ACTING ON HSAs:

Practical Considerations for Offering HSA Advise

Featured Speaker

Shelby C. George, JD, CEBS
Interim CEO
Perspective Partners

Shelby is an ERISA attorney, Certified Financial Education Instructor, Certified Behavioral Finance Advisor, and self-described advocate for retirement savers and health consumers everywhere. She has dedicated nearly 15 years to helping the industry better serve employers and their participants.

Shelby currently serves as Interim CEO at Perspective Partners.

Featured Speaker

Bill Kampine
Co-Founder & Senior Vice President
Healthcare Bluebook

Bill Kampine is an experienced healthcare executive having more than 25 years of expertise in new venture development, mergers and acquisitions, strategy and advanced analytics.

Bill leads healthcare economics, innovation and strategic growth initiatives at Bluebook.

Featured Speaker

Stewart Gooding
Regional Vice President
HSA Bank

Stewart is Regional Vice President for RIA and Third Party Distribution of their Advisor Directed platform, HSAdvisor+. Stewart helps Advisors create and sell their own Custom HSA Investment Solutions.

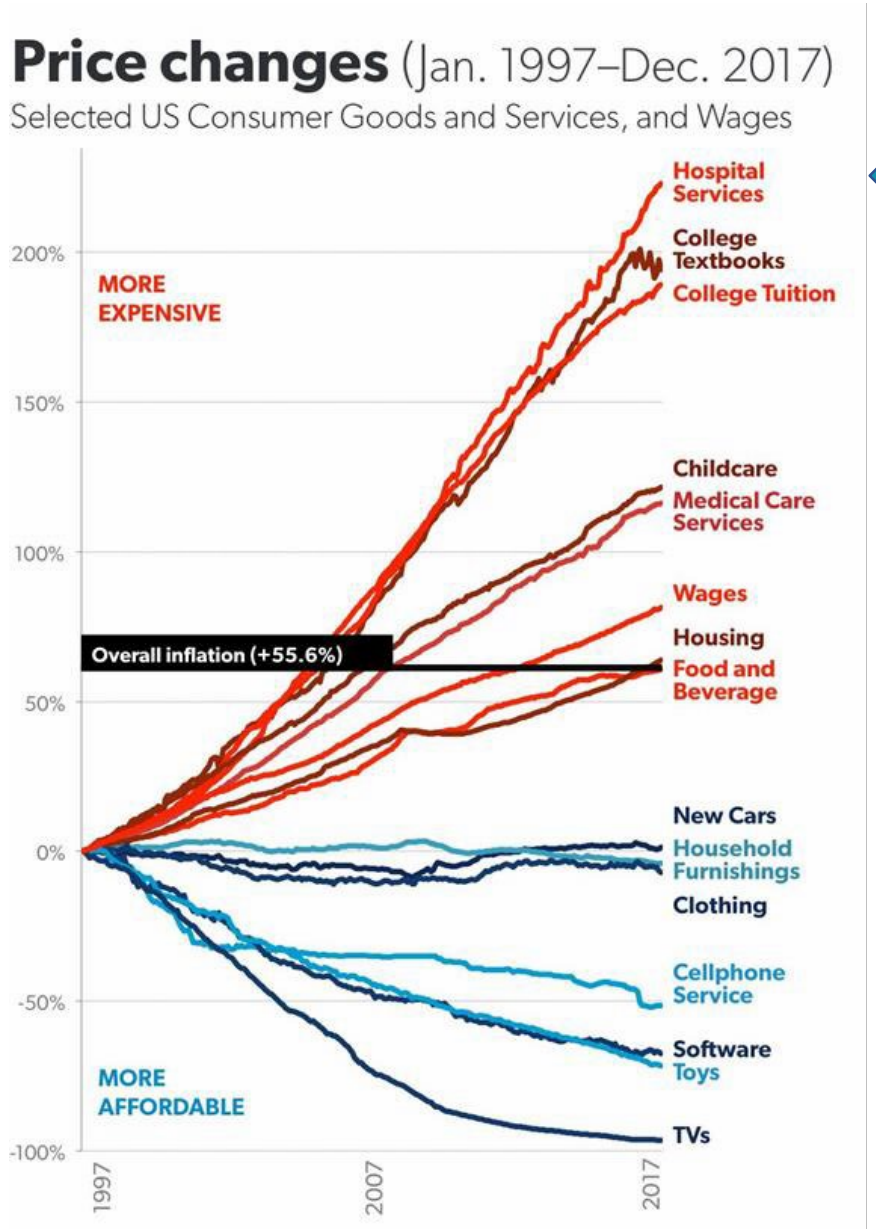
Stewart has over 25 years in the retirement-business and is a frequent speaker on retirement and healthcare savings at Excel 401k, ASPPA and PLANSPONSOR conferences.

