

HSA Bank Health & Wealth IndexSM

2019



*Actionable Insights for Consumer
Health and Wealth Engagement*

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A Division of Webster Bank, N.A.,
Member FDIC

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INTRODUCTION

The HSA Bank Health & Wealth IndexSM provides insight into the engagement level of consumers by measuring behaviors related to health and wealth. Employers can tailor their health benefits to have the greatest impact on employee behavior by using the findings presented in this report, and they can encourage employees to know their score and receive personalized recommendations by taking the Health & Wealth Index calculator at hsabank.com/indexscore.



FOUR LEVELS OF ENGAGEMENT

A survey of 2,000 randomly selected U.S. adults inquired about their health plan enrollment status, health practices, ability to pay for healthcare, and confidence in their own health and wealth. 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

Minimally engaged consumers are rarely preparing for healthcare expenses and do not take an active role in managing their physical health through lifestyle changes or preventative care.



Moderately Engaged

Score Range: 40-59

Moderately engaged consumers participate in roughly half of health and wealth activities that contribute to engagement. They likely need to put a greater focus on understanding their health plan, saving, and managing their physical health.



Highly Engaged

Score Range: 60-74

Highly engaged consumers participate in most of the behaviors that contribute to health and wealth engagement. They could benefit from increasing the frequency with which they save for healthcare expenses and the number of preventative health services they receive.



Optimally Engaged

Score Range: 75-100

Optimally engaged consumers are actively taking steps to maintain or improve their physical health and health-related finances. While there may be room for improvement, these consumers are ensuring the security of their physical and financial health.



Read the first HSA Bank Health & Wealth Index from 2018 at:
hsabank.com/index2018

OUTCOMES

HSA Bank surveyed twice as many consumers in 2019 compared to 2018. Overall, the average consumer remains highly engaged in their health and wealth with an average index score of 62.3 in 2019, compared to 62.4 in 2018.

The same demographic factors were evaluated in both 2018 and 2019, including age, gender, location, income and health plan type.* Little discrepancy was shown between the two years, validating the findings and index scores for these demographic factors.

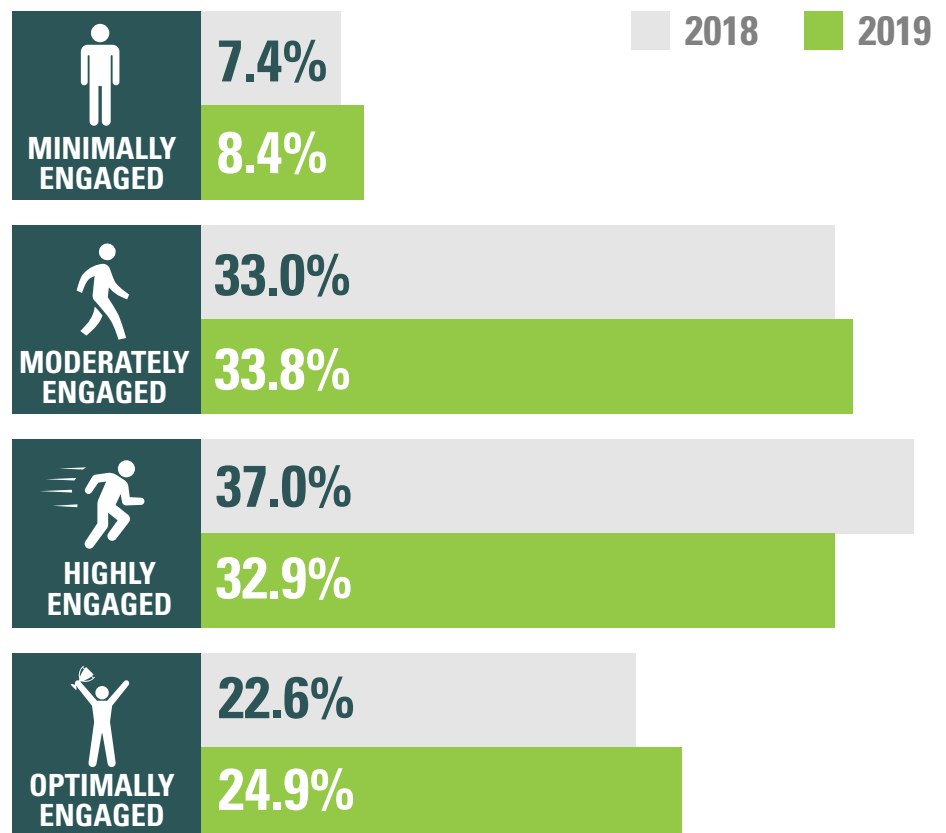
The greatest difference in health and wealth engagement occurs for health plan type. High-deductible health plan (HDHP) consumers remain the most engaged group overall.



