



# **3 steps to CDH success**

The advent of consumer-directed healthcare (CDH) gives employees and their families an opportunity to meet their healthcare needs and achieve a healthy financial future. One of the most effective ways to achieve the potential of CDH is to combine a qualified high deductible health plan (HDHP) with a Health Savings Account (HSA). For employees, this combination offers lower monthly healthcare premiums and tax savings. The funds can be used to pay for IRS-qualified healthcare expenses and as a self-directed investment vehicle for future medical and retirement expenses.

For employees to get the physical and financial benefits of a qualified HDHP and HSA combination, employers need to know the best way to communicate its value. A proactive and ongoing communication strategy is critical.

This white paper provides a communication framework, best practices, mistakes to avoid and the tools required to achieve the full potential that CDH offers.



53%

24%

53% of all large employers offer an HSA plan, but only 24% of consumers are enrolled in them.

Source: Mercer<sup>1</sup>

<sup>1</sup>"The Mercer National Survey of Employer-Sponsored Health Plans." Mercer: News Release, 2 November 2017, <https://www.mercer.com/newsroom/merc-national-health-survey-employers-finding-new-ways-to-hold-the-line-on-health-benefit-cost-growth.html>

# A communication framework for improved health and wealth

Before forming a communication plan that drives employees to use HDHPs and HSAs, it's important to answer this question: what exactly is the goal of CDH?



**If the goal of CDH is to help people become better consumers of healthcare, then all communication and education should seek that same objective."**

The primary goal of CDH is to enable people to own their physical and financial health. This is accomplished by providing tools that help them pay for medical expenses today and plan and save for a healthy retirement tomorrow. It's ultimately about consumer engagement and empowerment.

HSAs provide additional value as a long-term retirement savings vehicle. It's important to communicate to employees that any money in their HSA is theirs to keep and rolls over year to year, so they get a holistic view of the benefits they get when choosing the CDH option.

If the goal of CDH is to help people become better consumers of healthcare, then all communication and education should seek that same objective. Effective communication acknowledges that becoming an optimally engaged consumer, who uses all the tools and resources available to maximize their health and wealth, can be a long journey. A successful communication framework consists of three main steps to help employees become more engaged and savvy healthcare consumers.

## A three-step approach to success



**Make difficult decisions easier**



**Ensure successful enrollment and account usage**



**Offer ongoing education and engagement**

## Field intelligence: Taking multiple steps at once

Employers need to think of their communications as the fuel that gets employees to progress from one stage of the CDH journey to the next. Because employers won't know where the bulk of their employee population is on this trajectory, it's critical for any communication plan to have the right resources and materials to address people wherever they are on this journey.

# Field intelligence: Know your goals, then measure them

A common mistake that employers and their partners make is not having a clear goal around offering HDHPs combined with HSAs. Having only a vague sense of their value to talented workers is a recipe for failure. Employers need to know if the offering is meant to achieve full replacement in order to reduce the amount spent on healthcare. They also need to determine if the offering is meant to attract and retain millennials. Communication strategies need to be organized with end goals in mind. If the goal is to achieve full replacement over the course of three years, for instance, it's important to gear your communications to achieve annual adoption rates necessary to meet that objective. Goals matter, but it's also important to continually measure your progress and make adjustments based on how you're doing. Look at metrics around contributions, account usage, investments and other account measurements. Analyze whether the emails, videos, brochures and other employee communications are having the intended impact. Data about contributions, account usage, investments and more are available to employers through HSA Bank's Program Summary Report.

## Step one: Make difficult decisions easier

Change is hard, particularly when it involves something as consequential and confusing as health benefits. The pre-enrollment months leading up to a benefits fair or open enrollment are a time to educate, motivate and empower employees to make the switch from a traditional health plan like a preferred provider organization (PPO) or health maintenance organization (HMO). Here are some best practices:

**Start early.** Communications about the availability of CDH should begin six months or more before a benefits fair or open enrollment. One or more of the company's top executives should initiate this initial outreach. They should detail why HDHPs and HSAs are being offered and how employees can benefit from making a switch, including lower premiums, investment options and increased control over healthcare finances. Having the kickoff announcement come from company executives highlights its importance.

**Emphasize education.** Though they've been around for over a decade, HSAs and the concept of CDH are still new to some people. Pre-enrollment communications need to begin with an overview of what an HSA is, how it works and why it is an essential tool to build a healthy financial future.

**Engage employees.** Materials presented to employees who know little or nothing about CDH, HDHPs and HSAs must use language and imagery that is easily understandable. One effective way to ensure you're doing that is by enlisting a focus group of employees to review your materials before you present them. This will help eliminate confusing jargon and difficult concepts.