PROTECTING PATIENTS BY

EXPOSING THE TRUTH & EMPOWERING CHOICE

Healthcare Bluebook™

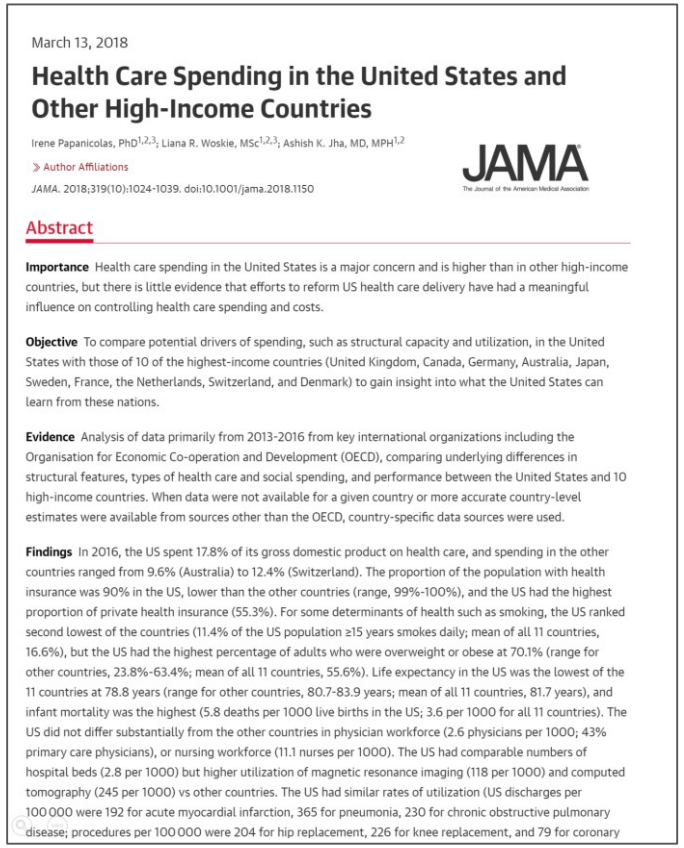
HEALTHCARE INFLATION vs CONSUMER GOODS



Data Source: Bureau of Labor Statistics

Healthcare Bluebook

Utilization down, spending still up. Price is *the* issue.



March 13, 2018

Health Care Spending in the United States and Other High-Income Countries

Irene Papanicolas, PhD[1,2,3]; Liana R. Woskie, MSc[1,2,3]; Ashish K. Jha, MD, MPH[1,2]

Author Affiliations

JAMA. 2018;319(10):1024-1039. doi:10.1001/jama.2018.1150

JAMA
The Journal of the American Medical Association

Abstract

Importance Health care spending in the United States is a major concern and is higher than in other high-income countries, but there is little evidence that efforts to reform US health care delivery have had a meaningful influence on controlling health care spending and costs.

Objective To compare potential drivers of spending, such as structural capacity and utilization, in the United States with those of 10 of the highest-income countries (United Kingdom, Canada, Germany, Australia, Japan, Sweden, France, the Netherlands, Switzerland, and Denmark) to gain insight into what the United States can learn from these nations.

Evidence Analysis of data primarily from 2013-2016 from key international organizations including the Organisation for Economic Co-operation and Development (OECD), comparing underlying differences in structural features, types of health care and social spending, and performance between the United States and 10 high-income countries. When data were not available for a given country or more accurate country-level estimates were available from sources other than the OECD, country-specific data sources were used.

Findings In 2016, the US spent 17.8% of its gross domestic product on health care, and spending in the other countries ranged from 9.6% (Australia) to 12.4% (Switzerland). The proportion of the population with health insurance was 90% in the US, lower than the other countries (range, 99%-100%), and the US had the highest proportion of private health insurance (55.3%). For some determinants of health such as smoking, the US ranked second lowest of the countries (11.4% of the US population ≥15 years smokes daily; mean of all 11 countries, 16.6%), but the US had the highest percentage of adults who were overweight or obese at 70.1% (range for other countries, 23.8%-63.4%; mean of all 11 countries, 55.6%). Life expectancy in the US was the lowest of the 11 countries at 78.8 years (range for other countries, 80.7-83.9 years; mean of all 11 countries, 81.7 years), and infant mortality was the highest (5.8 deaths per 1000 live births in the US; 3.6 per 1000 for all 11 countries). The US did not differ substantially from the other countries in physician workforce (2.6 physicians per 1000; 43% primary care physicians), or nursing workforce (11.1 nurses per 1000). The US had comparable numbers of hospital beds (2.8 per 1000) but higher utilization of magnetic resonance imaging (118 per 1000) and computed tomography (245 per 1000) vs other countries. The US had similar rates of utilization (US discharges per 100 000 were 192 for acute myocardial infarction, 365 for pneumonia, 230 for chronic obstructive pulmonary disease; procedures per 100 000 were 204 for hip replacement, 226 for knee replacement, and 79 for coronary