To get your personal health and wealth index score with recommendations, visit hsabank.com/indexscore and answer a few simple questions. The calculator and results are available to you and your employees.

YEAR-OVER-YEAR ENGAGEMENT

66.7% of consumers are moderately or highly engaged, which is less than the percentage of consumers in this range in 2018 (70%). This year, more consumers fell into the minimally and optimally engaged categories. However, the recommendation to employers remains the same – focus on employees who are moderately or highly engaged to have the greatest impact on consumer behavior. Once employees are out of the minimally engaged category, it's important to propel them forward.



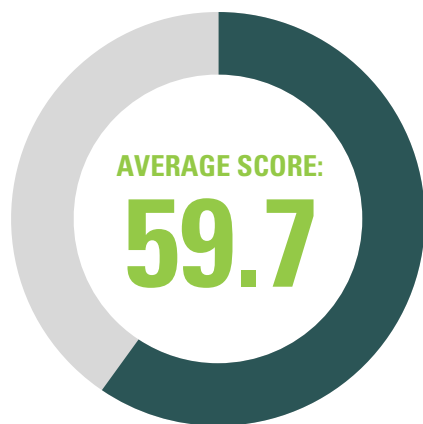
*Due to the minor year-over-year change for location and income, these index scores were excluded from the 2019 report. Additionally, we are only showing the 2019 scores for gender and age. Visit hsabank.com/index2018 for the 2018 results.



AGE

Baby boomers show the greatest level of engagement in their health and wealth.

Watch for our breakout report on this topic.



MILLENNIAL
(20-37 YEARS OLD)



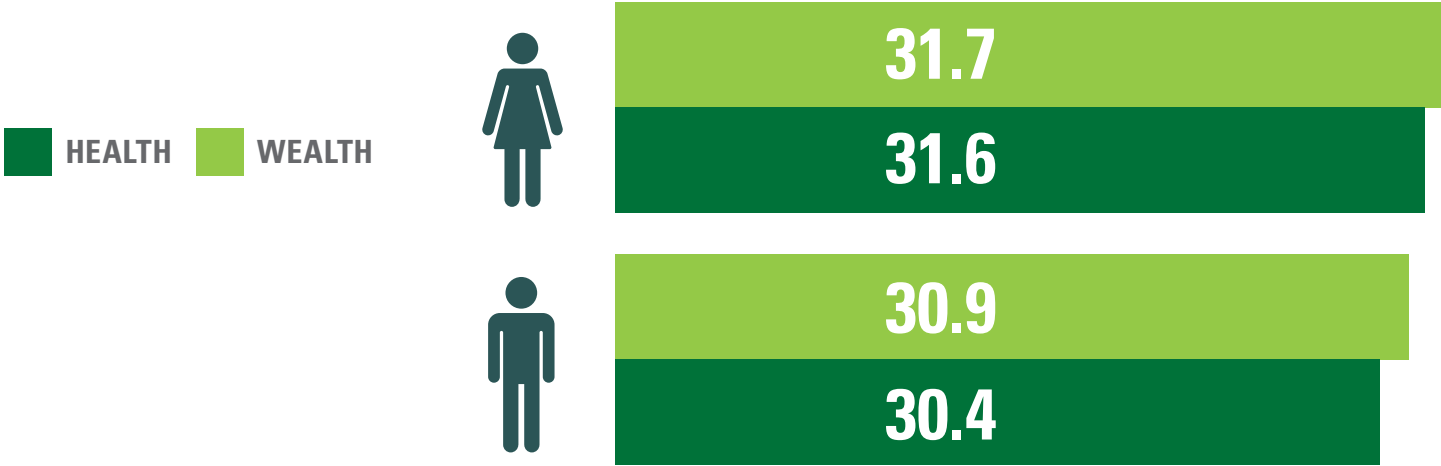
GEN X
(38-53 YEARS OLD)