Plus, employees who help create brochures and presentations are far more likely to advocate for CDH, HDHPs and HSAs.

**Make it personal.** Since the primary goal of CDH is to help people engage with their health and manage their healthcare expenses, it makes sense that personalized communications are particularly effective. In the preenrollment phase, interactive tools enable employees to visualize the potential tax savings on contributions and the tax-deferred growth they can achieve. These tools can also help people at different stages of life understand how to best use an HSA.

## Communicating to different customers

When developing communication messages and tools, keep in mind that there are three types of consumers:



### **Spenders**

Spenders use the vast majority of their HSA contributions on qualified healthcare expenses and seek information that helps them do that effectively.



### **Savers**

Savers haven't had any distributions in the current year. Because savers don't exhaust their HSA balance from year to year, they need information and tools to track expenses not paid from their HSAs and direct deposits for self-reimbursement.



### **Investors**

Investors want more information about funds they can invest in to grow their HSAs over the long term.

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## Employer resource center

The HSA Bank Employer Resource Center offers videos, presentations, calculators and flyers to help elevate your employees' knowledge about CDH, HDHPs and HSAs.

[VIEW RESOURCES](#)

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## Step two: Ensure successful enrollment and account usage

HSA Bank has participated in countless benefits fairs and open enrollment meetings and knows the importance of following up with an effective communication plan quickly. Here are some of the ways to ensure successful enrollment and account usage.

**Stick to a high-level message.** Open enrollment can be overwhelming for everyone involved. HR professionals are bombarded with presentations, materials, requests and questions while employees often struggle to keep pace with benefit changes and make sense of their options. Agents, brokers and benefit consultants are often involved in this phase, and their input can help shape a successful communication strategy for all benefit offerings. Quickly moving into detailed discussions about the mechanics of HDHPs and HSAs is a common mistake. Instead, communications should reinforce the high-level benefits of adopting a CDH approach.

**Illustrate the comparison.** One way to deliver an effective high-level message during a benefits fair or open enrollment is to present a clear, side-by-side comparison of a traditional health plan and an HDHP paired with an HSA. This comparison needs to be illustrated simply, using a range of scenarios that represent different stages and circumstances in your employees' lives. Employers can make presentations that demonstrate exactly how and why an HDHP and an HSA combine in a way that translates into lower out-of-pocket costs than a plan with a relatively low deductible. The HSA Bank Health Plan Comparison Calculator enables consumers to compare plans and make an educated decision based on their personal healthcare situation and available plans.

**Invite the decision maker.** Often, an employee attending a benefits fair or an open enrollment meeting is not the person who actually handles family healthcare decisions. When the employee then tries to communicate the value of a CDH approach at home, they aren't able to make a compelling case. An effective communication plan can prevent that by inviting the family decision maker to the benefits fair or open enrollment meeting and by providing materials that employees can take home and share. Research shows that women make most family healthcare decisions.

In fact, a recent study<sup>2</sup> by the Center for Talent Innovation found that 59% of women make family healthcare decisions, but about half of all women say they lack reliable information to make decisions.

**Create a living FAQ.** Employees attending benefits fairs and open enrollment meetings are often wary to ask questions, or questions don't occur to them until they get home. Create an online FAQ that can be continuously updated as employees submit new questions.

**Ensure a smooth liftoff.** It's a testament to a strong communication strategy when HDHPs and HSAs attract strong enrollment. But simply enrolling people is just a start. In the post-enrollment phase, communicating how enrollees can begin using their accounts is critical to avoid accounts being underused. This means delivering regular messages about the basics — like making an HSA contribution, understanding what qualified healthcare expenses are, accessing online banking, downloading the HSA Bank mobile app and naming a beneficiary.



# 59%

**of women make family  
healthcare decisions<sup>2</sup>**

# &

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## **Field intelligence: Encouraging HDHP and HSA enrollment together**

Many would assume that opening an HSA after enrolling in an HDHP is a given. However, many HDHP enrollees never open an HSA. Some employees may not be eligible for an HSA because they are enrolled in a government healthcare program like Tricare, which is administered by the U.S. Department of Defense Military Health System. Other employees simply fail to follow through until they incur a large healthcare expense, and by then it's too late since the HSA must be established before the expense is incurred. U.S. Department of Labor (DOL) guidance states.

