

2024 REPORT

Health Savings Account Eligible Health Plans




Introduction

Consumer-directed health plans (CDHP) combine a high-deductible, lower-premium plan with a tax-advantaged health savings account (HSA) and have been a steadily growing benefit option for millions of Americans since first being offered in 2004. HSA plans offer a way to save and invest money tax free for future health care costs, while maintaining available funds for current expenses, including cost-sharing. Funds contributed to, invested in, or withdrawn from an HSA are not subject to federal income taxation, but account contributions are limited: in 2024, an individual could contribute up to \$4,150 and a family up to \$8,300. All distributed funds must be used for IRS-defined qualified medical expenses. The funds are owned by the individual and may be rolled over from year to year, allowing investments to grow over time. The health plans with which an HSA may be paired are subject to strict limits under federal law, including the minimum deductible that must apply and a prohibition on pre-deductible coverage by the plan for services that are not preventive. The definition of “preventive services” for these types of plans has gradually been expanded to include services that prevent the exacerbation of chronic health conditions, and Congress has permitted pre-deductible coverage of telehealth visits.

Key Findings

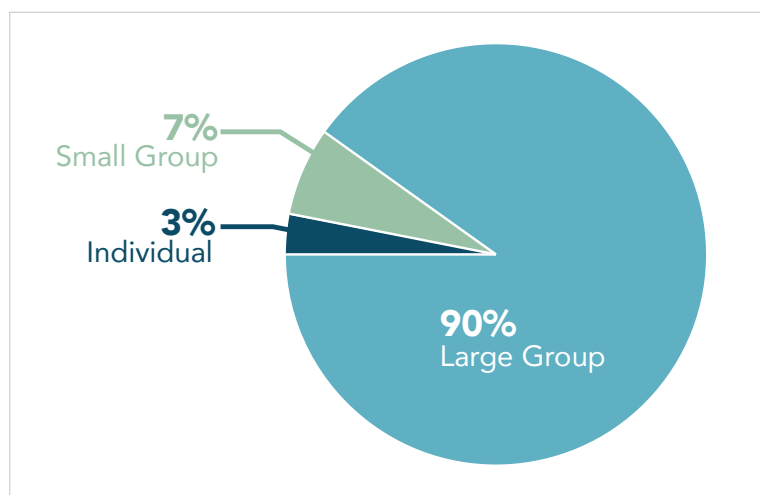
Enrollment in Health Savings Account (HSA)-eligible health plans continues to show robust growth. As of January 1, 2024, 38.8 million people were enrolled in HSA-eligible health plans, an increase from 32.1 million in 2019. They accounted for 17.9% of the total commercial health plan enrollment, including group health plans and individual health insurance, compared to 15% of the total commercial enrollment in 2019.

Large-group coverage accounted for the majority of HSA-eligible health plan enrollment. Generally, large-group coverage was defined as policies offered by employers with 50 or more employees. As of January 1, 2024, 90% of HSA-eligible health plan enrollees were in the large-group market, followed by 7% of enrollees in the small-group market. Individual market coverage accounted for only 3 % of the HSA-eligible health plan enrollment (Figure 1).



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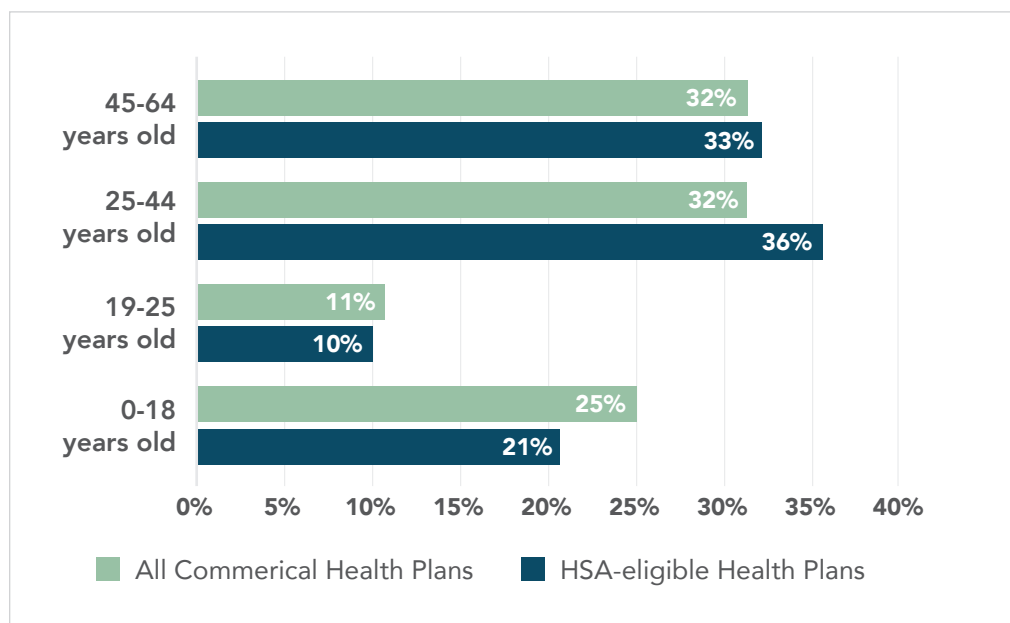
Figure 1: HSA-eligible Health Plan Enrollment by Market



By plan type, PPO plans accounted for more than three quarters (76%) of HSA-eligible health plan enrollment. Similarly, 75% of HSA-eligible health plan enrollees were enrolled in the self-insured plans. Finally, 77% of the HSA-eligible health plan enrollees in the individual market were enrolled through the exchanges, of which 56% were eligible for Advance Premium Tax Credits.