BABY BOOMER
(54-72 YEARS OLD)

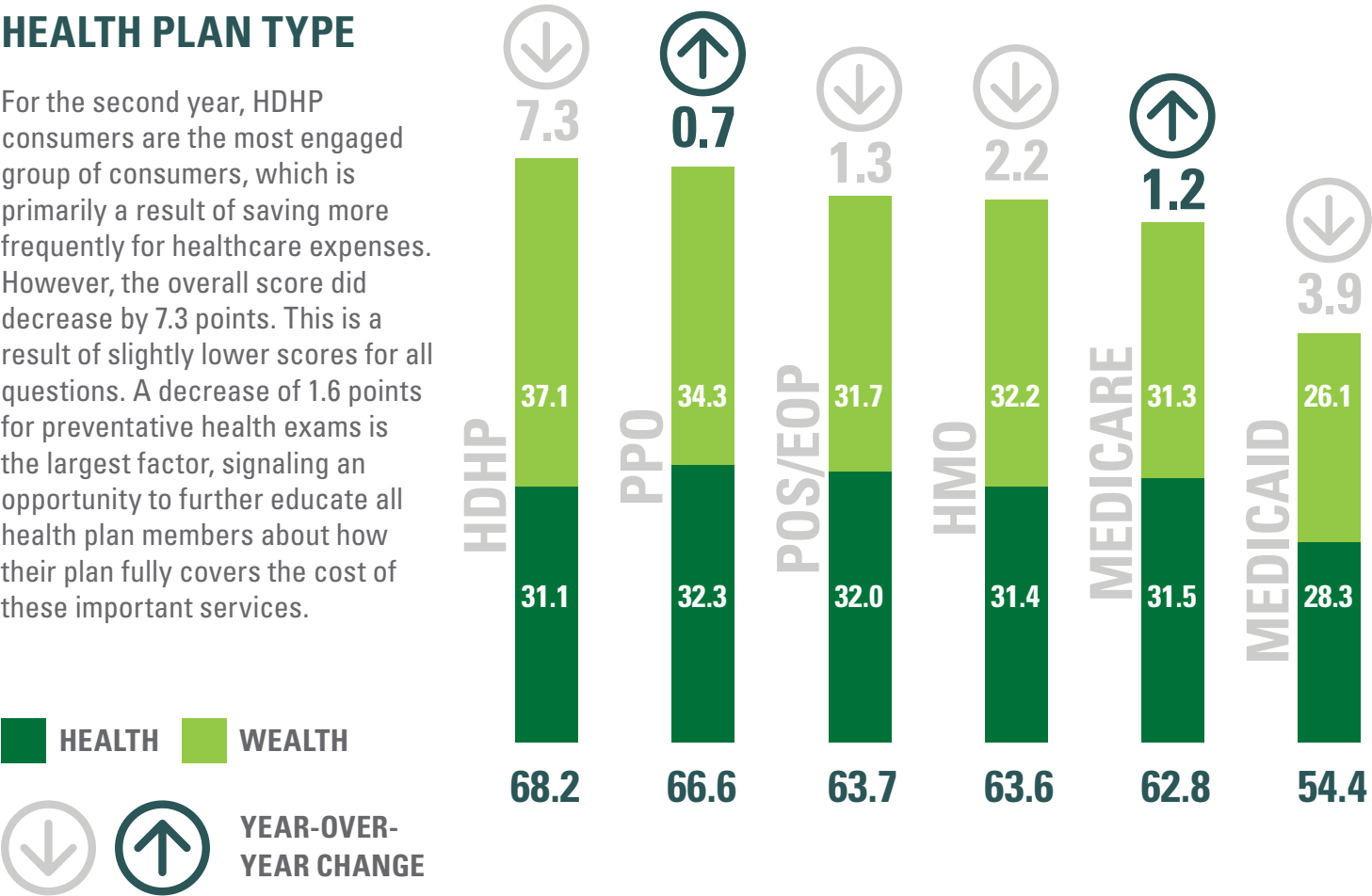
GENDER

The tendency of women to consider cost more frequently when purchasing health services and receive more preventative health services leads to a slightly higher score for women than men.



HEALTH PLAN TYPE

For the second year, HDHP consumers are the most engaged group of consumers, which is primarily a result of saving more frequently for healthcare expenses. However, the overall score did decrease by 7.3 points. This is a result of slightly lower scores for all questions. A decrease of 1.6 points for preventative health exams is the largest factor, signaling an opportunity to further educate all health plan members about how their plan fully covers the cost of these important services.



KEY FINDINGS

This year's HSA Bank Health & Wealth Index found that consumers remain focused on their physical health, and many report high levels of confidence in their physical and financial health. There is still an opportunity to improve engagement related to consumers' limited health plan knowledge and financial behaviors.

- 1 *Consumers are unfamiliar with important aspects of their health plan.*
- 2 *Physical health engagement is a priority for consumers.*
- 3 *Financial best practices are not being implemented.*

KEY FINDING 1

Consumers are unfamiliar with important aspects of their health plan.

Understanding health insurance continues to be challenging for consumers. When asked, 15% of consumers were not able to identify their health insurance plan type, while another 3% confused their carrier for their plan type. That's roughly one in five consumers who are unsure about their health insurance plan. Physical and financial health is impacted by plan type because it influences how consumers access care and pay for healthcare services. That's because the health insurance plan determines the in-network providers, treatment and prescription coverage, as well as premium, copay, coinsurance, deductible, and out-of-pocket costs.

