

January 2012 Census Shows 13.5 Million People Covered by Health Savings Account/High-Deductible Health Plans (HSA/HDHPs)

May 2012

SUMMARY

An annual census by America's Health Insurance Plans (AHIP) of U.S. health insurance carriers shows that the number of people covered by health savings account/high-deductible health plans (HSA/HDHPs) totaled 13.5 million in January 2012. This census does not include coverage associated with health reimbursement arrangements (HRAs), which are most commonly offered in the large-group market.

Highlights of the 2012 census:

- The number of people with HSA/HDHP coverage rose to more than 13.5 million in January 2012, up from 11.4 million in January 2011, approximately 10 million in January 2010, 8 million in January 2009, and 6.1 million in January 2008.
- Overall, enrollment in HSA/HDHP products in the group market rose to 11.0 million in January 2012, up from 9.1 million in January 2011.
- HSA/HDHP enrollment in the individual market rose to 2.5 million covered lives in January 2012, up from 2.4 million in January 2011.
- Gender distribution of lives covered by an HSA/HDHP as of January 2012 was evenly split—50 percent male and 50 percent female.
- Forty-nine (49) percent of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 51 percent were under age 40.
- States with the highest levels of HSA/HDHP enrollment were: California (1,001,943); Texas (755,432); Illinois (717,384); Ohio (662,999); and Florida (539,778).

- States with the highest percentage of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Vermont (19.9 percent); Minnesota (14.3 percent); Montana (12.1 percent); Utah (11.5 percent); Connecticut (10.6 percent); and Indiana (10.4 percent).
- Preferred provider organizations (PPOs) were the most popular HSA/HDHP product types.
- Most responding companies reported offering online member access to HSA account information, health education information, physician-specific information, and personal health records as consumer decision support tools for their members.

As in previous years, AHIP received participation from virtually all private health insurance carriers in the HSA/HDHP market for this census. However, as the market continues to expand each year, there may be some companies whose HSA/HDHP enrollment was not captured by this census.

INTRODUCTION

Health savings account (HSA) plans give consumers incentives to manage their own health care costs by coupling a tax-favored savings account used to pay medical expenses with a high-deductible health plan (HDHP) that meets certain requirements for deductibles and out-of-pocket expense limits.¹ The funds in the HSA are owned by the individual and may be rolled over from year to year.

¹ For 2012, the minimum annual deductible for self-only HSA/HDHP coverage is \$1,200, and the maximum out-of-pocket limit is \$6,050. For family HSA/HDHP coverage, the minimum deductible is \$2,400, and the maximum out-of-pocket limit is \$12,100. These amounts are indexed annually for inflation.

HSAs were authorized by the Medicare Prescription Drug Improvement and Modernization Act of 2003 and entered the market in January 2004. Since then, AHIP has conducted an annual census of health insurance plans to monitor and report on the HSA/HDHP health insurance market. Virtually all health insurance plans in the U.S. that sell HSA/HDHP products participated in this census.

Importantly, the census does not track participation in health reimbursement arrangement (HRA) products, which have features similar to HSAs and are offered by many large employers.

For this census, 97 health insurance companies and their subsidiaries reported coverage in HSA/HDHP products. Eighty (80) of these companies reported HSA/HDHP enrollment in the individual market; 76 companies had HSA/HDHP enrollment in the small-group market; and 75 companies had enrollment in the large-group market.