HCCI HEALTH CARE COST INSTITUTE

2016 Health Care Cost and Utilization Report

A review of trends in health care spending, utilization, and price among Americans with employer-sponsored insurance

January 2018

Rising Prices Drive Pace of Health Spending Increase

Healthcare spending spikes as Americans use less care

HCCI

U.S. Continues to Spend Much More on Health Care than Other Countries, Driven by Prices of Physician and Hospital Services, Pharmaceuticals

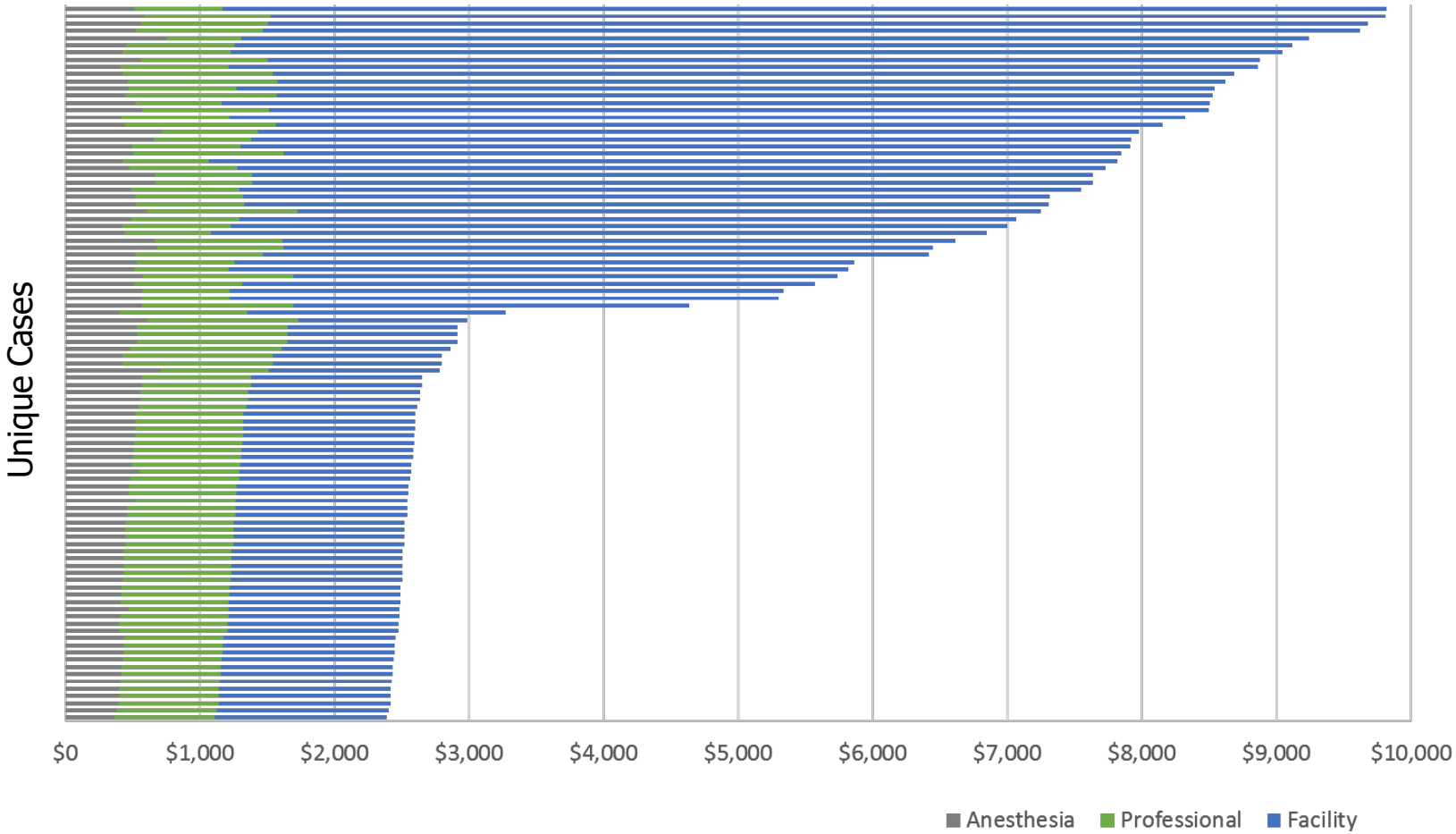
JAMA

Healthcare Bluebook

THE COST AND QUALITY PROBLEM

Healthcare Bluebook

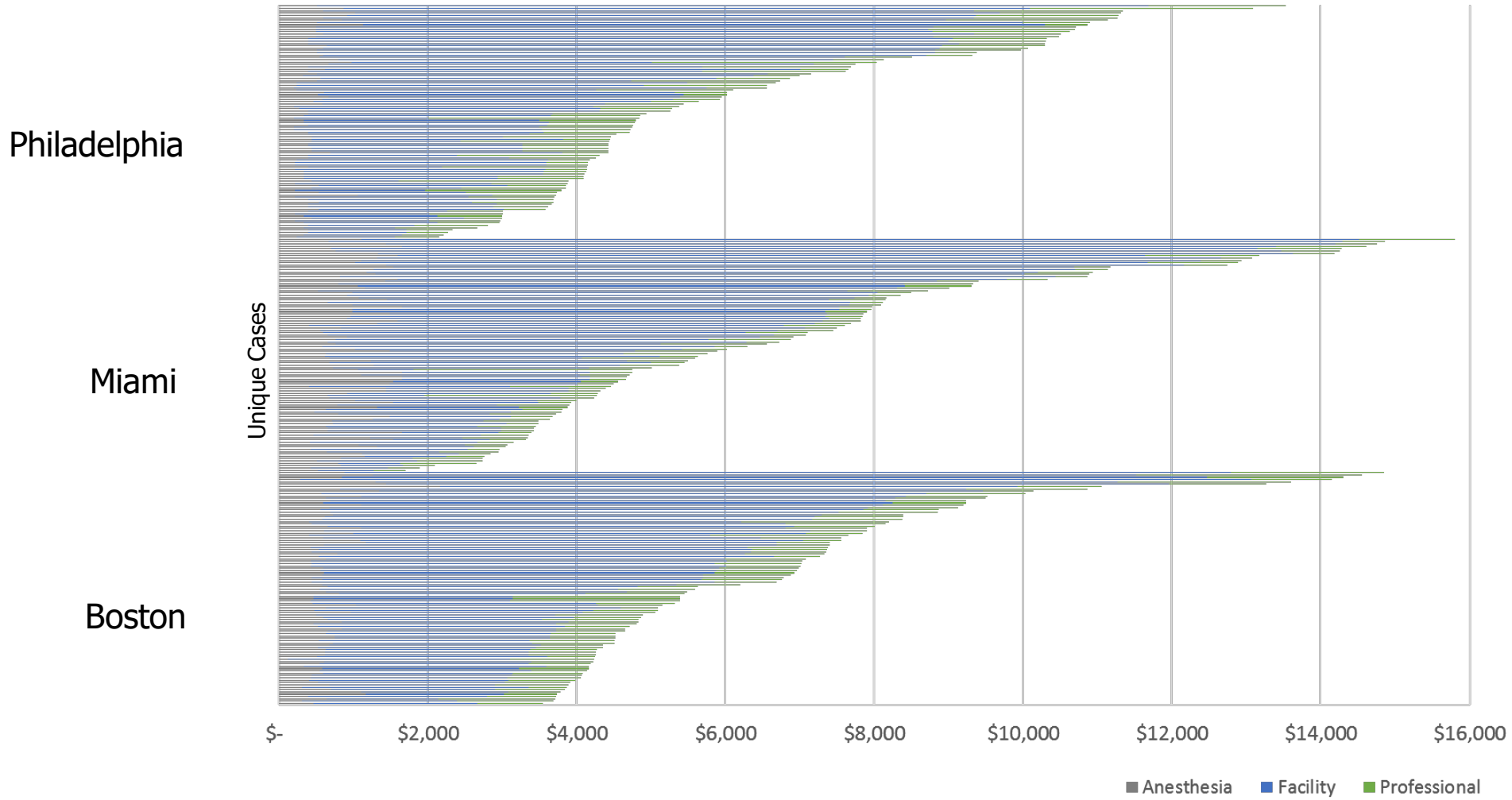
Cataract Surgery



Healthcare Bluebook™

Sample of deidentified cases. The total price indicates the Allowed Amount, or amount paid after the insurance discount is applied.