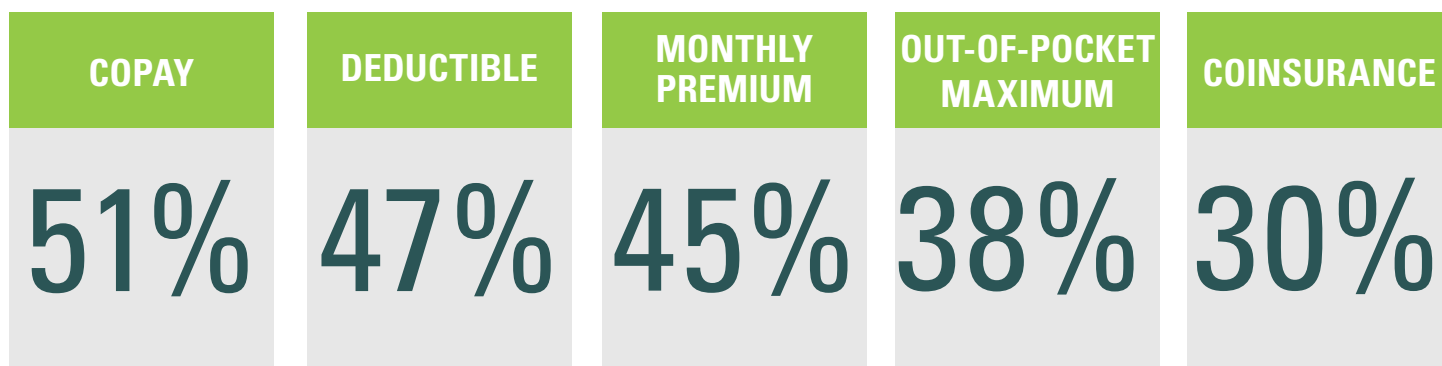


ALMOST
1 IN 5
CONSUMERS
DON'T KNOW
WHAT TYPE OF
HEALTH PLAN
THEY HAVE



Understanding healthcare costs

Knowing the costs involved in one's healthcare is key to being an engaged consumer. 30% of consumers don't know their premium, deductible, or out-of-pocket cost amounts. Our survey revealed what percentage of consumers know each amount:



LEARN MORE

HSA Bank's white paper on selecting the right health plan explains the importance of understanding plan options and how to help employees choose the right plan for them. Visit hsabank.com/rightplan.

TAKE ACTION

Simplify health plan terminology by creating a guide for employees to understand the health insurance plans you offer. For each plan you offer, indicate: the type of plan, a definition of that plan, and the key cost-sharing amounts for those plans with definitions and examples of when those costs would be applicable. Make the guide available to employees all year, not just during open enrollment.

A health plan comparison tool, like the one offered by HSA Bank at hsabank.com/compareplans, can accompany the guide and help employees evaluate their plan options. Employees can "do the math" for various healthcare scenarios: no healthcare expenses, about the same expenses as last year, and expenses equal to the deductible or out-of-pocket maximum, to determine what their total estimated annual cost would be with each of the plans offered.

KEY FINDING 2

Physical health engagement is a priority for consumers.

Consumers are confident in their physical health and ability to manage their health needs, and they are actively taking steps to improve their health.

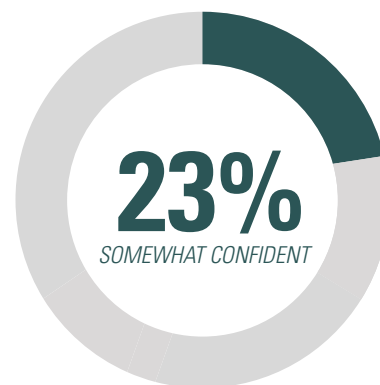
CONFIDENCE IN PHYSICAL HEALTH AND WELLNESS

59% of consumers are very confident and 30% are somewhat confident in their overall physical health and wellness.



CONFIDENCE IN ABILITY TO MANAGE HEALTH NEEDS

71% are very confident and 23% are somewhat confident in their ability to manage their health needs. Confidence is slightly higher among those with a household income above \$75,000, showing a correlation between financial preparedness and engagement in one's own health and wellness.



PREVENTATIVE CARE

For the second year, 86% of consumers believe they made lifestyle changes to improve their health in the past year, and over 90% receive at least one preventative health exam each year.