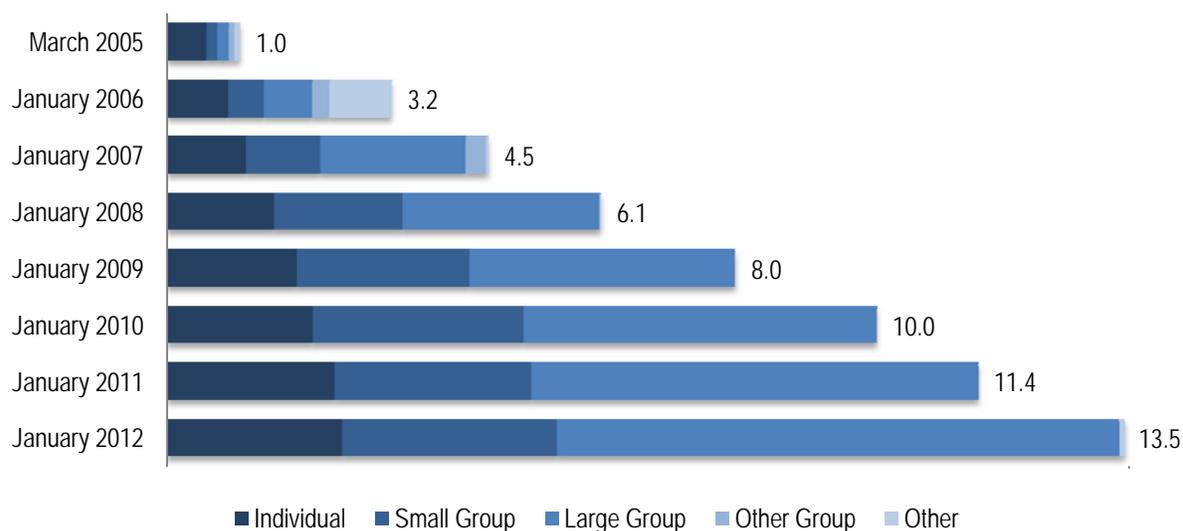
For each market segment, premium data were collected based on the average premium of all product types. Previous HSA census reports based the reported premiums on the best-selling product.

Almost all responding companies were able to break out the number of lives covered by an HSA/HDHP by state. The percentage of individuals in the commercial market covered by HSA/HDHPs in each state was calculated based on the total number of persons with private health insurance under age 65, by state, as reported by the U.S. Census Bureau's March 2011 Current Population Survey (CPS).

MARKET OVERVIEW

As of January 2012, more than 13.5 million people were covered by HSA/HDHP products. This

Figure 1. Growth of HSA-Qualified High-Deductible Health Plan Enrollment, Covered Lives (Millions), March 2005 to January 2012



Sources: AHIP Center for Policy and Research, 2005 – 2012 HSA/HDHP Census Reports.

Note: For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The “Other Group” category contains enrollment for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting. The “Other” category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies, but were not able to provide a breakdown by market category within the deadline for reporting.

Table 1. HSA-Qualified High-Deductible Health Plan Enrollment, Covered Lives, March 2005 to January 2012

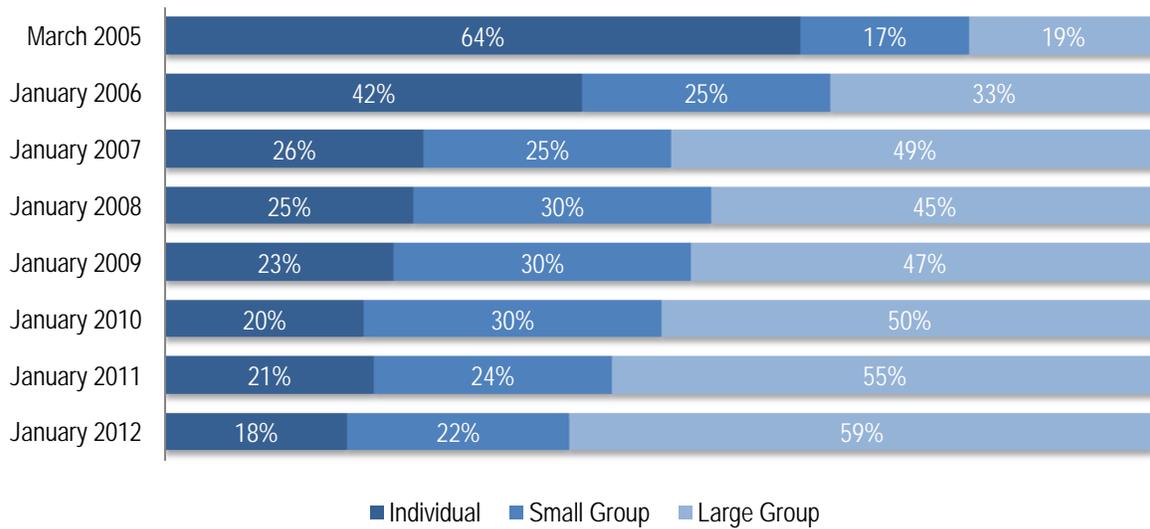
	Individual	Small-Group	Large-Group	Other Group *	Other **	Total
March 2005	556,000	147,000	162,000	88,000	77,000	1,031,000
January 2006	855,000	510,000	679,000	247,000	878,000	3,168,000
January 2007	1,106,000	1,057,000	2,044,000	291,000	34,000	4,532,000
January 2008	1,502,000	1,816,000	2,777,000	13,000	10,000	6,118,000
January 2009	1,832,000	2,429,000	3,752,000	-	-	8,013,000
January 2010	2,053,000	2,970,000	4,986,000	-	-	10,009,000
January 2011	2,358,497	2,779,208	6,299,460	-	-	11,437,165
January 2012	2,470,840	3,019,347	7,939,023	-	72,865	13,502,075

