



2021
HSA BANK
HEALTH &
WEALTH INDEXSM

Let's begin

The fourth annual HSA Bank Health & Wealth IndexSM provides insight into consumer health and wealth engagement across the country. Employers can use these findings to tailor health benefits to the needs of their employees. And employers can share the HSA Bank Health & Wealth Index Calculator at hsabank.com/indexscore to encourage employee engagement. Educating employees on how to manage their healthcare finances will help them balance decisions and expenses in their working years and as they prepare for retirement. Additionally, this year's report shows how the COVID-19 pandemic affected engagement and offers employers suggestions on how to help employees build off positive trends as well as make improvements for the long term.

Disclaimer

Index results, research and analysis are provided for informational purposes only and should not be relied upon for marketing, legal, regulatory or other advice. HSA Bank is not responsible for your use of the Index results, research, analysis or other information, including errors of any kind, or any assumptions or conclusions you might draw. The results of the Index are based on HSA Bank's interpretation of how participation in certain activities impacts physical and financial health. While generally applicable, the survey and subsequent Index report cannot possibly consider all the various factors that may affect a specific individual's health and wealth. Respondents were able to select multiple responses to some of the Index questions; percentages may not equal 100. All infographics and charts are for illustrative purposes only.

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Released: March 9, 2021



Insights

4 levels of consumer behavior

A total of 2,000 U.S. adults were randomly surveyed about health plan enrollment status, health practices, ability to pay for healthcare, and health and wealth confidence. These consumers were scored based on their responses. The maximum score is 44 for health engagement and 56 for wealth engagement, for a total of 100 possible points. Consumers are grouped into four categories based on their score:



Minimally engaged (score range: 0-39)

Rarely prepare for healthcare expenses, and don't take an active role in managing their physical health



Moderately engaged (score range: 40-59)

Participate in roughly half of health and wealth activities that contribute to engagement



Highly engaged (score range: 60-74)

Participate in most of the behaviors that contribute to health and wealth engagement



Optimally engaged (score range: 75-100)

Take active steps to maintain or improve their physical health and health-related finances



Want to see how results compare year over year?
Check out the 2020 report at
hsabank.com/index2020report.

A photograph of a family in a kitchen. A pregnant woman in a white dress stands on the left, smiling. A man in a tan shirt and jeans stands on the right, holding the hand of a young child in a striped shirt and jeans. The child is jumping or dancing. A dog is lying on the floor in the foreground. The kitchen has wooden floors and a window in the background.

Average score increased

Average consumer engagement increased slightly this year with an index score of 57.4, compared to 56.4 in 2020. This is notable considering the challenges presented by the COVID-19 pandemic.