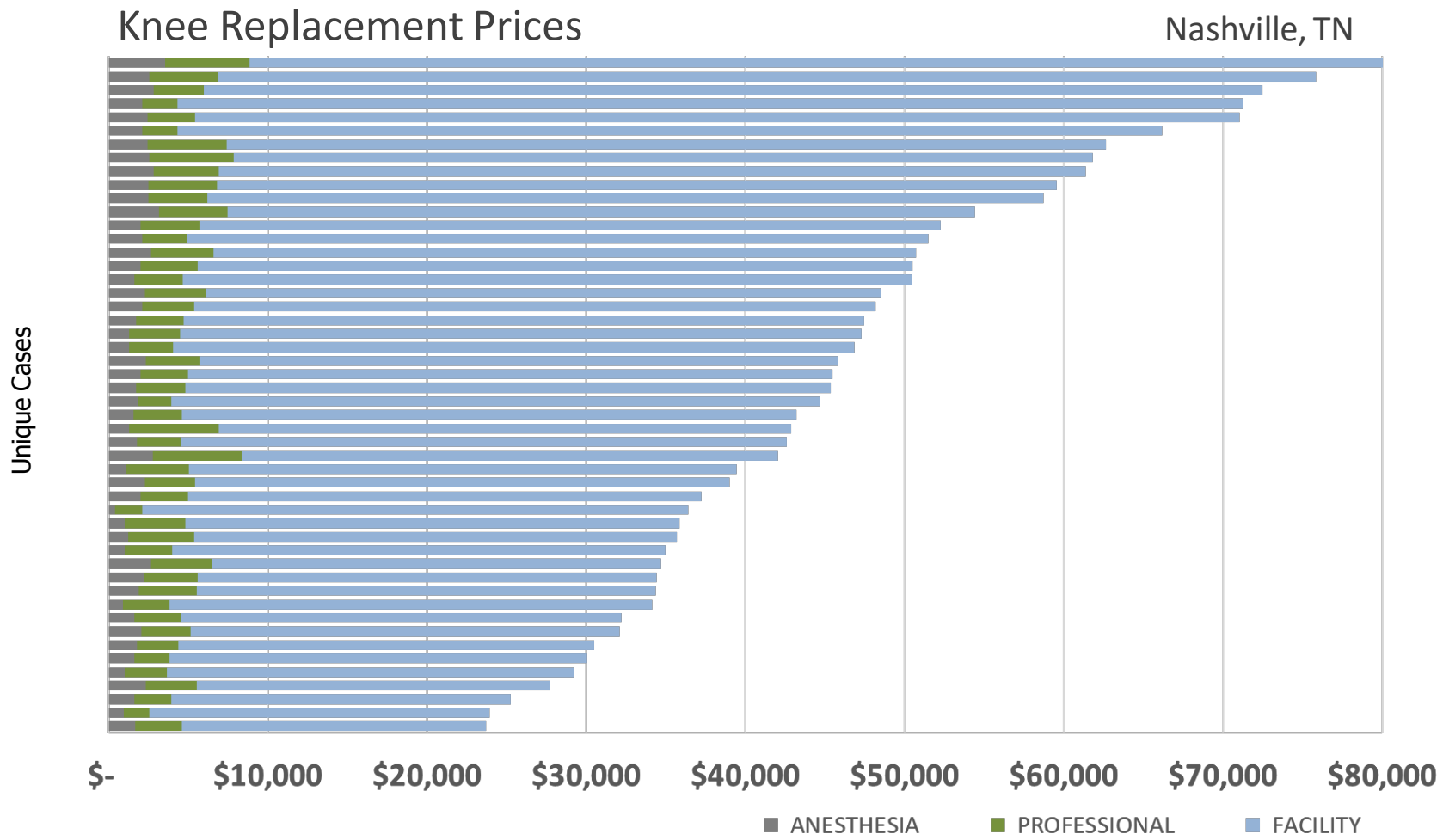
Knee Arthroscopy



Healthcare Bluebook

Sample deidentified cases. The total price indicates the Allowed Amount, or amount paid after the insurance discount is applied.

