

JANUARY 2010 CENSUS SHOWS
10 MILLION PEOPLE
COVERED BY HSA/HIGH-DEDUCTIBLE
HEALTH PLANS

May 2010

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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 10 million in January 2010. 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 2010 census:

ENROLLMENT TRENDS

- The number of people with HSA/HDHP coverage rose to 10 million in January 2010, up from 8 million in January 2009, and 6.1 million in January 2008.
- Between January 2009 and January 2010, the fastest growing market for HSA/HDHP products was large-group coverage, which rose by 33 percent, followed by small-group coverage, which grew by 22 percent.
- Gender distribution of lives covered by an HSA/HDHP as of January 2010 was 52 percent male and 48 percent female.

INDIVIDUAL MARKET

- Enrollment in the individual market rose to 2.1 million covered lives in January 2010, up from 1.8 million in January 2009.
- Fifty-two (52) percent of all individual market enrollees — including dependents covered under family plans — were aged 40 or older.

GROUP MARKETS

- Overall, enrollment in HSA/HDHP coverage in the group market rose to 8.0 million in January 2010, up from 6.2 million in January 2009.
- Nearly 3 million lives were enrolled in HSA/HDHP coverage in the small-group market, and almost 5 million lives were covered in the large-group market.

ENROLLMENT BY STATE

- States with the highest *percentage* of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Vermont (13.8 percent); Minnesota (9.2 percent); Colorado (9.2 percent); Arkansas (8.2 percent); Indiana (8.1 percent); and Ohio (8.0 percent).
- States with the highest *levels* of HSA/HDHP enrollment were: California (1,018,000); Ohio (651,000); Florida (639,000); Texas (637,000); Illinois (575,000); and Minnesota (361,000).

COVERAGE OPTIONS

- Overall, preferred provider organization (PPO) products (88 percent) were the most popular product types.
- HSA/HDHP plans accounted for 11 percent of all new health insurance purchases in January 2010.
- Over 90 percent of responding companies reported offering access to HSA account information, health education information, physician-specific information and personal health records as consumer decision support tools for their members.

COMPANIES REPORTING HSA/HDHP COVERAGE

- For this census, 93 health insurance companies and their subsidiaries reported coverage in HSA/HDHP products. Seventy-eight (78) of these companies reported HSA/HDHP enrollment in the individual market; 81 companies had HSA/HDHP enrollment in the small-group market; and 80 companies had enrollment in the large-group market.
- Twenty-one (21) companies responding to the census had HSA/HDHP enrollment of more than 100,000 covered lives (including dependents) in January 2010.
- Forty-five (45) companies had HSA/HDHP enrollment of more than 25,000 people.
- Seventy-three (73) companies reported HSA/HDHP enrollment of more than 5,000 people.

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.

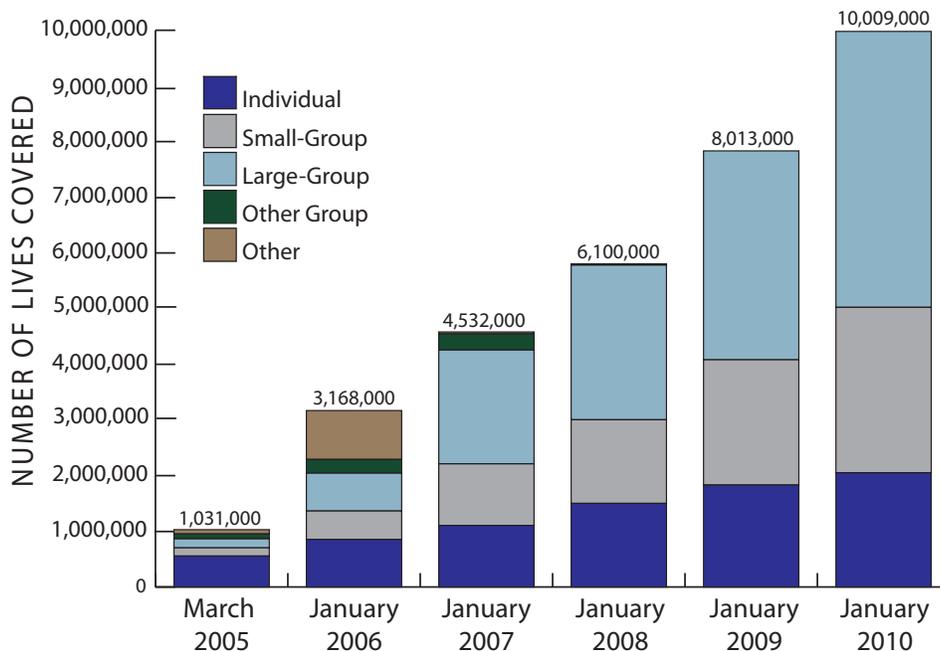
HSAs were authorized by the Medicare Prescription Drug Improvement and Modernization Act of 2003 and entered the market in January 2004. Since then, AHIP has conducted an annual census of health insurance plans to monitor and report on the HSA/HDHP health insurance market. Virtually all health insurance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