How consumer engagement breaks down

12.0%

Minimally engaged

43.1%

Moderately engaged

30.7%

Highly engaged

14.2%

Optimally engaged

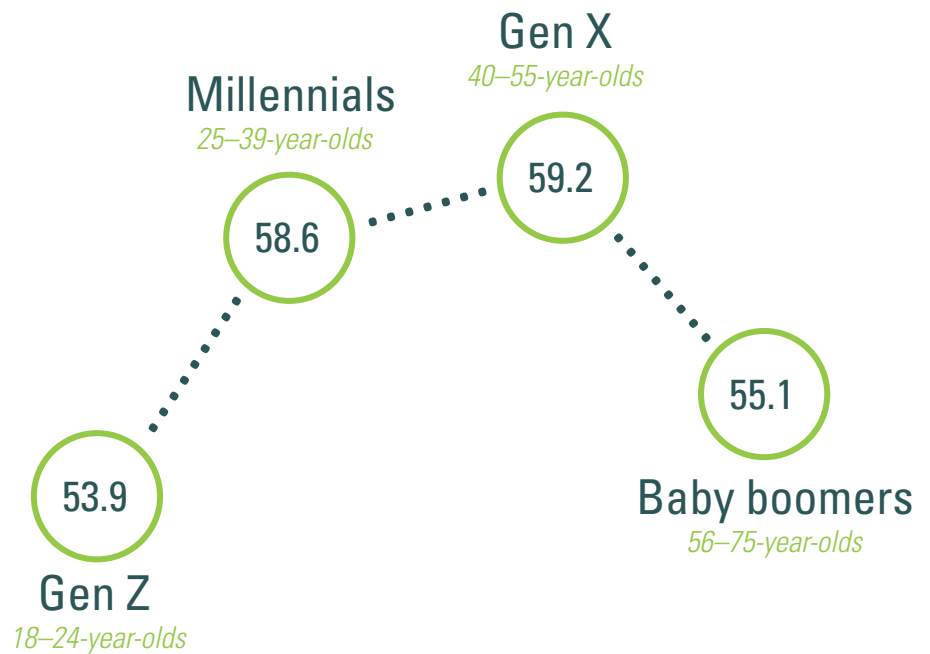


Visit
hsabank.com/indexscore
to get your personal health
and wealth index score.

Insights based on age

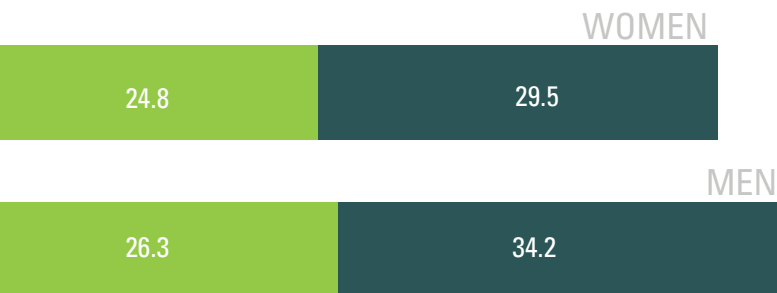
Generation Z had the greatest yearly difference in health and wealth engagement. Their score dropped from 65.1 in 2020 to 53.9 in 2021. Young adults faced more challenges finding entry-level jobs with benefits during the pandemic.

Generation X now has the highest overall score, although millennials scored only slightly lower. Gen Xers and millennials are heading into their prime earning years, so now is a great time for employers to help them make smart decisions about their healthcare.



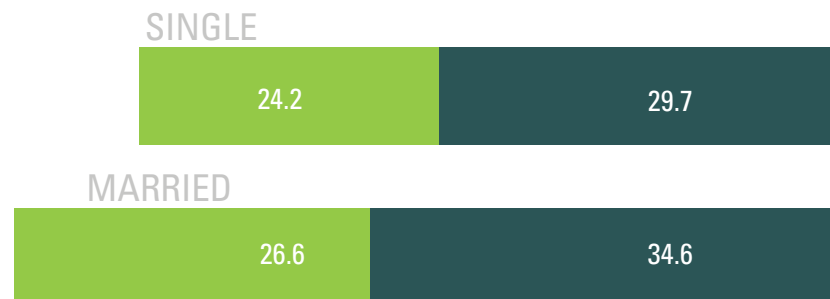
Insights based on gender and marital status

The gap between women and men's health and wealth engagement widened in 2021.



Men's health score remained the same and their wealth score actually increased by three points in the 2021 Index. Women were disproportionately affected by job losses during the pandemic which may have contributed to their health and wealth scores dropping.

Marriage influences health and wealth scores.