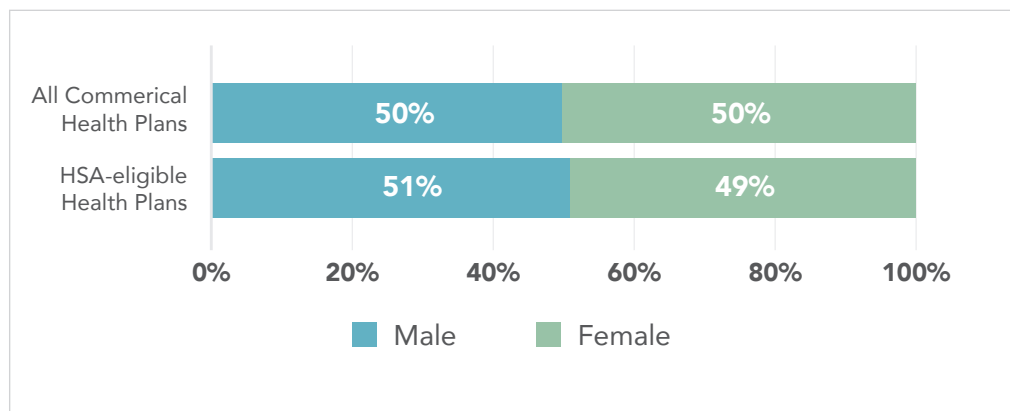
Compared to all commercial plans, consumers enrolled in HSA-eligible health plans tended to be slightly older (Figure 2). Children 18 and younger accounted for slightly over a fifth (21%) of the HSA-eligible health plan enrollment, compared to a quarter of all commercial enrollees. In contrast, 36% of HSA-eligible health plan enrollees were 25 to 44 years old, compared to only 32% of all commercial enrollees.

Figure 2: HSA-eligible Health Plan Enrollment by Age



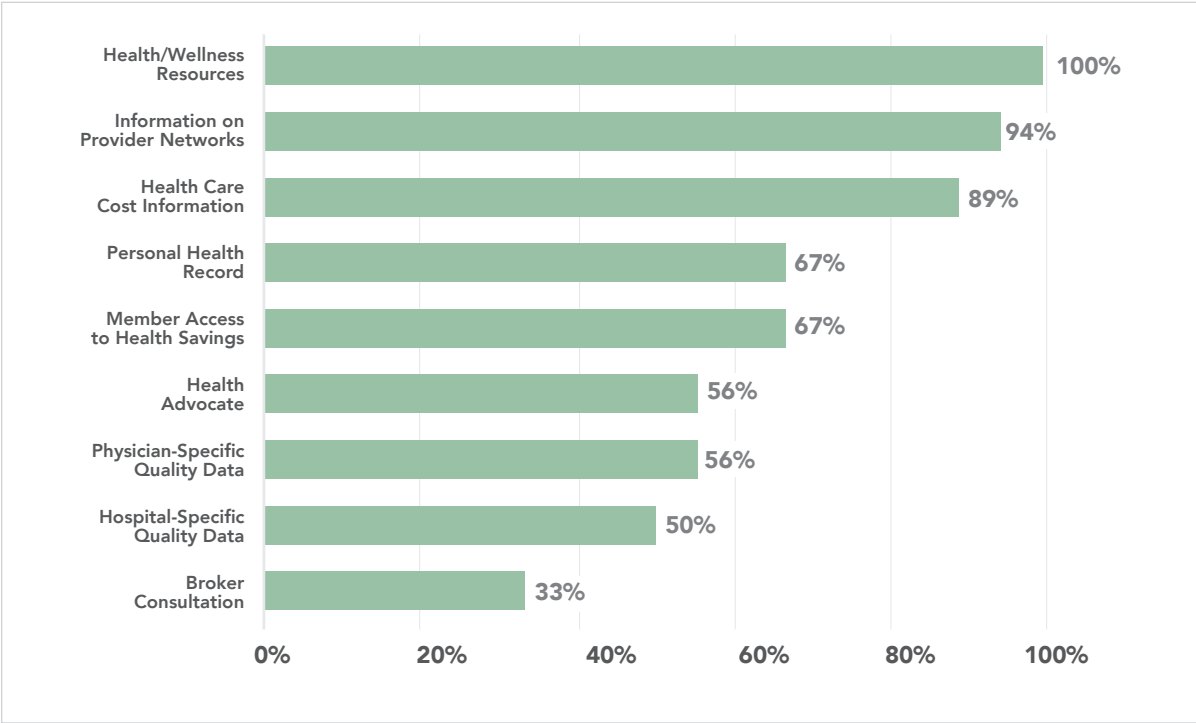
Men were slightly more likely to be enrolled the HSA-eligible health plans than women, 51% vs 49%, compared to evenly split enrollment for all commercial health plans.