Market Overview

As of January 2010, approximately 10 million people were covered by HSA/HDHP products. This represents an increase of 2.0 million since January 2009, 3.9 million since January 2008, 5.5 million since January 2007, 6.8 million since January 2006, and 9.0 million since March 2005 (see Figure 1 and Table 1).

FIGURE 1.
Growth of HSA/HDHP Enrollment from March 2005 to January 2010



Source: 2010 AHIP HSA/HDHP Census

¹ For 2010, 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). (http://www.ahipresearch.org/pdfs/HSA_Preventive_Survey_Final.pdf)

TABLE 1.

HSA/HDHP Enrollment (Covered Lives)

	March 2005	January 2006	January 2007	January 2008	January 2009	January 2010
Individual Market	556,000	855,000	1,106,000	1,502,000	1,832,000	2,053,000
Small-Group Market	147,000	510,000	1,057,000	1,816,000	2,429,000	2,970,000
Large-Group Market	162,000	679,000	2,044,000	2,777,000	3,752,000	4,986,000
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

*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.

Sources: 2005–2010 AHIP HSA/HDHP Census Reports

Ninety-three (93) companies responded to the January 2010 census. Seventy-eight (78) of these companies had HSA/HDHP enrollment in the individual market; 81 companies had HSA/HDHP enrollment in the small-group market; and 80 companies had enrollment in the large-group market.

Twenty-one (21) of the companies had HSA/HDHP enrollment of more than 100,000 covered lives each, up from 16 companies in January 2009, 14 companies in January 2008, and 11 companies in January 2007 (see Table 2). Similarly, 45 companies each had HSA/HDHP enrollment of more than 25,000 covered lives in January 2010. Seventy-three (73) companies reported HSA/HDHP enrollment of more than 5,000 covered lives in January 2010.³

TABLE 2.

HSA/HDHP Enrollment Levels, by Number of Responding Companies

Enrollment (Covered Lives)	March 2005	January 2006	January 2007	January 2008	January 2009	January 2010
100,000+	2	7	11	14	16	21
25,000+	11	15	26	37	37	45
10,000+	16	35	39	48	55	63
5,000+	23	44	51	62	67	73