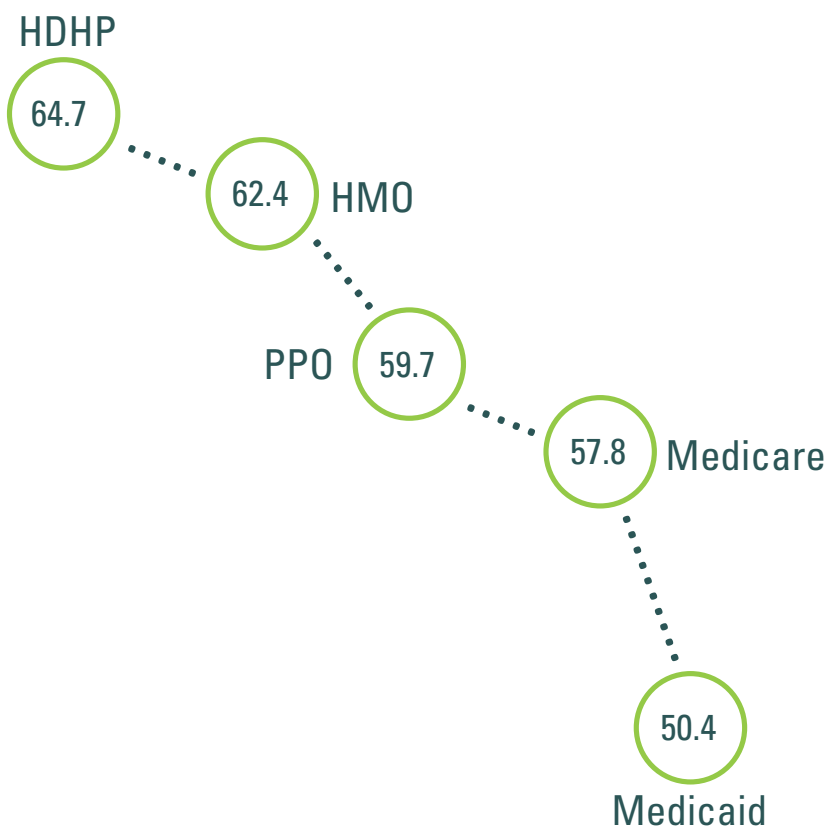


Married consumers have a notably higher overall engagement score than those who are single. The potential for two incomes offers more stability, especially in the current environment.



Insights based on plan type

High-deductible health plan (HDHP) consumers are the most engaged for the fourth year in a row. Consumers with HDHPs have more incentive to plan for future medical expenses with tax-advantaged accounts. Higher engagement prepares them to be ready for medical expenses now and in retirement.



Constants and changes

Consumers showed great resilience during this unprecedented year. They continued healthy habits and embraced positive changes. However, our survey results revealed opportunities for improvements. Employers may want to consider updated plan design and increased education as ways to support their employees.



Trends continue from 2020

Even with the challenges of the pandemic, survey results show consistency from last year in understanding the importance of health insurance. Confidence in physical health and the ability to manage health needs remained steady. However, the need for more education was another constant from prior years.

Consumers continue to understand the importance of health insurance and the value in evaluating medical services and providers.

The health insurance plan determines in-network providers, treatment and prescription coverage, as well as premium, copay, coinsurance, deductible and out-of-pocket costs.

89% of consumers strongly agree or somewhat agree their health insurance plan helps them get the medical services needed while managing costs, an increase of 2% from 2020. This point of view was most prevalent among those 65 and older (95% agreed).

At a high level, considerations for medical services or providers is consistent across the following: quality (51%), cost (46%), location (47%) and insurance providers accepted (50%).

89%

of consumers agree that their health insurance plan helps them be more prepared



Confidence in physical health and ability to manage health needs is stable

Confidence in physical health:

2020



2021



Confidence in ability to manage health needs:

2020



2021



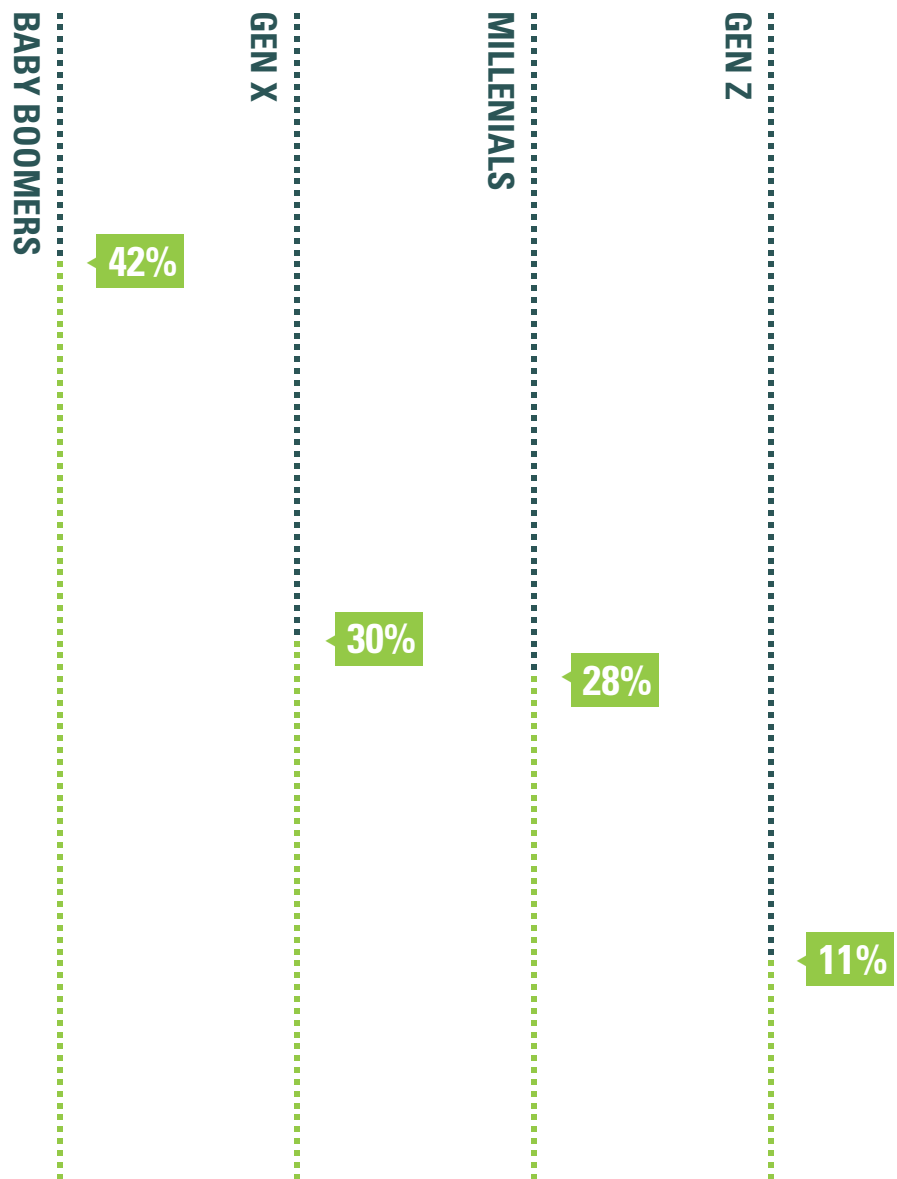
But understanding of healthcare costs stayed low

Gen Z continued to be least educated about their plan costs, followed by millennials, Gen Xers and baby boomers. Only 11% of Gen Z consumers reported they knew their deductible compared to 42% of baby boomers.

And while overall knowledge of out-of-pocket maximums was found to be low at 22%, only 15% of those reporting as Hispanic knew their out-of-pocket maximum. Similarly, where overall knowledge of coinsurance was also low at 17%, only 11% of Black consumers said they know their health plan's coinsurance. This shows the known racial disparities in access and education for health coverage.

Educating employees on their plan options and healthcare costs is key so they can make smart healthcare decisions and know how much to save for future medical expenses. Employers may want to consider polling employees on healthcare questions to provide the most useful education.

Consumers who reported they knew their deductible:



Changes unique to 2021

While this is the fourth annual Index report, the past 12 months were considerably different from the prior years studied. The pandemic forced many states to enact lockdowns and made working from home and virtual schooling standard. During this time, consumers made positive lifestyle changes, saved more for the future, and got used to telehealth options. But, also due to the pandemic, consumers missed important annual preventive care appointments.

Renewed interest in lifestyle changes

82% of respondents agreed they made lifestyle changes to improve their health in the past year.

More men than women agreed they made lifestyle changes to improve their health.

Lifestyle changes aren't just for the young. 80% of those 65 and older agreed they made positive lifestyle changes.