Figure 3: HSA-eligible Health Plan Enrollment by Gender



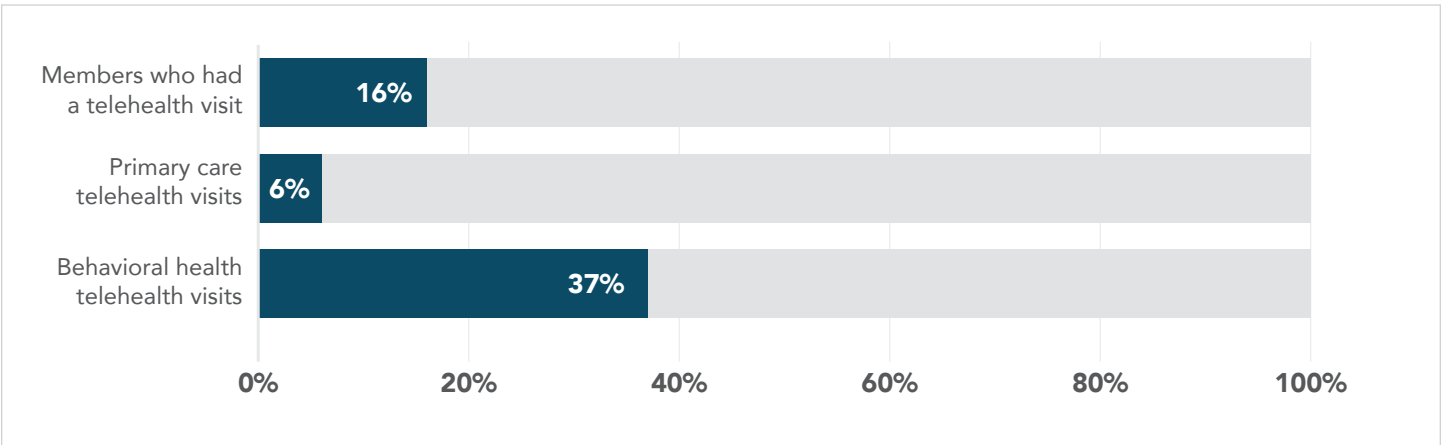
Many health insurers offering HSA-eligible plans have created tools to help members manage their HSA accounts online. Such accounts allow members to access information about their health conditions, medical services, health care costs (e.g., negotiated rates for procedures and drugs), and quality of health services in their area. Plans provided their members with health and wellness resources (100%), information on provider networks (94%), and health care cost information (89%). In addition, two thirds of plans provided access to HSA account information and personal health records.

Figure 4: Share of HSA-eligible Health Plans Providing Access to Consumer Decision-Support Tools



Telehealth offers a convenient and cost-effective way for patients to see their doctor without having to leave their home or workplace. Nearly all HSA-eligible health plans cover telehealth services on a pre-deductible basis. In 2023, one out of six (16%) consumers enrolled in an HSA-eligible health plan had a telehealth visit (Figure 5). Telehealth appointments accounted for 6% of all primary care visits and 37% of behavioral health visits in 2023.

Figure 5: Telehealth Use in HSA-eligible Health Plans in 2023



Methodology

In June 2024, AHIP fielded a nationwide survey to health plans with enrollment in the commercial market, including both employer-sponsored insurance and the individual market. The survey was distributed to 80 health plans selling or administering group health plans and Qualified Health Plans. 20 health plans, collectively representing 104 million commercial enrollees or 48% of the total commercial market, responded to the survey via an online tool.

To arrive at the national estimate of the total enrollment in HSA-eligible health plans, the study first calculated a weighted average of HSA-eligible health plans enrollment as a share of total commercial enrollment for the responding insurance providers. It then multiplied the percentage estimate by the 2023 Census estimate of the total number of commercial enrollees (216.8 million) to arrive at the final estimate.¹ The weighting scheme presumes statistical exchangeability between respondents and non-respondents; violations of this assumption may distort population-level projections, limiting external validity across all geographic and market strata. Estimates for distribution of total commercial enrollment by age and sex were calculated based on 2023 Census data for health insurance coverage by type and selected characteristics.

¹ US Census Bureau, "Health Insurance Historical Tables - HHI Series," Census.gov, accessed November 25, 2024, <https://www.census.gov/data/tables/time-series/demo/health-insurance/historical-series/hic.html>.