Sources: AHIP Center for Policy and Research, 2005 – 2012 HSA/HDHP Census reports.

* For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The “Other Group” category contains enrollment data for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting.

** The “Other” category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies but were not able to provide a breakdown by market category within the deadline for reporting.

Figure 2. Percentage of Individuals in the Commercial Health Insurance Market Covered by an HSA-Qualified High-Deductible Health Plan, by Market Type, March 2005 to January 2012



Sources: AHIP Center for Policy and Research, 2005 – 2012 HSA/HDHP Census Reports.
 Note: Columns may not sum to 100 percent due to rounding.

represents an increase of 2.1 million since January 2011, and 3.5 million since January 2010 (see Figure 1 and Table 1).

Twenty-nine (29) of the responding companies reported HSA/HDHP enrollment of more than 100,000 covered lives each, up from 24 companies in January 2011 (see Table 2). Fifty (50) companies had HSA/HDHP enrollment of more than 25,000 covered lives, 68 companies had enrollment above 10,000, and 74 companies reported HSA/HDHP enrollment of more than 5,000 covered lives in January 2012.²

Between January 2011 and January 2012, the fastest growing market for HSA/HDHP products was large-group coverage. The large-group market represented approximately 59 percent all HSA/

HDHP enrollment in January 2012, up from 55 percent of HSA/HDHP enrollment in January 2011 (see Figure 2).

Approximately 89 percent of individual enrollees, 93 percent of large group enrollees, and 81 percent of enrollees in small-group HSA/HDHP plans were in PPO products. PPO plans have both in-network and out-of-network benefits, with lower co-payment or coinsurance requirements for in-network services. HSA/HDHP enrollees generally have access to negotiated discount arrangements with health care providers through their PPOs and other plan types.

INDIVIDUAL MARKET

As of January 2012, 2.5 million people were covered by HSA/HDHPs purchased in the individual market. The gender distribution of enrollees covered by HSA eligible HDHPs in the individual market was 50 percent male and 50 percent female.

² Results for responding companies are reported by grouping data from all subsidiaries into one unit, regardless of the number of subsidiaries or number of states where the company does business.

Table 2. Number of Companies Reporting HSA-Qualified High-Deductible Health Plan Enrollees, by Enrollment Levels, March 2005 to January 2012

	100,000+	25,000+	10,000+	5,000+
March 2005	2	11	16	23
January 2006	7	15	35	44
January 2007	11	26	39	51
January 2008	14	37	48	62
January 2009	16	37	55	67
January 2010	21	45	63	73
January 2011	24	41	58	69
January 2012	29	50	68	74

Sources: AHIP Center for Policy and Research, 2005 – 2012 HSA/HDHP Census reports.