Looking into what specific lifestyle changes were made, the survey showed that men reduced alcohol intake and quit smoking; women worked to improve mental health. Black respondents were more apt to take steps to improve their mental health (40%) and manage stress (45%) compared to the average respondent (34% and 36% respectively).

84%

of men said they made lifestyle changes to improve their health

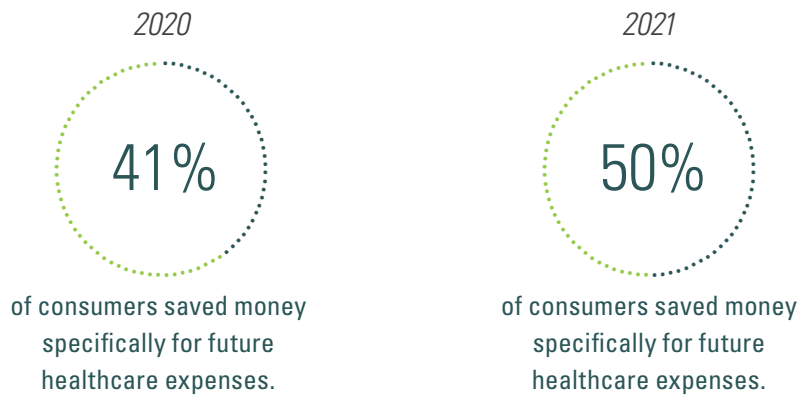
78%

of women said they made lifestyle changes to improve their health



Preparing for the future

Saving for future medical expenses increased by 9% from the prior year's Index. Additionally, the 30% of consumers who delayed or skipped medical care procedures due to the pandemic, could save those funds for future expenses.



Consumers with HSAs are saving the most for future healthcare expenses.

71% of HSA respondents frequently or occasionally save money for future healthcare expenses.

54% of PPO respondents save money frequently or occasionally for future healthcare expenses.

Saving only gets consumers so far. They also need to make smart decisions about their healthcare purchases. In another positive trend, 60% of consumers are frequently or occasionally considering costs in their selection of health services such as lab tests, prescription drugs and doctors.

30%

of respondents 55 and older never save for future medical expenses

Older respondents are saving for the future at lower rates, yet continue to worry the most about future expenses. 50% of those from 55 to 64 worry about future medical expenses, and 43% of those 65 and older frequently or occasionally worry about future medical expenses.

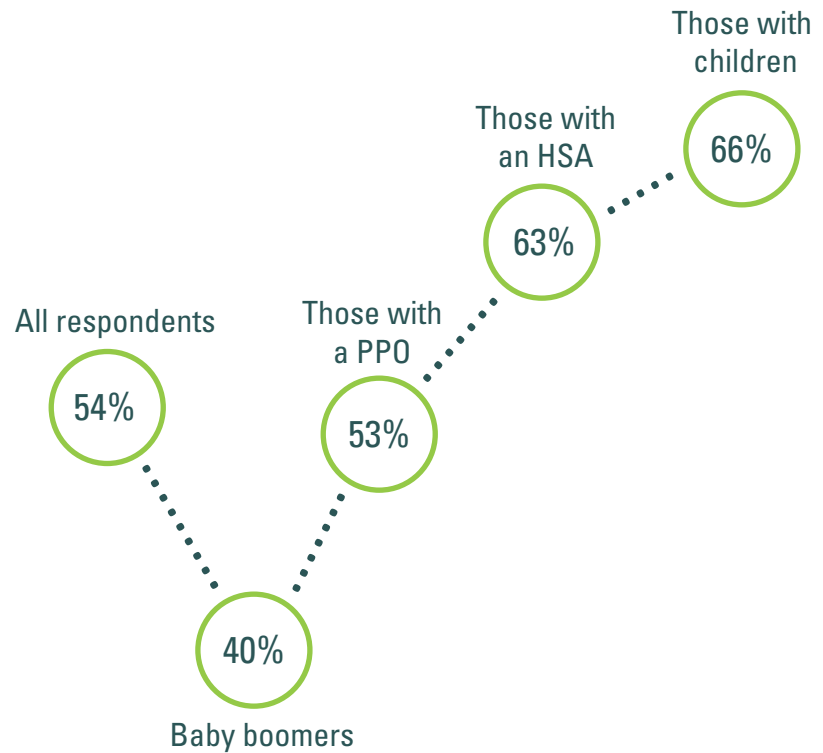
Telehealth improved healthcare access

Telehealth is defined as real-time audio and/or video communication that allows doctors and patients to connect from different locations.