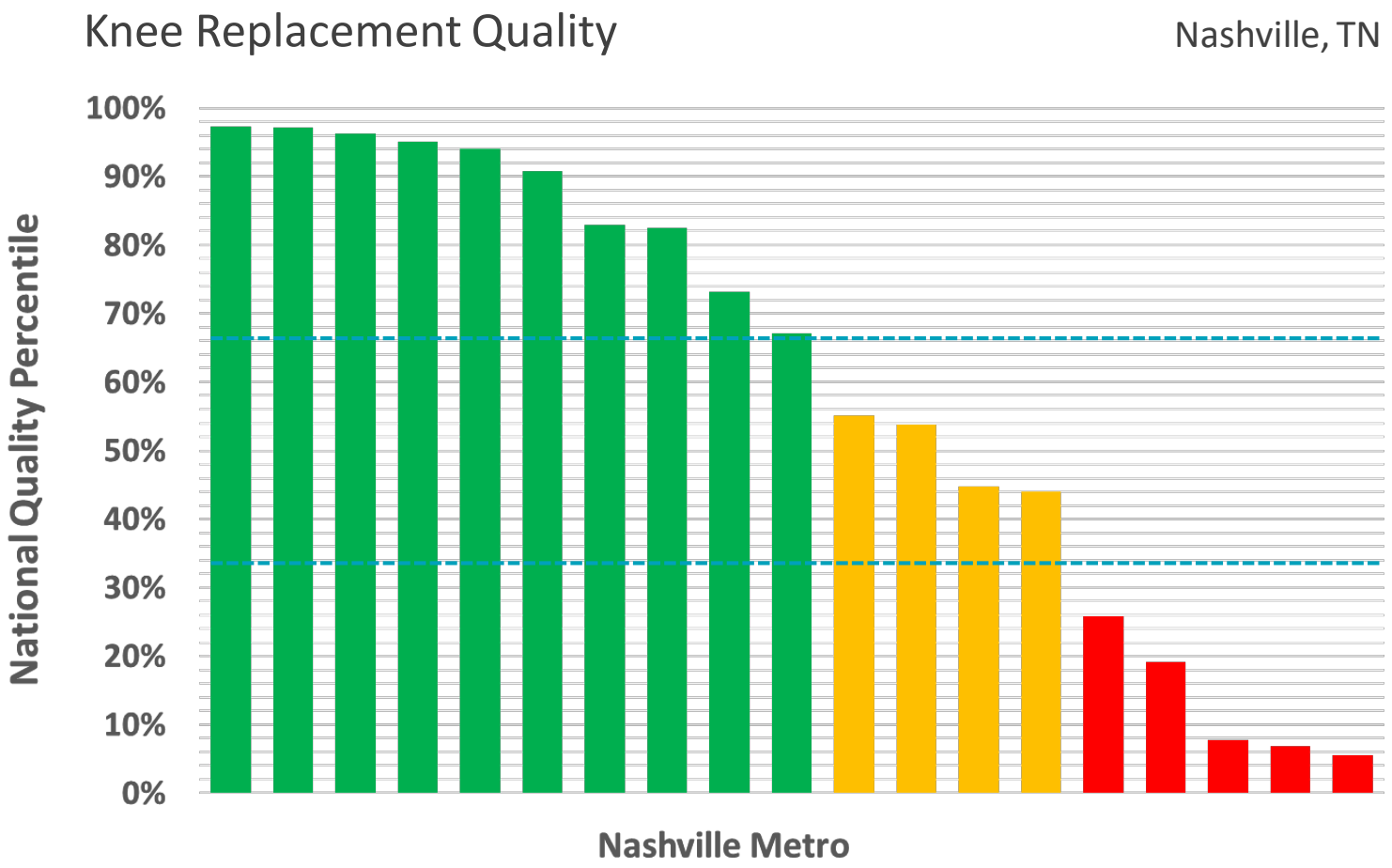
Knee Replacement



Healthcare Bluebook™

Sample of deidentified cases. The total price indicates the Allowed Amount, or amount paid after the insurance discount is applied.

Quality shows the same level of variability



Healthcare Bluebook™

SHOPPABLE

SERVICES ACCOUNT FOR

30% OF TOTAL MEDICAL SPEND

Healthcare Bluebook

OVERALL IMPACT ON THE ECOMOMY

Healthcare Bluebook.

Healthcare Bluebook

A Look at the HSA Market for Advisors

HSA Bank does not provide investment, tax, or legal advice.

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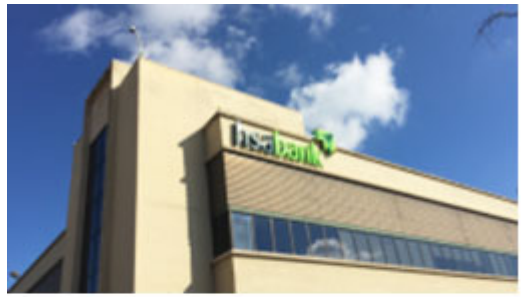
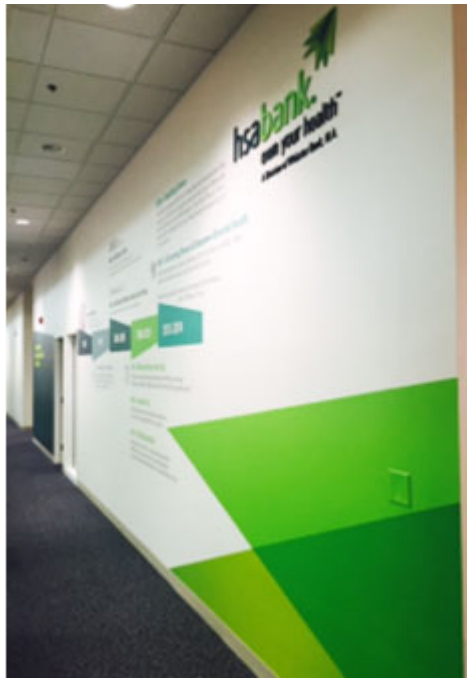