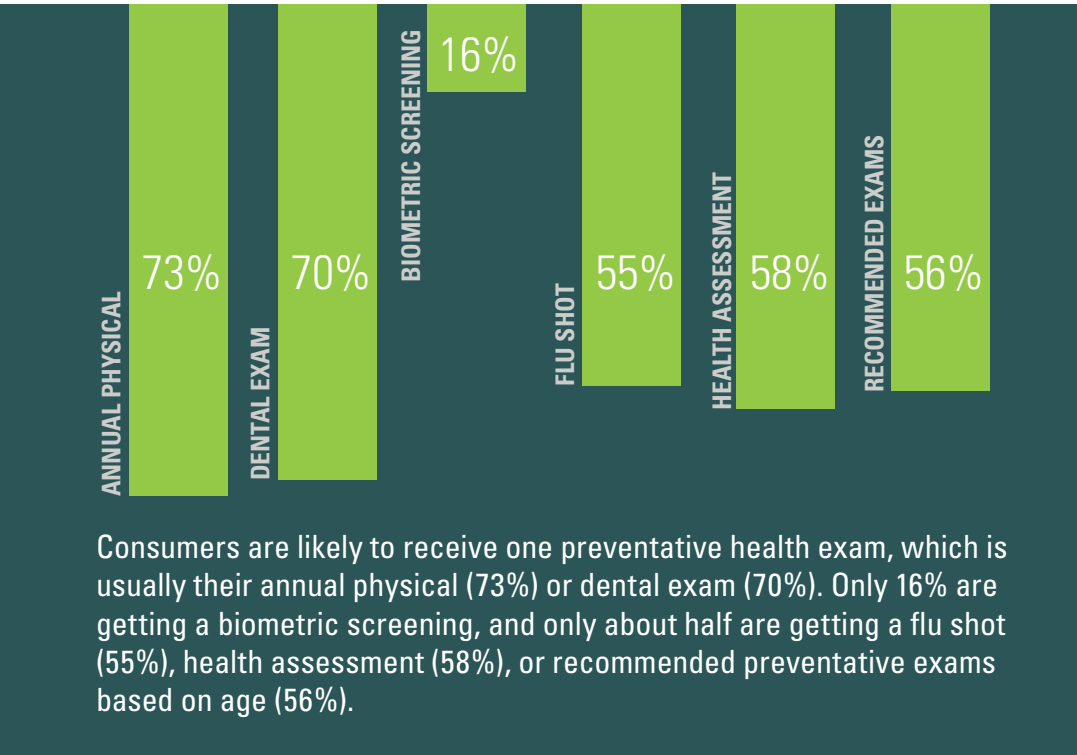
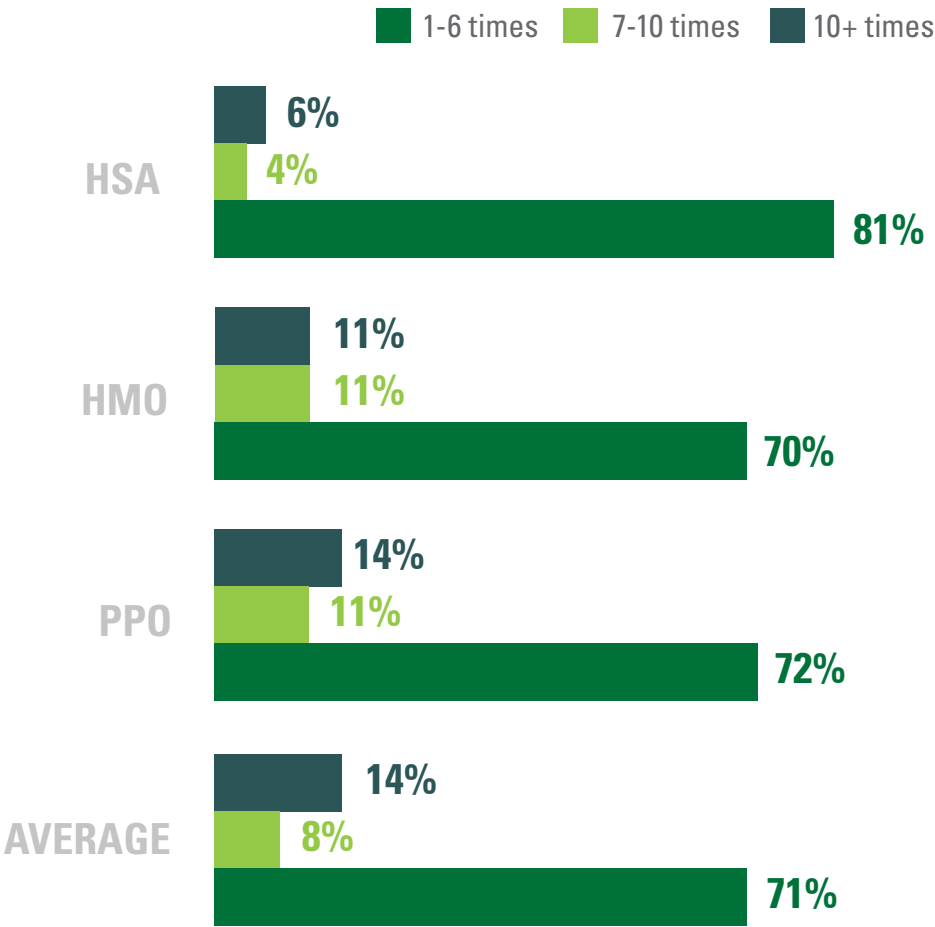
Women and college graduates are more likely to receive preventative health services.