The CARES Act passed in 2020, allowing HSA-qualified HDHPs to cover telehealth services before reaching the deductible. Or an individual could choose to purchase and use telehealth services outside of their HDHP, without impacting their eligibility for an HSA. This provision applies until Dec. 31, 2021.

Increased access to this benefit was crucial throughout the pandemic, with 54% of respondents reporting they accessed healthcare through telehealth this year.

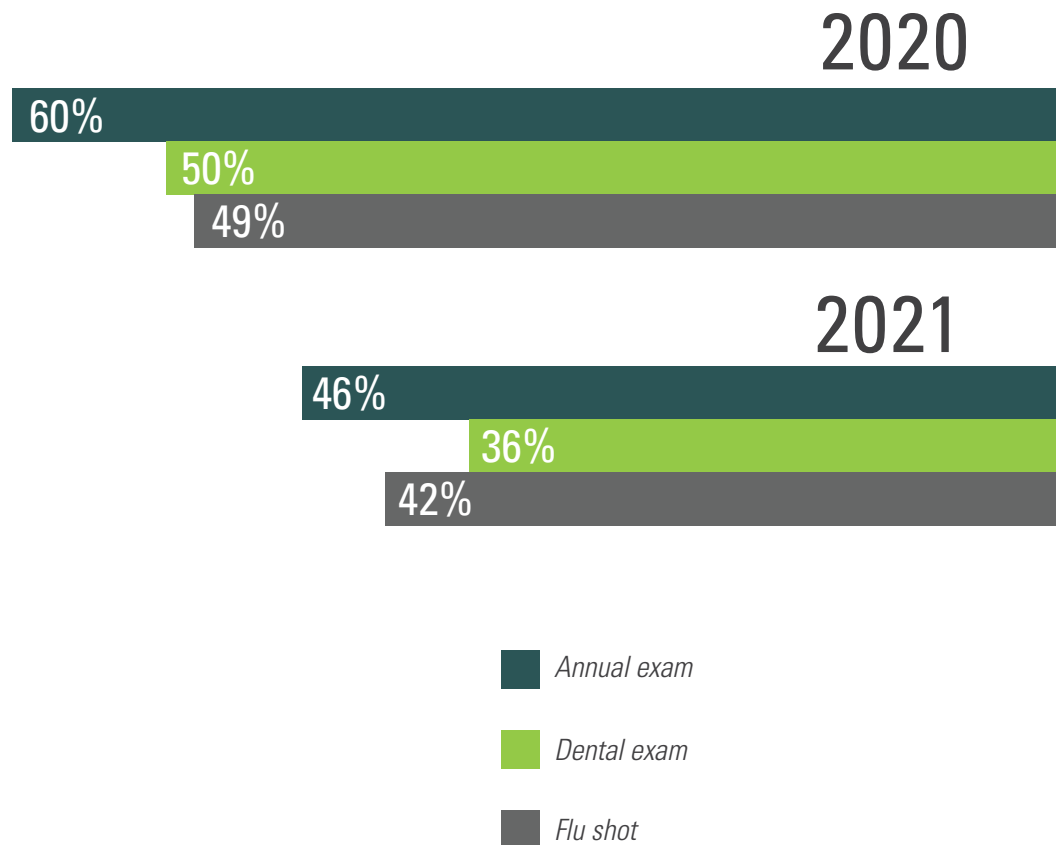
Who used telehealth services:



Preventive care appointments dropped

Preventive care is essential to keep overall healthcare costs down. But in the past year, the percentage of those receiving preventive health services and screenings decreased dramatically. Likely due to consumers skipping in-person appointments and limited access to care when many medical providers temporarily closed their offices.

