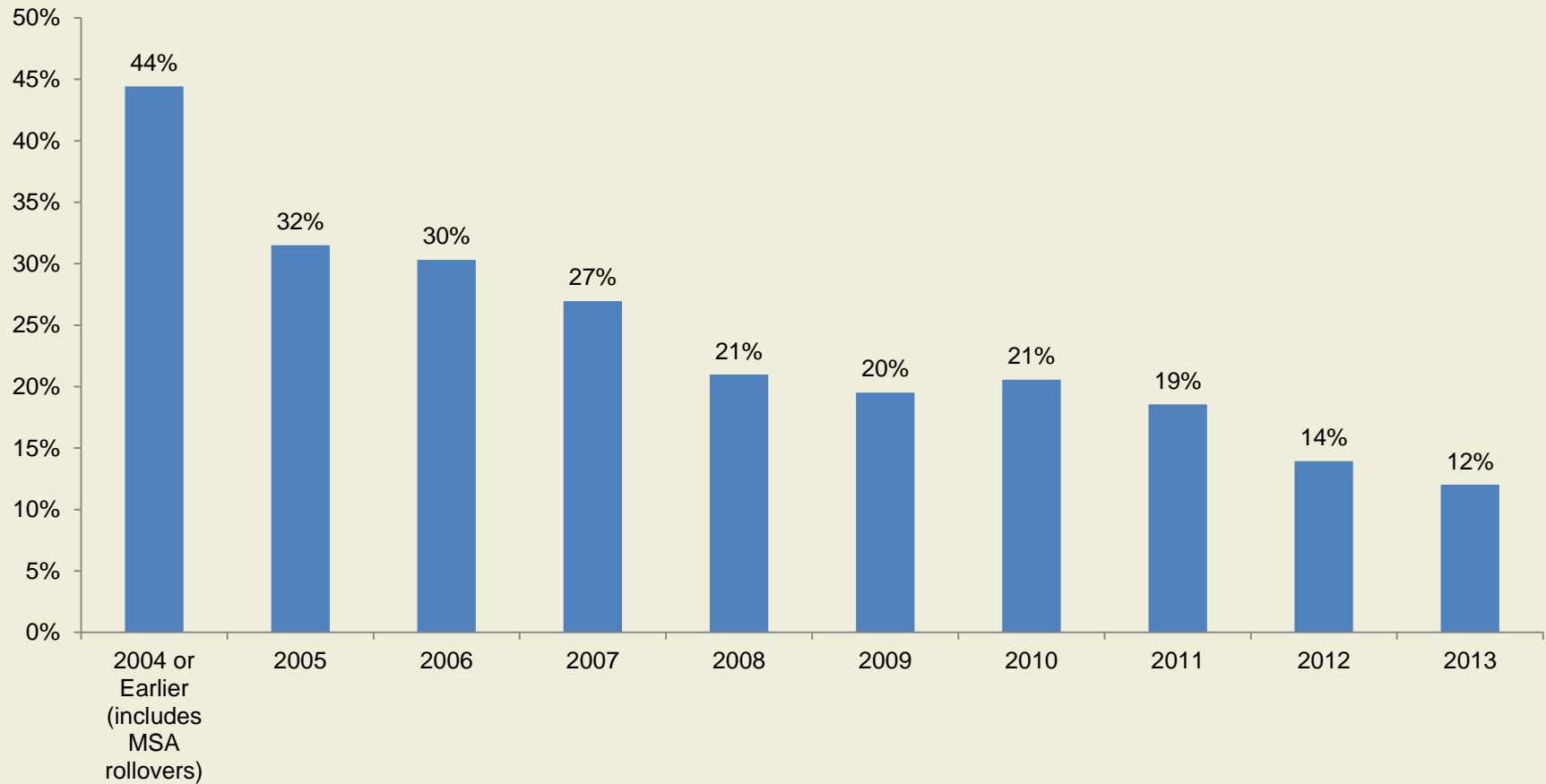
HSA Owners, by Age, 2013



Average End-of-Year Account Balance, by Year HSA Was Opened, 2013

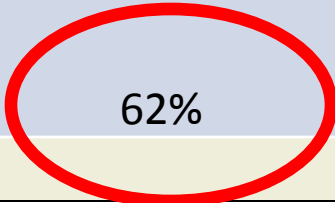


Percentage of HSA Owners Whose Account Received the Maximum Contribution in 2013, by Year Account was Opened



Summary of Average Account Activity, 2013

	All Accounts	Accounts with Contributions or Distributions	Percent of Accounts with Contributions or Distributions
Individual contributions	\$ 1,048	\$ 2,032	52%
Employer contributions	\$ 605	\$ 1,184	51%
Distributions for claims	\$ 1,218	\$ 1,953	62%



Unanswered Research Question

The role of the account

As account balances increase:

- Impact on use of health care services
- Impact on choice of deductible

Who uses the account to save for retirement

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