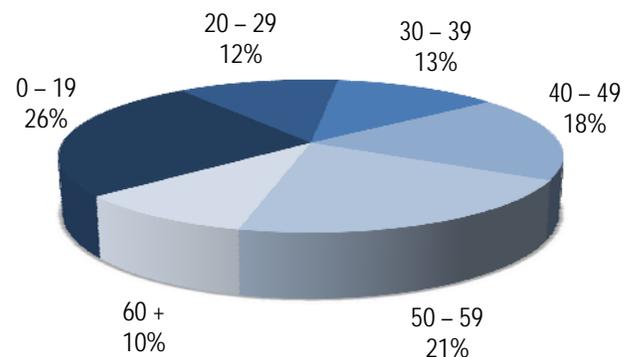
Note: Each responding company may have multiple subsidiaries operating in many states. However, results for enrollment levels by company are reported only for the overall company, grouping data from all subsidiaries into one unit.

In January 2012, 49 percent of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 51 percent were under age 40. Specifically, 26 percent of enrollees were younger than 20 years of age; 25 percent were between the ages of 20 and 39; 18 percent were between the ages of 40 and 49; and 31 percent were 50 years of age or older (see Figure 3).

GROUP MARKET

As of January 2012, large-group HSA/HDHP coverage had increased to 7.9 million people, up from 6.3 million people in January 2011, almost 5 million people in January 2010, and approximately 3.8 million in January 2009. In the large-group market, the gender distribution of enrollees was 50 percent male and 50 percent female covered by an HSA/HDHP.

Figure 3. Age Distribution of People Covered by HSA-Qualified High-Deductible Health Plans, Individual Market, January 2012



Source: AHIP Center for Policy and Research.

Notes: Most enrollees in the 0 – 19 age group were dependents covered under family plans.

Companies offering HSA/HDHP products in the small-group market reported enrollment of 3,019,347 as of January 2012, which is an increase from the January 2011 figure of 2,779,208. The January 2011 enrollment declined from 2,970,000 in January 2010. In general, small-group coverage was defined as coverage through employers with 50 or fewer employees, although a handful of respondents to the census used a slightly different definition.

CONSUMER DECISION-SUPPORT TOOLS FOR HSA/HDHP ENROLLEES

Many health plans offering HSA-qualified HDHPs have created online tools to help members manage their HSA accounts online, access information about their health conditions and medical services, and obtain clear information about the cost and quality of health services in their area.

Table 3 illustrates the consumer decision-support tools available in plans responding to these questions, weighted by the number of HSA/HDHP enrollees. Ninety-three (93) percent of HSA/HDHP enrollees had access to account information—most

(95 percent) of those enrollees could access this information online. Almost all HSA/HDHP enrollees (97 percent) had access to health education tools (98 percent online). More than 90 percent of enrollees had access to quality information about specific hospitals; and approximately 86 percent had access to physician-specific quality information. Eighty-five (85) percent had access to some health care cost information, and over 90 percent had access to personal health records (PHRs).

Table 3. Consumer Decision-Support Tools Available to HSA-Qualified High-Deductible Health Plan Enrollees, January 2012

	Percent of Companies Offering Tools	Tools Available to Enrollees Online
Member access to health savings account information (e.g. to track spending and view balances)	93%	95%
Health education information	97%	98%
Hospital-specific quality data	92%	93%
Physician-specific quality data	86%	86%
Physician-specific information (e.g. hospital affiliation, medical education)	94%	97%
Health care cost information (e.g. negotiated rates for procedures and drugs)	84%	85%
Personal Health Records	90%	91%

Source: AHIP Center for Policy and Research.

Additionally, other tools are offered to HSA/HDHP enrollees by the responding plans to assist with their health care needs, including: health risk assessments, health coaching, bill payment tools, and mobile applications.

