

January 2011 Census Shows 11.4 Million People Covered by Health Savings Account/High-Deductible Health Plans (HSA/HDHPs)

June 2011

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SUMMARY

An annual census by America's Health Insurance Plans (AHIP) of U.S. health insurance carriers shows that the number of people covered by health savings account/high-deductible health plans (HSA/HDHPs) totaled 11.4 million in January 2011. As in previous years, AHIP received participation from virtually all private health insurance carriers in the HSA/HDHP market for this census. This census does not include coverage associated with health reimbursement arrangements (HRAs), which are most commonly offered in the large-group market.

HIGHLIGHTS OF THE 2011 CENSUS

Enrollment trends:

- The number of people with HSA/HDHP coverage rose to more than 11.4 in January 2011, up from 10.0 million in January 2010, 8.0 million in January 2009, and 6.1 million in January 2008.
- Overall, enrollment in HSA/HDHP coverage in the group market rose to 9.1 million in January 2011, up from 8.0 million in January 2010.
- Enrollment in the individual market rose to 2.4 million covered lives in January 2011, up from 2.1 million in January 2010.
- Gender distribution of lives covered by an HSA/HDHP as of January 2011 was 51 percent male and 49 percent female.
- Forty-nine (49) percent of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 51 percent were under age 40.
- States with the highest *percentage* of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Minnesota (14.9 percent); Vermont (11.4 percent); Colorado (11.3 percent); Montana (10.8 percent); Ohio (10.6 percent); and Indiana (10.6 percent).
- States with the highest *levels* of HSA/HDHP enrollment were: California (1,073,319); Texas (844,832); Ohio (728,868); Illinois (690,509); and Florida (656,243).

Coverage options:

- Overall, preferred provider organization (PPO) products (92 percent) were the most popular product types.
- HSA/HDHP plans accounted for 10 percent of all new health insurance purchases in January 2011.
- Over 85 percent of responding companies reported offering online member access to HSA account information, health education information, physician-specific information, and personal health records as consumer decision support tools for their members.

INTRODUCTION

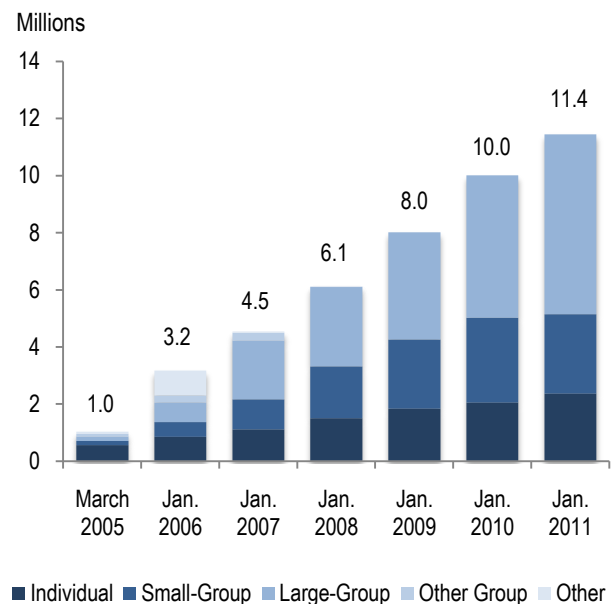
Health savings account (HSA) plans give consumers incentives to manage their own health care costs by coupling a tax-favored savings account used to pay medical expenses with a high-deductible health plan (HDHP) that meets certain requirements for deductibles and out-of-pocket expense limits.¹ Most HDHPs cover preventive care services (e.g., routine medical exams, immunizations, well-baby visits) without requiring enrollees to first meet the deductible.² The funds in the HSA are owned by the individual and may be rolled over from year to year.

HSAs were authorized by the Medicare Prescription Drug Improvement and Modernization Act of 2003 and entered the market in January 2004. Since then, AHIP has conducted an annual census of health insurance plans to monitor and report on the HSA/HDHP health insurance market. Virtually all health insurance plans

¹ For 2011, the minimum annual deductible for self-only HSA/HDHP coverage is \$1,200, and the maximum out-of-pocket limit is \$5,950. For family HSA/HDHP coverage, the minimum deductible is \$2,400, and the maximum out-of-pocket limit is \$11,900. These amounts are indexed annually for inflation.