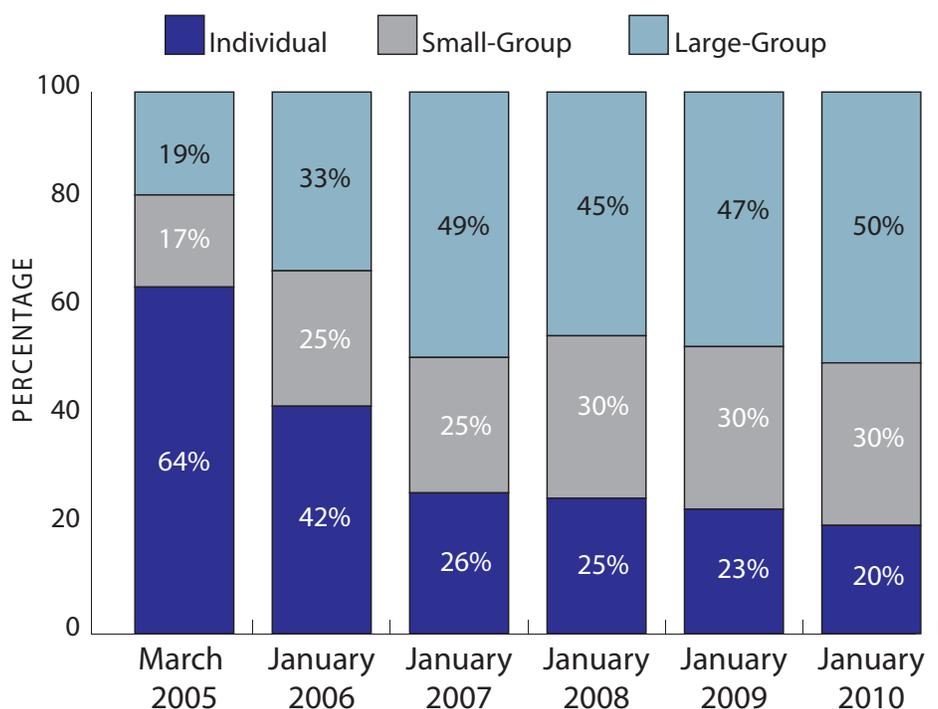
Note: Each responding company may have multiple subsidiaries operating in many states. However, results for enrollment levels by company are reported only for the overall company, grouping data from all subsidiaries into one unit.

Sources: 2005–2010 AHIP HSA/HDHP Census Reports

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.

Between January 2009 and January 2010, the fastest growing market for HSA/HDHP products was large-group coverage. HSA/HDHP coverage rose from approximately 47 percent of overall HSA/HDHP enrollment in January 2009 to 50 percent in January 2010 (see Figure 2).

FIGURE 2.
Percentage of Lives Covered by an HSA/HDHP, by Market Type



Sources: 2005–2010 AHIP HSA/HDHP Census Reports

In the individual and large-group markets, over 90 percent of enrollees in HSA/HDHP plans were in PPO products. Eighty (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.

For each market segment, premium data was collected by market segment based on the best-selling plan, which is a continuation of the concept used in previous HSA census reports. Almost all 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 Current Population Survey (CPS) in the year for which the most current data were available (2008).

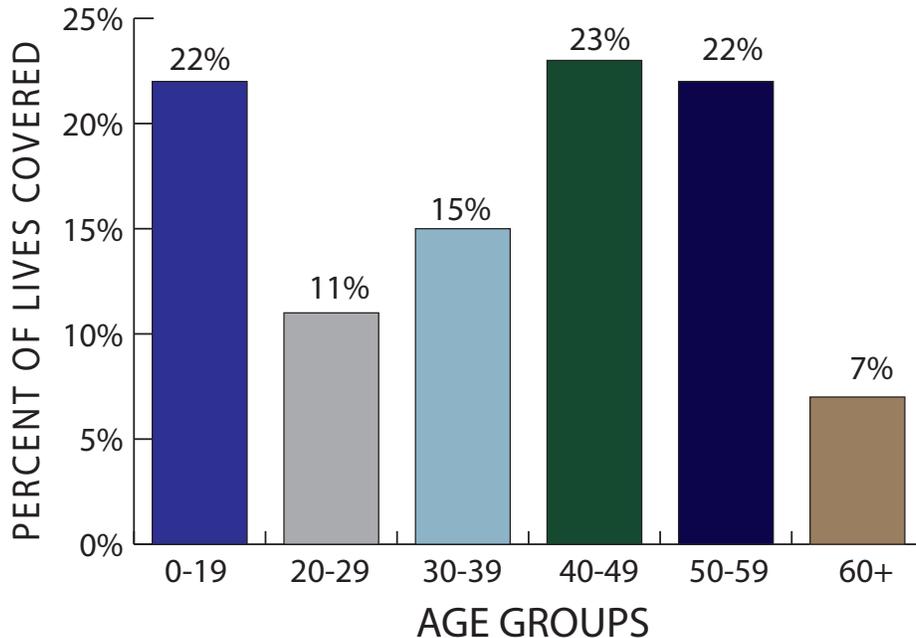
Individual Market

As of January 2010, 2.1 million people were covered by HSA/HDHPs purchased in the individual market in January 2010. The gender distribution of enrollees covered by HSA eligible HDHPs in the individual market was 54 percent male and 46 percent female.