STATE-BY-STATE ENROLLMENT

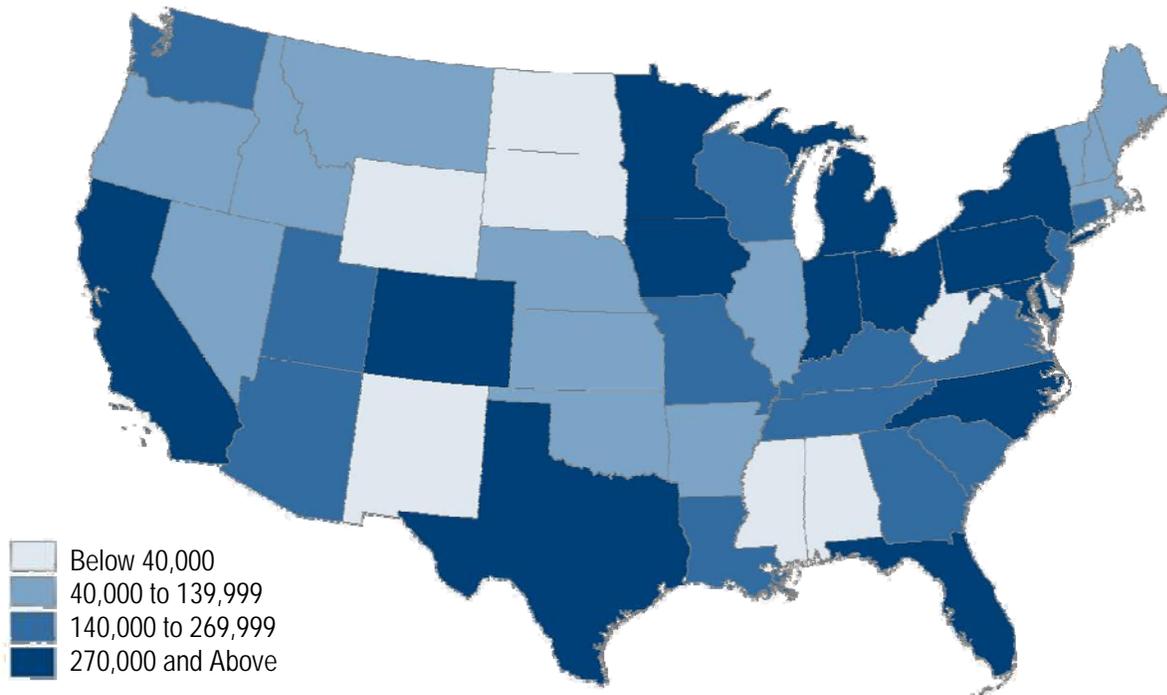
AHIP's census was able to collect state-by-state enrollment on nearly 11 million lives with HSA/HDHP coverage as of January 2012. States with the largest reported HSA/HDHP enrollment levels were: California (1,001,943); Texas (755,432); Illinois (717,384); Ohio (662,999); and Florida, which had 539,778 covered lives (see Table 4 and Figures 4 and 5).

Table 4. Total Enrollment in HSA-Qualified High-Deductible Health Plans and Enrollment as a Percentage of Total Enrollment in Private Health Insurance (Under Age 65), by State, January 2012

State	HSA/HDHP Covered Lives	Percentage of Commercial Enrollment
Alabama	35,988	1.3%
Alaska	24,598	6.1%
Arizona	220,741	6.4%
Arkansas	66,567	4.7%
California	1,001,943	5.0%
Colorado	306,810	9.5%
Connecticut	242,865	10.6%
Delaware	34,125	6.5%
District of Columbia	18,802	5.6%
Florida	539,778	5.9%
Georgia	172,184	3.2%
Hawaii	1,933	0.3%
Idaho	54,218	6.3%
Illinois	717,384	9.5%
Indiana	386,629	10.4%
Iowa	113,378	5.9%
Kansas	95,729	5.7%
Kentucky	142,839	6.0%
Louisiana	179,810	8.4%
Maine	65,701	9.0%
Maryland	319,250	8.6%