² AHIP Center for Policy and Research, *A Survey of Preventive Benefits in Health Savings Account (HSA) Plans*, July 2007 (November 2007). Available at: http://www.ahipresearch.org/pdfs/HSA_Preventive_Survey_Final.pdf.

Figure 1. Growth of HSA/HDHP Enrollment, March 2005 to January 2011



Sources: AHIP Center for Policy and Research, 2005–2011 HSA/HDHP Census Reports.

Note: For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The "other group" category contains enrollment data for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting. The "other" category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies but were not able to provide a breakdown by market category within the deadline for reporting.

in the U.S. that sell HSA/HDHP products participated in this census.

Importantly, the census does not track participation in health reimbursement arrangement (HRA) products, which have features similar to HSAs and are offered by many large employers.

For this census, 83 health insurance companies and their subsidiaries reported coverage in HSA/HDHP products. Seventy-three (73) of these companies reported HSA/HDHP enrollment in the individual market; 72 companies had HSA/HDHP enrollment in the small-group market; and 70 companies had enrollment in the large-group market.

Table 1. HSA/HDHP Enrollment (Covered Lives), March 2005 to January 2011

	March 2005	January 2006	January 2007	January 2008	January 2009	January 2010	January 2011
Individual Market	556,000	855,000	1,106,000	1,502,000	1,832,000	2,053,000	2,358,497
Small-Group Market	147,000	510,000	1,057,000	1,816,000	2,429,000	2,970,000	2,779,208
Large-Group Market	162,000	679,000	2,044,000	2,777,000	3,752,000	4,986,000	6,299,460
Other Group*	88,000	247,000	291,000	13,000	*	*	*
Other**	77,000	878,000	34,000	10,000	**	**	**
Total	1,031,000	3,168,000	4,532,000	6,118,000	8,013,000	10,009,000	11,437,165

Sources: AHIP Center for Policy and Research, 2005–2011 HSA/HDHP Census reports.

* For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The "other group" category contains enrollment data for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting.

** The "other" category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies but were not able to provide a breakdown by market category within the deadline for reporting.

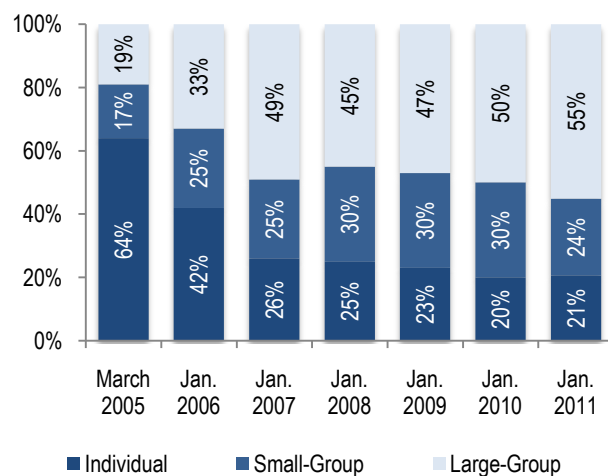
Table 2. HSA/HDHP Enrollment Levels by Number of Responding Companies, March 2005 to January 2011

Enrollment Level	March 2005	January 2006	January 2007	January 2008	January 2009	January 2010	January 2011
100,000+	2	7	11	14	16	21	24
25,000+	11	15	26	37	37	45	41
10,000+	16	35	39	48	55	63	58
5,000+	23	44	51	62	67	73	69

Sources: AHIP Center for Policy and Research, 2005–2011 HSA/HDHP Census reports.

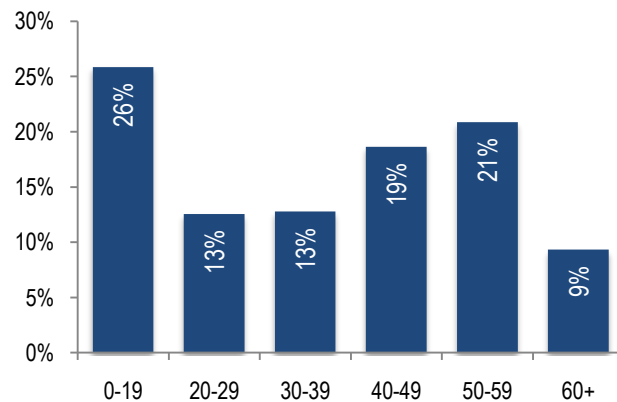
Note: Each responding company may have multiple subsidiaries operating in many states. However, results for enrollment levels by company are reported only for the overall company, grouping data from all subsidiaries into one unit.