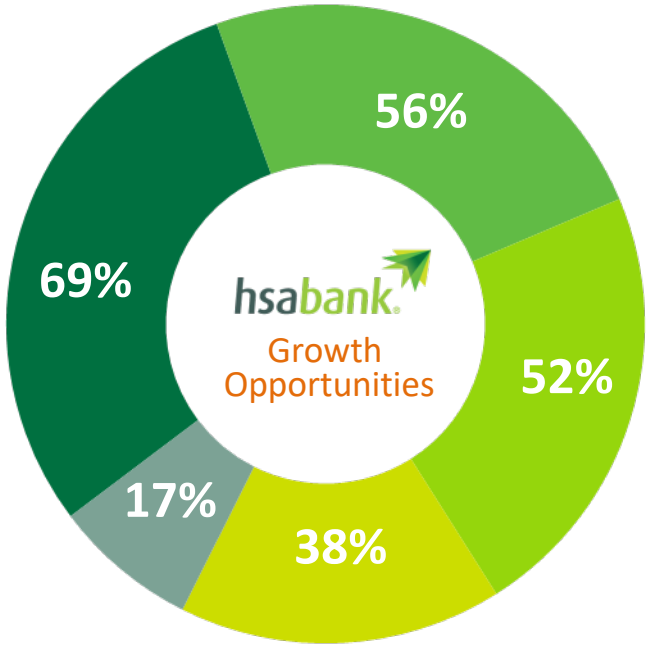
- One of the nation's leading Health Savings Account (HSA) administrators; and one of the first financial institutions in the country to offer an HSA.
- Serves over 2.7 million members and more than 35,000 employer groups; $7.2 billion in total footings comprising $5.7 billion in deposit balances and $1.5 billion in assets under administration through linked investment accounts.
- Industry-leading technology and user experience.
- Provides innovative market and thought leadership.

- Insurance/Employee Benefits
  - 112MM Americans covered by Public Insurance (37% of all HC costs)
  - 160MM Americans covered in Private Insurance
    - Majority of employers continue to offer coverage (91% 50-100 EEs; 98% 200EE+)
  - Cost share shift has occurred
    - Premium increase rates have slowed, but overall costs continue to rise
  - Plan designs have changed
    - CDH offerings have become the norm; fastest growing
    - PPOs still remain most popular, followed by CDH
  - Telemedicine and other modernization have rapidly expanded

HDHP Market: Employer Trends By Size

HDHP (HSA/HRA) Offer Rate

(% of employers offering)



HDHP (HSA/HRA) Enrollment Rate

(% of covered lives)

** Significant HRA volume*

Jumbo (5,000 + EEs)

Large (1,000 – 4,999 EEs)

Mid-size (200 – 999 EEs)

Small (25 – 199 EEs)

Micro Size (3 – 24 EEs)

Source: "2017 Employer Health Benefits Survey". Henry J Kaiser Family Foundation. 19 September 2017.

RETIREMENT

+

HSA = Health Plan Benefit

ACTING ON HSAS

Practical Considerations for Offering HSA

75%

OF EMPLOYERS

view HSAs as part of their retirement benefits.

"Health Savings Accounts and Retirement Plans." *Plan Sponsor Council of America*. July, 2017.

$360,000

NEEDED IN RETIREMENT TO COVER HEALTHCARE COSTS.[1]

(Healthy 65-year old couple retiring today)