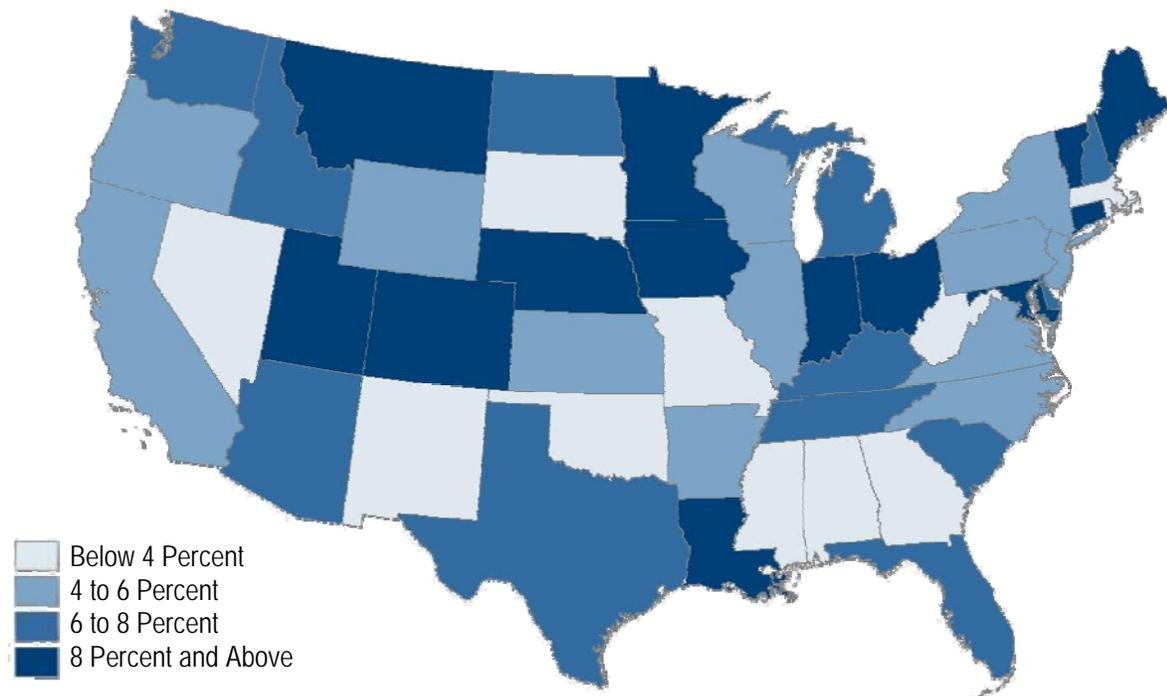
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Figure 4. Number of Lives Covered by HSA-Qualified High-Deductible Health Plans, by State, January 2012



Source: AHIP Center for Policy and Research.

Figure 5. Lives Under Age 65 Covered by HSA-Qualified High-Deductible Health Plans as a Percent of Total Commercial Health Plan Enrollment, by State, January 2012



Source: AHIP Center for Policy and Research.

Table 4 (Continued).

State	Number of Covered Lives	Percentage of Commercial Enrollment
Massachusetts	127,115	3.0%
Michigan	384,963	6.7%
Minnesota	486,636	14.3%
Mississippi	22,521	1.6%
Missouri	156,255	4.4%
Montana	62,002	12.1%
Nebraska	113,284	9.9%
Nevada	49,976	3.3%
New Hampshire	67,937	7.5%
New Jersey	244,964	4.6%
New Mexico	18,884	2.0%
New York	495,498	4.6%
North Carolina	283,609	5.9%
North Dakota	24,726	6.0%
Ohio	662,999	9.8%
Oklahoma	65,638	3.3%
Oregon	117,754	5.3%
Pennsylvania	406,321	5.3%
Rhode Island	23,026	3.7%
South Carolina	173,942	7.5%
South Dakota	19,789	4.0%
Tennessee	235,945	6.8%
Texas	755,432	6.0%
Utah	221,061	11.5%
Vermont	74,086	19.9%
Virginia	226,146	4.6%
Washington	246,155	6.4%
West Virginia	17,354	1.8%
Wisconsin	189,179	5.3%
Wyoming	18,117	5.6%
Uncategorized *	2,769,489	
United States	13,502,075	7.8%