Those enrolled in Health Savings Account (HSA)-eligible HDHPs are likely to receive preventative exams, debunking a common misconception that consumers enrolled in HDHPs avoid seeking medical care.

FREQUENCY OF DOCTOR VISITS

HSA participants are most likely to visit the doctor between one and six times a year, while traditional health plan participants are twice as likely to visit the doctor seven or more times. In the traditional health plan model, consumers have a more passive approach to healthcare, assuming most services will be covered. But with consumer-directed healthcare plans, like HSA-eligible HDHPs, the consumer is encouraged to take an active role in the management of their healthcare and the associated costs. This more active role helps the consumer be better informed and more realistic about what their health plan will cover, likely leading them to be more conservative in utilizing healthcare services.



TAKE ACTION

Many preventative health exams are covered under the Affordable Care Act regardless of the type of health insurance plan. Employees may not be aware of this, so it's important to educate them about what is covered and encourage them to receive preventative health services by offering incentives like adding funds to their HSA. To learn more about what services are covered, visit: healthcare.gov/coverage/preventive-care-benefits.

KEY FINDING 3

Financial best practices are not being implemented.

Saving and considering cost are two fundamental aspects of financial responsibility. When it comes to healthcare, these two practices can be a bit more challenging since many consumers do not have an account specifically designed to help them save for healthcare, and researching and comparing costs for healthcare services is still largely up to the individual.

40%
NEVER
SAVE FOR FUTURE
HEALTHCARE
EXPENSES

54% of consumers with an HSA
save frequently or occasionally

48% of consumers with a traditional plan, including
PPO, save frequently or occasionally

When it comes to considering the cost of healthcare services such as lab tests, prescription drugs, and doctor visits, women and college graduates are most likely to evaluate their options.