Figure 2. Percentage of Lives Covered by an HSA/HDHP, by Market Type, March 2005 to January 2011



Source: AHIP Center for Policy and Research, 2005–2011 HSA/HDHP Census Reports.

Figure 3. Age Distribution of People Covered by HSA/HDHPs, Individual Market, January 2011



Source: AHIP Center for Policy and Research.

Notes: Most enrollees in the 0-19 age group were dependents covered under family plans. Figures may not sum to 100 percent due to rounding.

For each market segment, premium data were collected by market segment based on the average premium of all product types. Previous HSA census reports based the reported premiums on the best-selling product.

Almost all responding companies were able to break out the number of lives covered by an HSA/HDHP by state. The percentage of those covered by HSA/HDHPs by state was calculated based on the total number of persons with private health insurance under age 65, by state, as reported by the U.S. Census Bureau's March 2010 Current Population Survey (CPS).

MARKET OVERVIEW

As of January 2011, 11.4 million people were covered by HSA/HDHP products. This represents an increase of 1.4 million since January 2010 and 3.4 million since January 2009 (see Figure 1 and Table 1).

Twenty-four (24) of the responding companies reported HSA/HDHP enrollment of more than 100,000 covered lives each, up from 21 companies in January 2010 (see Table 2). Forty-one (41) companies had HSA/HDHP enrollment of more than 25,000 covered lives in January 2011, 58 companies had enrollment above 10,000, and 69 companies reported HSA/HDHP enrollment of more than 5,000 covered lives in January 2010.³

Between January 2010 and January 2011, the fastest growing market for HSA/HDHP products was large-group coverage. The large-group market represented approximately 55 percent all HSA/HDHP enrollment in January 2011, up from 50 percent of HSA/HDHP enrollment in January 2010 (see Figure 2).

³ Results for responding companies are reported by grouping data from all subsidiaries into one unit, regardless of the number of subsidiaries or number of states where the company does business.

In the individual and large-group markets, approximately 95 percent of enrollees in HSA/HDHP plans were in PPO products. Approximately 80 percent of enrollees in small-group HSA/HDHP plans were in PPO plans. PPO plans have both in-network and out-of-network benefits, with lower co-payment or coinsurance requirements for in-network services. HSA/HDHP enrollees generally have access to negotiated discount arrangements with health care providers through their PPOs or other plan.

INDIVIDUAL MARKET

As of January 2011, 2.4 million people were covered by HSA/HDHPs purchased in the individual market. The gender distribution of enrollees covered by HSA eligible HDHPs in the individual market was 49.2 percent male and 50.8 percent female.

In January 2011, 48.8 percent of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 51.2 percent were under age 40.

Specifically, 25.9 percent of enrollees were younger than 20 years of age; 25.4 percent were between the ages of 20 and 39; 18.6 percent were between the ages of 40 and 49; and 30.2 percent were 50 years of age or older (see Figure 3).

GROUP MARKET

As of January 2011, large-group coverage had increased to 6.3 million people, up from almost 5 million people in January 2010, and approximately 3.8 million in January 2009. In the large-group market, gender distribution of lives was 49.6 percent male and 50.4 percent female covered by an HSA/HDHP.