Engagement in preventive care:



New opportunities

So, what does this mean for employers managing benefits? Just like many employees are making positive improvements to their health, this may be the year for employers to make updates to their healthcare offerings.

Reviewing and adjusting plan benefits is a good place to start. Wellness incentives may be just what employees need to keep up with the healthy habits they started in 2020. Encouraging a return to preventive care is also a way to improve health and wealth engagement in 2021. After employees became accustomed to learning virtually while working remotely, employers can continue to use these tools and resources to educate employees on plan benefits and features.

Plan design is a great way to support employees' health and wealth engagement.

Employers should consider an HDHP/HSA-eligible plan that's more attractively priced than a traditional plan to encourage employees to select it. Employers can reward employees with an HSA contribution at least equal to the premium differential. Additionally, they should look at total out-of-pocket expenses for all plans.

When reviewing plan design, employers may also want to consider:

1

Telehealth

Employees can easily fit appointments into their busy schedule and won't have to risk getting others sick when they're seeking care. Especially for rural consumers and those with children, telehealth can be far more convenient than traditional appointments.

2

Wellness incentives

A smart way to help employees kick-start their HSA funds. Don't forget about incentives for mental well-being. Even if employees weren't directly affected by COVID-19, it likely influenced their mental health. Encouraging employees to use a meditation app or a sleep improvement app may help boost their mental health.

Encourage preventive care

If employees skipped preventive care appointments during the pandemic, they may need additional education on what's covered, how to schedule appointments, and where to go for more information. Consider additional communications and reminders on the benefits of preventive care to get employees back in the habit.



Use virtual tools

Employees got used to learning about their health plan benefits online since many employers offered virtual open enrollment in 2020. So, employers may want to offer more online tools and resources to supplement this year's open enrollment and other education programs.

To help employees more, consider offering decision support. When deciding between health plans and health account options, encourage employees to consider all the important numbers involved in making these decisions. These include not only health insurance premiums, deductibles, out-of-pocket maximums and co-pays, but also the savings potential that comes from using an HSA to pay for healthcare costs.



Try our HSA Contribution Calculator

hsabank.com/contributioncalculator



Check out additional decision support tools

hsabank.com/decisionsupport



Moving forward

The 2021 HSA Bank Health & Wealth Index finds that while there's still work needed to improve education, engagement and preparedness of consumers as they work toward a healthy future, those with health insurance fared quite well during COVID-19. Employees have an opportunity to measure their own engagement using the Health & Wealth Index Calculator and find recommendations based on their engagement level. Using the findings from the Index, employers can improve engagement across their employee population by implementing tools such as calculators, health accounts and educational resources to increase health plan literacy and behaviors related to health and wealth.

Methodology

A survey of more than 2,000 randomly selected U.S. adults was conducted in the fall of 2020 in order to gauge physical and financial health across the country. The survey was designed to provide respondents with an overall health and wealth consumer index score. Respondents were asked 10 questions about their health plan enrollment status, health practices, ability to pay for health-related expenses, and confidence in their own health and wealth. The survey was commissioned by HSA Bank and executed by a third-party organization. Each survey respondent received both a health score and a wealth score, which were combined to produce their overall health and wealth consumer index score. The total possible score for each respondent ranged from zero to 100. The higher the score, the better the respondent ranks in terms of their physical and financial health engagement. The margin of error for this sample size is +/- 2.18% at the 95% confidence level. Smaller subgroups have larger margins of error. This was the first year that HSA Bank reported findings broken out by race.

About HSA Bank

At HSA Bank, we're working toward a world where everyone is empowered to save for a healthy future. By providing the right tools and resources, we make it simple for our 3 million members nationwide to maximize their savings for healthcare and long-term goals. As a leader in health accounts for over two decades, we continue to innovate. Our offerings in the healthcare savings space drive down healthcare costs, increase access, and assist with decision-making for consumers, health plans, partners, and advisors. HSA Bank is a division of Webster Bank, N.A., Member FDIC. To learn more, visit hsabank.com.



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salesupport@hsabank.com