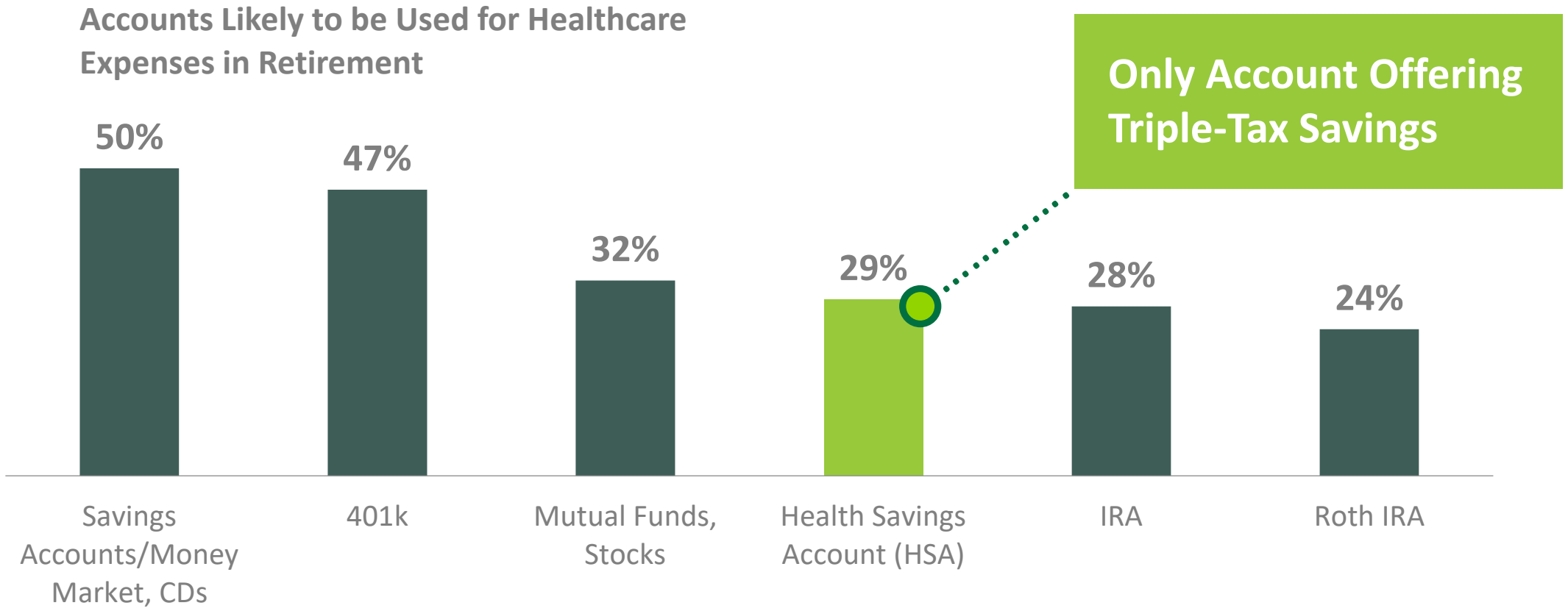
41%

OF CONSUMERS NEVER SAVE MONEY SPECIFICALLY FOR FUTURE HEALTHCARE EXPENSES.[2]

29%

OF CONSUMERS PLAN ON USING AN HSA TO PAY FOR HEALTHCARE EXPENSES IN RETIREMENT[3]

[1] "2018 Retirement Healthcare Costs Data Report." *Health View Services*. July 2018.
[2] "HSA Bank Health and Wealth Index℠." *HSA Ban k.* March, 2018.
[3] A proprietary third-party Omnibus Study conducted by HSA Bank, September 25-29, 2017.



Results from a proprietary third-party Omnibus Study conducted by HSA Bank, September 25-29, 2017, surveying 1,200 individuals across the U.S.

For tax-year 2019, when combining a 401(k) and an HSA, a 55-year old individual with family medical coverage would be able to save up to $33,000 per year.

For those under age 50 with self-only medical coverage, they could save up to $23,550 per year—$3,500 contributed to the HSA and $19,000 contributed to the 401(k).

88%

of HSA participants who started contributing to their HSA maintained or increased their 401(k) savings after their HSA enrollment.

2.4%

higher savings rates for employees with both a 401(k) and HSA.

21%

more employees contributed to both a 401(k) and HSA in 2016, compared to 2014.

"Fidelity Retirement Savings Analysis: Savings Rates, Account Balances Climb to Record Levels in First Quarter." *Fidelity Investments*. May 12, 2017. *Fidelity Investments*. 18 July 2017. https://www.fidelity.com/about-fidelity/employer-services/fidelity-retirement-savings-analysis

Employers

- Competitive HSA program makes it easy for employees to save and spend for healthcare.
- Ability to align HSA program with any insurance program and avoid conversion.
- Simple, yet compelling investment offerings and user experience with consolidation of retirement and HSA investments.

Employees

- Consumer-friendly HSA with payroll contributions, debit card, and intuitive portal.
- Well-integrated, easy-to-use investment solution maximizes investments with short list of tailored HSA investment options.

Financial Advisors

- A new way to enhance and grow employer defined contribution relationship.
- A new way to increase assets under management to drive revenue.
- Advisor manages HSA investments.


Your Questions
Answered