Figure 4. Number of Covered Lives Enrolled in HSA/HDHPs, by State, January 2011

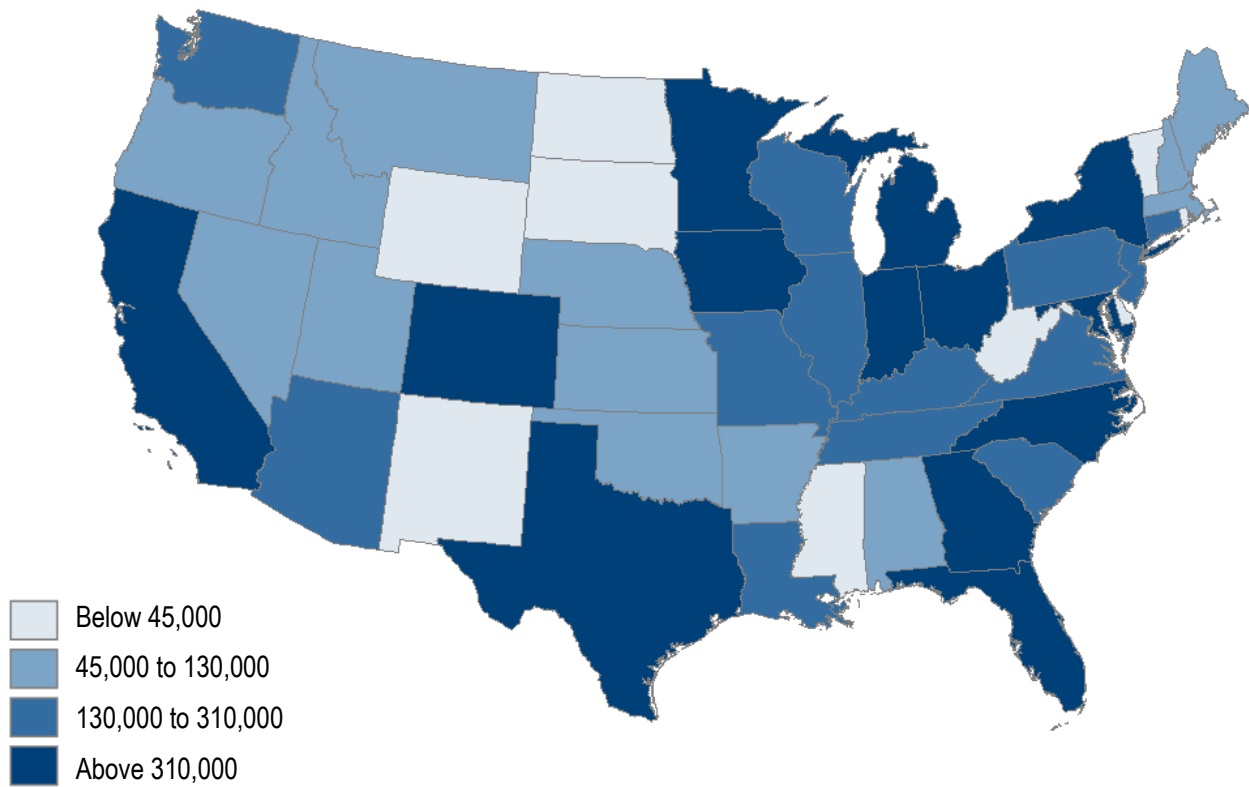
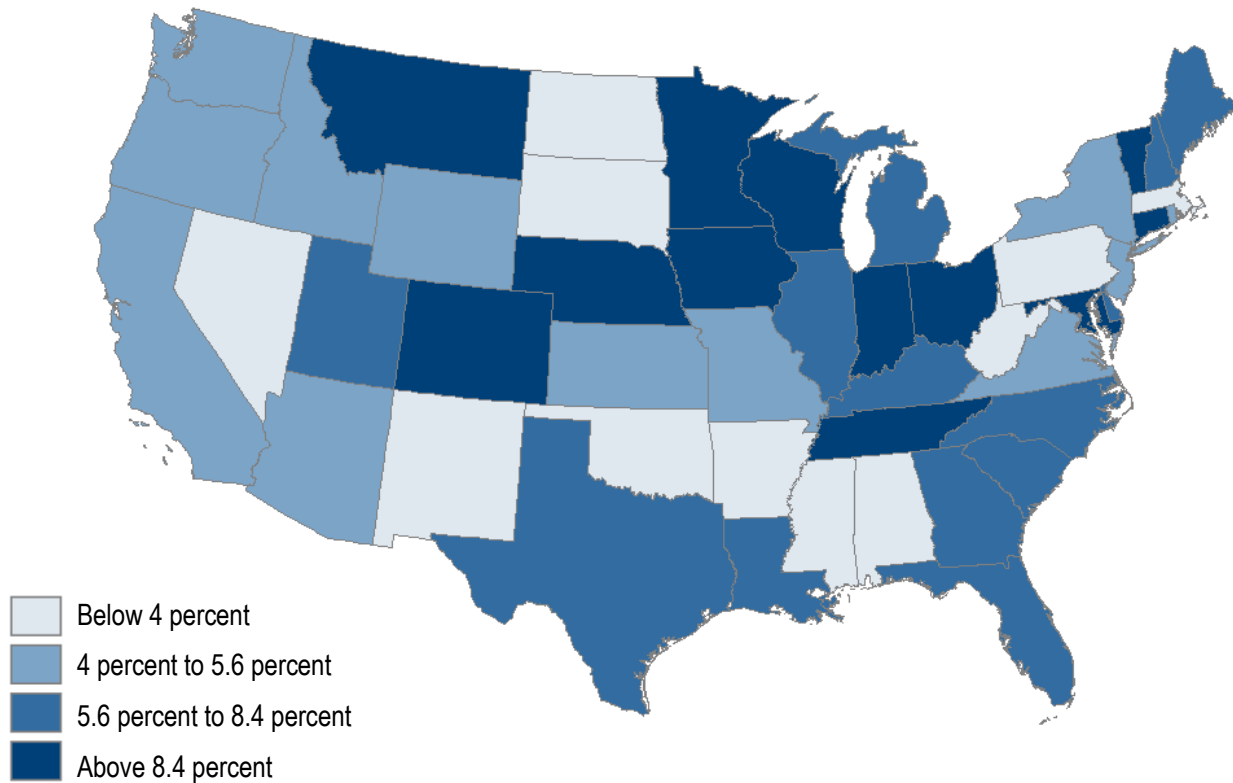