Sources: AHIP Center for Policy and Research, 2012 HSA/HDHP Census; U.S. Census Bureau Current Population Survey (CPS), Annual Social and Economic (ASEC) Supplement, 2011.

* Some plans were unable to categorize their entire HSA/HDHP enrollment by state within the reporting deadline.

States with the highest percentage of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Vermont (19.9 percent); Minnesota (14.3 percent); Montana (12.1 percent); Utah (11.5 percent); Connecticut (10.6 percent); and Indiana (10.4 percent).

Monthly premiums were reported for all markets—individual, small-group, and large-group—combined. Monthly average premiums ranged from highs of \$470 for single coverage in Tennessee and \$1,201 for family coverage in New Hampshire, to lows of \$206 in South Dakota for single coverage and \$423 for family coverage in Iowa (see Table 5).

Table 5. Average Monthly Premium for HSA-Qualified High-Deductible Health Plans in Selected States, January 2012

State	Average Monthly Premium, Single	Average Monthly Premium, Family
Arizona	\$292	\$603
Arkansas	\$279	\$597
California	\$422	\$1,102
Colorado	\$380	\$968
Connecticut	\$424	\$1,089
Florida	\$325	\$740
Georgia	\$393	\$934
Idaho	\$287	\$586
Illinois	\$350	\$741
Indiana	\$372	\$960
Iowa	\$235	\$423
Kansas	\$278	\$569
Kentucky	\$326	\$839
Louisiana	\$337	\$758
Maine	\$392	\$1,026
Maryland	\$241	\$535
Massachusetts	\$453	\$1,127
Michigan	\$277	\$599
Minnesota	\$264	\$494

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Table 5 (Continued).

State	Average Monthly Premium, Single	Average Monthly Premium, Family
Mississippi	\$340	\$677
Missouri	\$320	\$754
Nebraska	\$394	\$915
Nevada	\$360	\$913
New Hampshire	\$467	\$1,201
New Jersey	\$295	\$785
New York	\$321	\$845
North Carolina	\$328	\$689
Ohio	\$348	\$880
Oklahoma	\$319	\$614
Oregon	\$326	\$728
Pennsylvania	\$395	\$967
Rhode Island	\$432	\$1,048
South Carolina	\$367	\$672
South Dakota	\$206	\$520
Tennessee	\$470	\$943
Texas	\$370	\$764
Utah	\$302	\$743
Vermont	\$390	\$874
Virginia	\$352	\$898
Wisconsin	\$379	\$948
Wyoming	\$391	\$800
United States	\$361	\$896

Source: AHIP Center for Policy and Research.

ACKNOWLEDGEMENTS

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For further information, please contact Jeff Lemieux, Senior Vice President at AHIP's Center for Policy and Research, at 202.778.3200 or visit our website at www.ahipresearch.org.

PREVIOUS PUBLICATIONS ON HEALTH SAVINGS ACCOUNTS FROM THE AHIP CENTER FOR POLICY AND RESEARCH

The reports listed below can all be found at the AHIP Center for Policy and Research website, www.ahipresearch.org.

Health Savings Accounts and Account-Based Health Plans: Research Highlights

11.30.2011—*Update forthcoming, June 2012*. This report highlighted publicly available research and statistics from a variety of sources on the market for account-based health plans.

January 2011 Census Shows 11.4 Million People Covered by Health Savings Account/High-Deductible Health Plans (HSA/HDHPs)

06.14.2011 (*Revised 06.16.2011*). The 2011 AHIP census of U.S. health insurance carriers showed that the number of people covered by HSA/HDHPs totaled 11.4 million in January 2011.