In these and other cases when HSA enrollment doesn't naturally follow the opening of an HDHP, HSA Bank recommends that employers send follow-up communications directly to their HDHP enrollees to ensure they fully understand HSAs. A better approach is to include a statement in open enrollment materials explaining that by enrolling in the HDHP, the employee permits the employer to open an HSA on their behalf. HSA Bank can facilitate this process consistent with guidance from the DOL.

<sup>2</sup> Center for Talent Innovation. "The Power of the Purse: Engaging Women Decision Makers for Healthy Outcomes." Center for Talent Innovation: News Release, 23 April, 2015, [http://www.talentinnovation.org/\\_private/assets/PopHealthcare\\_pressrelease-CTI-4\\_15\\_2015.pdf](http://www.talentinnovation.org/_private/assets/PopHealthcare_pressrelease-CTI-4_15_2015.pdf)

# Field intelligence: HSA Bank's 30/60/90 campaign

HSA Bank helps members get off to a fast start with their new accounts with the 30/60/90 campaign. New members receive welcome kits and debit cards within 7–10 days after they open an account. Then, within 30 days after the account is opened, members receive an email that not only encourages them to start using their HSA but also provides a menu of options, like paying bills or tracking expenses. After 60 days, members receive an email focused on educating members on the ways to contribute funds to their HSA. After 90 days, members receive a final email encouraging saving and

understanding contribution recommendations using the HSA Bank Savings Calculator. All of the emails have simple and relevant subject lines to encourage high open rates, and they include the member's current account balance. In an HSA Bank campaign that ran from July 2017 through March 2018, unique open rates for some of these emails were as high as 56%, and the unique click-through rates for some portions of the campaign were nearly 20%. The industry average for unique open rates are only about 21%, and unique click-through rates are under 3%.<sup>3</sup>

## Step three: Offer ongoing education and engagement

Employers who have had the most success transitioning employees to HDHPs and HSAs understand this important lesson: education and communication are just beginning when open enrollment ends. Savvy consumers require continuous learning. Communication needs to facilitate that ongoing education and prompt people to take actions that will help them get the most out of their accounts. Here are some effective ways to support employees' education and engagement.

**Stay consistently engaged.** One of the biggest communications mistakes that employers can make is to deliver sporadic or no messages about how to best use HSAs and HDHPs. Instead, there should be a regular cadence – monthly, or quarterly at a minimum – of communication about various topics that consumers of different engagement levels will find engaging and helpful.

For example, employers can host regular, expert-led educational sessions on investment options to compel people to act on what they've learned. The effectiveness of email campaigns that make certain actions attractive and easy to accomplish was demonstrated in a balance growth campaign that HSA Bank ran in 2017. Emails were sent to HSA Bank members encouraging them to make a contribution. Those who received the email contributed an average of \$371. A control group that did not receive the email contributed an average of \$201.

**Think seasonally.** In order to maximize the value of consumer-directed healthcare, it's important for employees to watch the calendar. Documents need to be collected to file taxes, and there's a checklist of to-do's to consider at the end of each year. Communications need to prompt people about important dates and actions they may need to take.

<sup>3</sup>MailChimp. "Average Email Campaign Stats of MailChimp Customers by Industry." <https://mailchimp.com/resources/research/email-marketing-benchmarks/>



## Field intelligence: Why brokers and consultants should care about communications

Employers lean heavily on their brokers and consultants to come up with a benefits package that is affordable and drives employee satisfaction. Brokers and consultants focus most of their attention on the menu of healthcare plans they provide to employers; after all, that's how they make the bulk of their revenue. But the truth is that CDH and HSAs are mutually dependent.

This is why it's such an effective best practice for brokers and consultants to actively inform clients about HSAs before and after open enrollment. This will help employers assist their workforce as they choose and begin to use CDH and HSAs, which can lead to a better experience for companies and their employees.

**Remember the big picture.** Becoming an engaged healthcare consumer is about far more than just opening the right accounts and diligently contributing money. Ultimately, it's about taking control and owning your health. Ongoing communication with employees should empower them to consider the steps they can and should take to become better healthcare consumers – be it scheduling regular screenings or asking about the cost of proposed healthcare procedures.



# Conclusion

CDH and HSAs provide a unique tool for employees to meet their healthcare expenses and build a healthy financial future. Employers need to be empowered to communicate how their workforce can access and take full advantage of the many benefits that CDH and HSAs can deliver. Contact us to take advantage of our decades of experience in devising and implementing effective communication plans that drive CDH and HSA adoption, improve employee satisfaction and deliver financial benefits to employers.



To learn more about how Health Savings Accounts can help your employees, contact our Business Relations team at 866-357-5232 or [businessrelations@hsabank.com](mailto:businessrelations@hsabank.com).