Figure 5. Estimated Percent of Lives Under 65 Years with HSA/HDHP Coverage, by State, January 2011



Sources: AHIP Center for Policy and Research. U.S. Census Bureau.

Companies offering HSA/HDHP products in the small-group market reported enrollment of 2,779,208 as of January 2011, which is a decline from 2,970,000 in January 2010. The January 2010 enrollment figure was an increase from 2,429,000 in January 2009. In general, small-group coverage was defined as coverage through employers with 50 or fewer employees, although a handful of respondents to the census used a slightly different definition.⁴

Of all new health insurance enrollment in the small-group market (defined as new enrollment in the most recent full month or quarter), 13.5 percent was attributed to HSA/HDHP coverage. In the small-group market, gender distribution of lives covered by an HSA/HDHP was 52.3 percent male and 47.7 percent female.

STATE-BY-STATE ENROLLMENT

AHIP's census was able to collect state-by-state enrollment on nearly 11.2 million lives with HSA/HDHP coverage as of January 2011. States with the largest reported HSA/HDHP enrollment levels were: California (1,073,319); Texas (844,832); Ohio (728,868); Illinois (690,509); and Florida with 656,243 covered lives (see Table 3).

States with the highest percentage of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Minnesota (14.9 percent); Vermont (11.4 percent); Colorado (11.3 percent); Montana (10.8 percent); Ohio (10.6 percent); and Indiana (10.6 percent).

Monthly premiums were reported for all markets combined: individual, small-group, and large-group. Monthly average premiums ranged from a high of

\$481 for single coverage in West Virginia and \$1,263 for family coverage in Illinois, to a low of \$187 in Utah for single coverage and \$391 for family coverage in Minnesota (see Table 4).

Table 3. Total Enrollment in HSA/HDHP Plans and as a Percentage of Total Enrollment in Private Health Insurance, by State, January 2011

State	Total Enrollment in HSA/HDHP Plans (Number of Covered Lives)	Estimated HSA/HDHP Enrollment as a Percentage of Total Enrollment in Private Health Insurance (Under Age 65)
Alabama	77,311	3.1%
Alaska	33,709	8.7%
Arizona	174,270	5.3%
Arkansas	55,653	4.0%
California	1,073,319	5.6%
Colorado	347,002	11.3%
Connecticut	212,935	9.3%
Delaware	34,356	6.7%
District of Columbia	16,873	5.0%
Florida	656,243	7.3%
Georgia	315,251	5.8%
Hawaii	1,432	0.2%
Idaho	49,446	5.3%
Illinois	690,509	9.2%
Indiana	384,772	10.6%
Iowa	132,175	6.7%
Kansas	71,440	4.2%
Kentucky	153,444	6.5%
Louisiana	201,535	8.1%
Maine	60,195	8.4%
Maryland	335,493	9.0%
Massachusetts	115,406	2.7%
Michigan	408,758	6.8%
Minnesota	507,307	14.9%
Mississippi	32,526	2.4%
Missouri	177,925	5.0%
Montana	59,346	10.8%

⁴ For this census, some companies may have reported enrollment in the large- and small-group markets according to their internal reporting standards, or based on state-specific requirements for each state.