An Analysis of Health Savings Account Balances, Contributions, and Withdrawals in 2009

12.06.2010. This report is a comprehensive study of financial activity in HSAs. Data collected from three large banks contain detailed account information of more than 1.2 million HSA accounts open as of December 31, 2009.

January 2010 Census Shows 10 Million People Covered By HSA Qualified High-Deductible Health Plans

05.19.2010. The 2010 AHIP census of U.S. health insurance carriers showed that the number of people covered by HSA/HDHPs totaled 10.0 million in January 2010.

January 2009 Census Shows 8 Million People Covered By HSA Qualified High-Deductible Health Plans

05.13.2009. The 2009 AHIP census of U.S. health insurance carriers showed that the number of people covered by HSA/HDHPs totaled 8.0 million in January 2009.

Estimated Income Characteristics of HSA Accountholders in 2008

05.13.2009. As a follow up to AHIP's February 2009 report, *A Preliminary Analysis of Health Savings Account Balances, Contributions and Withdrawals 2007 & January—June 2008*, five bank trustees of health savings accounts used a geo-coding technique to estimate the income characteristics of those HSA account-holders, which allows analysis of account balances, inflows and outflows by income range.

A Preliminary Analysis of Health Savings Account Balances, Contributions and Withdrawals 2007 & January—June 2008

02.11.2009. A comprehensive study of financial activity in HSAs from five large banks, this report shows detailed account information of more than 1.1 million HSA accounts open as of June 30, 2008.

January 2008 Census Shows 6.1 Million People Covered by HSA/High-Deductible Health Plans

04.30.2008. The 2008 AHIP census of U.S. health insurance carriers market showed continued growth in HSA-qualified HDHP coverage, especially in the small-group market. This was the first report in the series to include a breakdown of HSA/HDHP enrollment by state.

Most HSA Plans Provide First-Dollar Coverage for Recommended Preventive Care

11.19.2007. Analysis of a 2007 survey of health plans showed that most HSA/HDHP policies being purchased in the market provided coverage for recommended preventive services, as allowed under Internal Revenue Service (IRS) rules, without requiring enrollees to first meet their plan deductibles (“first-dollar” coverage).

January 2007 Census Shows 4.5 Million People Covered by HSA/High-Deductible Health Plans

04.02.2007. The 2007 AHIP HSA census showed that HSA/HDHP enrollment continued to grow from the previous year in both the Individual and Group Markets. Overall enrollment was 4.5 million in January 2007, up by 1.3 million from 3.2 million in January 2006.

HSAs and Account-Based Health Plans

06.28.2006. This report highlighted publicly available research and statistics from a variety of sources on the market for account-based health plans available to the public as of June 2006.

January 2006 Census Shows 3.2 Million People Covered By HSA Plans

03.09.2006. The 2006 AHIP HSA census showed that the number of people covered by health savings accounts/high-deductible health plans (HSA/HDHPs) was almost 3.2 million in January 2006, more than triple the HSA/HDHP coverage of about one million reported in March 2005.

Guide to Health Care Spending Accounts

07.19.2005. Answers to frequently asked questions about HSAs, HRAs, FSAs, and MSAs, based on guidance issued by the U.S. Treasury Department and the IRS as of June 2005.

Number of HSA Plans Exceeded One Million in March 2005

05.04.2005. A census of AHIP members shows HSA/HDHP enrollment doubled to over one million in six months, and the number of companies reporting enrollment in HSA/HDHP products more than tripled during the same period, from 29 companies in September 2004 to 99 companies in March 2005.

Health Savings Accounts Off to a Fast Start in the Individual Market

01.12.2005. This was the first AHIP report on HSA/HDHPs aimed at monitoring and reporting on the emerging HSA/HDHP health insurance market, and analyzed data from two surveys conducted in June and September 2004. It reported on data submitted by 29 companies, showing 438,000 people covered by HSA/HDHPs in September 2004.