30%
NEVER
CONSIDER
COSTS

53%



42%



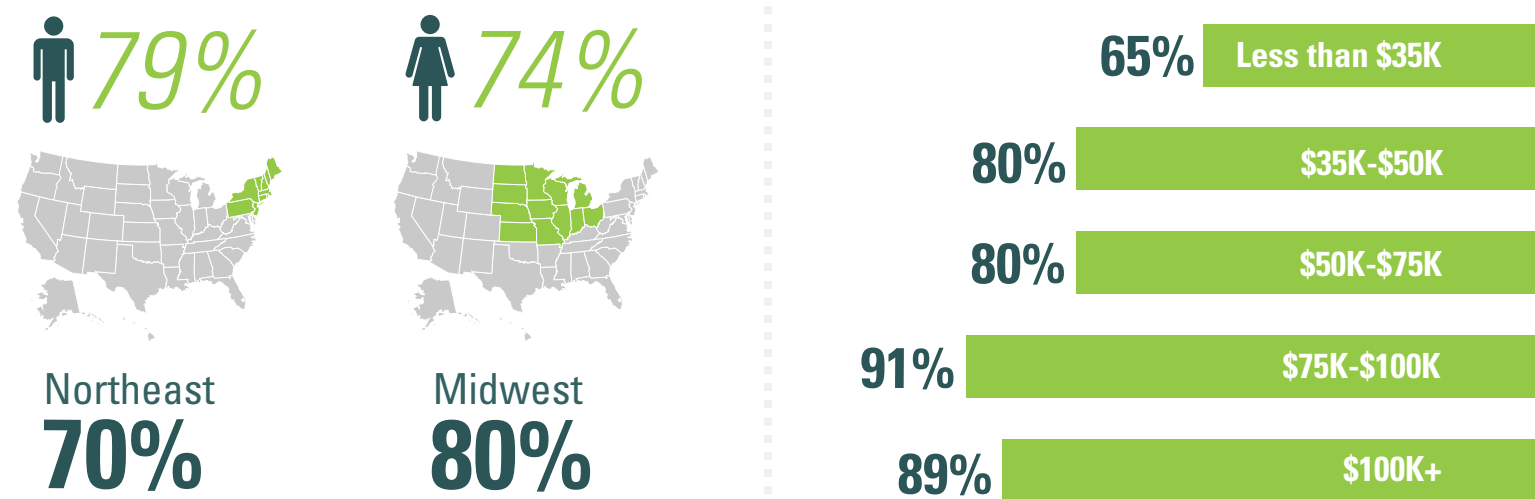
43% of high school
graduates

49% of consumers
with some
college

53% of college
graduates

CONFIDENCE IN ABILITY TO COVER UNEXPECTED MEDICAL EXPENSE IN THE NEXT YEAR

Although 40% of consumers are not currently saving for healthcare expenses and 30% are not considering cost, 77% of consumers are confident they could cover an unexpected medical expense in the next year. Consumer confidence tends to be positively correlated with household income.



Key Finding 1 showed that consumers don’t fully understand the financial implications of healthcare services, with only 30 to 51% of consumers knowing their health plan’s cost-sharing amounts including monthly premium, copay, coinsurance, deductible, or out-of-pocket maximum. Yet, almost 80% are confident they could cover an unexpected medical expense, and 82% agree that their health plan coverage helps them attain medical services needed while managing cost. This confidence and reliance on health plan coverage is contradictory to consumers reporting they do not know their health plan’s cost-sharing amounts, begging the question of whether consumers are excessively relying on insurance rather than their own financial preparedness.



TAKE ACTION

Improve employee wealth engagement by offering employees a convenient and tax-advantaged account*, like an HSA, to save specifically for healthcare expenses today and in retirement. Encourage employees to make regular contributions by implementing a match program similar to a 401(k) plan.

**State taxes may apply. Consult your tax professional.*

CONCLUSION

While it's a positive sign that health plans help consumers feel confident in their ability to manage costs, and that consumers are confident in their physical health, there is still more work to be done to improve engagement. Employers have an opportunity to measure engagement using the Health & Wealth Index calculator and offer recommendations to employees 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.



HEALTH & WEALTH INDEX CALCULATOR
hsabank.com/indexscore



HEALTH PLAN COMPARISON CALCULATOR
hsabank.com/compareplans



EDUCATIONAL RESOURCES
hsabank.com/education



METHODOLOGY

A survey of more than 2,000 randomly selected U.S. adults (ages 18 and older) was conducted in the fall of 2018 in order to gauge physical and financial health across the U.S. The survey was designed to provide participants with an overall health and wealth consumer index score. Respondents were asked ten 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 participant 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.



2,000+ RESPONDENTS



100 POINTS



NATIONWIDE



ABOUT HSA BANK

HSA Bank is a trusted leader in consumer-directed healthcare (CDH), focusing on Health Savings Accounts (HSAs) for over two decades and serving as both the bank and administrator. Discover how we can support your benefits strategy with our comprehensive account-based health benefit solutions that include HSAs, Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs), and Commuter Benefits. With a reputation for outstanding service and thought leadership in the CDH space, we offer one platform and one portal for all of our members. HSA Bank inspires 2.7 million members and more than 35,000 employer groups to “own your health” by making it easy to access, understand, and afford healthcare. As of December 31, 2018, HSA Bank has \$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, and is a division of Webster Bank, N.A., Member FDIC.



**START THE
CONVERSATION**

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