Table 3. Total Enrollment in HSA/HDHP Plans and as a Percentage of Total Enrollment in Private Health Insurance, by State, January 2011

State	Total Enrollment in HSA/HDHP Plans (Number of Covered Lives)	Estimated HSA/HDHP Enrollment as a Percentage of Total Enrollment in Private Health Insurance (Under Age 65)
Nebraska	120,732	10.4%
Nevada	53,121	3.5%
New Hampshire	74,350	8.3%
New Jersey	262,938	4.8%
New Mexico	23,035	2.6%
New York	452,031	4.4%
North Carolina	310,834	6.1%
North Dakota	14,865	3.5%
Ohio	728,868	10.6%
Oklahoma	68,841	3.6%
Oregon	107,407	4.9%
Pennsylvania	297,869	3.9%
Rhode Island	28,470	4.6%
South Carolina	158,600	6.4%
South Dakota	19,393	4.0%
Tennessee	276,725	8.4%
Texas	844,832	7.0%
Utah	107,886	5.6%
Vermont	42,006	11.4%
Virginia	223,671	4.6%
Washington	230,459	5.5%
West Virginia	19,545	2.1%
Wisconsin	301,216	8.5%
Wyoming	13,851	4.2%
Uncategorized*	276,989	N/A
United States	11,437,165	6.6%

Sources: AHIP Center for Policy and Research, 2011 HSA/HDHP Census; US Census Bureau Current Population Survey (CPS), Annual Social and Economic (ASEC) Supplement 2010.

* Some responding companies were unable to categorize their entire HSA/HDHP enrollment by state within the deadline for this census.

Table 4. Average Monthly Premium for HSA/HDHP Plans in Selected States, January 2011

State	Average HSA/HDHP Monthly Premium Single	Average HSA/HDHP Monthly Premium Family
Alabama	\$265	\$552
Alaska	\$414	\$823
Arizona	\$335	\$651
Arkansas	\$268	\$562
California	\$381	\$998
Colorado	\$345	\$892
Connecticut	\$418	\$1,081
Delaware	\$359	\$713
District of Columbia	\$250	\$632
Florida	\$297	\$637
Georgia	\$300	\$730
Hawaii	\$242	\$687
Idaho	\$277	\$554
Illinois	\$381	\$1,263
Indiana	\$351	\$916
Iowa	\$238	\$427
Kansas	\$326	\$830
Kentucky	\$305	\$806
Louisiana	\$399	\$1,148
Maine	\$364	\$956
Maryland	\$321	\$946
Massachusetts	\$425	\$1,119
Michigan	\$244	\$602
Minnesota	\$321	\$391
Mississippi	\$399	\$860
Missouri	\$327	\$851
Montana	\$367	\$915
Nebraska	\$373	\$765
Nevada	\$360	\$982
New Hampshire	\$422	\$1,049
New Jersey	\$286	\$740
New Mexico	\$335	\$746
New York	\$349	\$917
North Carolina	\$356	\$763
North Dakota	\$217	\$519

Table 4. Average Monthly Premium for HSA/HDHP Plans in Selected States, January 2011

State	Average HSA/HDHP Monthly Premium Single	Average HSA/HDHP Monthly Premium Family
Ohio	\$311	\$802
Oklahoma	\$384	\$726
Oregon	\$312	\$625
Pennsylvania	\$351	\$898
Rhode Island	\$381	\$912
South Carolina	\$372	\$725
South Dakota	\$208	\$520
Tennessee	\$251	\$470
Texas	\$374	\$920
Utah	\$187	\$598
Vermont	\$330	\$728
Virginia	\$349	\$893
Washington	\$313	\$451
West Virginia	\$481	\$1,016
Wisconsin	\$357	\$903
Wyoming	\$362	\$840
United States	\$346	\$854

Source: AHIP Center for Policy and Research.

ACKNOWLEDGEMENTS

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For further information, please contact Jeff Lemieux, Senior Vice President at AHIP's Center for Policy and Research, at 202.778.3200 or visit www.ahipresearch.org.



America's Health
Insurance Plans

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202.778.3200
www.ahip.org