In January 2010, 52 percent of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were aged 40 or over; 48 percent were under age 40.

Specifically, 22 percent of enrollees were younger than 20 years of age; 26 percent were between the ages of 20 and 39; 23 percent were between the ages of 40 and 49; and 29 percent were 50 years of age or older (see Figure 3).

FIGURE 3.
Age Distribution of People Covered by HSA/HDHPs, Individual Market



Note: Most enrollees in the 0-19 age group were dependents covered under family plans.

Source: 2010 AHIP HSA/HDHP Census

Table 3 provides information on the single and family deductibles, out-of-pocket limits, and lifetime maximum benefit limits (for companies that impose such limits) for the best-selling HSA/HDHP plans sold by companies in the individual market. Table 4 lists the average premium for the best-selling policies in the individual market, by age group.

TABLE 3.
Description of HSA/HDHP Policies, Individual Market — Best-Selling Product

	Single	Family
Average Annual Deductible*	\$3,365	\$6,366
Average Annual Out-of-Pocket Limit	\$3,681	\$7,001
Average Lifetime Maximum Benefit**	\$5.1 Million	\$5.4 Million
Percentage of Policies with Unlimited Lifetime Maximum Benefit	31%	34%

*Policies generally cover preventive care services before the deductible is reached.

**Among plans with a lifetime maximum benefit.

Source: 2010 AHIP HSA/HDHP Census

TABLE 4.
Individual HSA/HDHP Premiums, by Age — Best-Selling Product

	Age 20-29	Age 30-54	Age 55-64
Average Annual Premium, Single Policy	\$1,326	\$2,465	\$4,408
Average Annual Premium, Family Policy	\$3,375	\$5,335	\$7,483

Source: 2010 AHIP HSA/HDHP Census

Small-Group Market

Companies offering HSA/HDHP products in the small-group market reported enrollment of 2,970,000 as of January 2010, up 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 In the small-group market, gender distribution of lives covered by an HSA/HDHP was 54 percent male and 46 percent female.

Average deductibles for the best-selling HSA/HDHPs in the small-group market were lower than those in the individual market, averaging \$2,329 for single coverage and \$4,418 for family coverage. Average annual out-of-pocket limits for the best-selling HSA/HDHP plans in this market were \$2,641 for single coverage and \$5,064 for family policies. The average lifetime maximum benefit (for companies imposing lifetime limits) for small-group policies was \$4.8 million for single policies and \$4.9 million per person for family policies. Approximately one-third of HSA/HDHP plans had unlimited lifetime benefits. Premiums averaged \$3,944 for single coverage and \$10,048 for family coverage (see Table 5).

TABLE 5.
Description of HSA/HDHP Policies, Small-Group Market — Best-Selling Product

	Single	Family
Average Annual Deductible*	\$2,329	\$4,418
Average Annual Out-of-Pocket Limit	\$2,641	\$5,064
Average Lifetime Maximum Benefit**	\$4.8 Million	\$4.9 Million
Percentage of Policies with Unlimited Lifetime Maximum Benefit	33%	35%
Average Annual Premium	\$3,944	\$10,048

*Policies generally cover preventive care services before the deductible is reached.

**Among plans with a lifetime maximum benefit.

Source: 2010 AHIP HSA/HDHP Census

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.

Large-Group Market

As of January 2010, large-group coverage had increased to almost 5 million people, up from approximately 3.8 million in January 2009. Thirteen (13) percent of all new health insurance enrollment in the large-group market (defined as new enrollment in the most recent full month or quarter) was attributed to HSA/HDHP coverage. In the large-group market, gender distribution of lives was 50 percent male and 50 percent female covered by an HSA/HDHP.

Table 6 provides the average annual deductibles, out-of-pocket limits, and lifetime maximum benefit limits (for companies with limits) for the best-selling single and family HSA/HDHP policies in the large-group market. Premiums for the best-selling plans in the large-group market averaged \$3,691 for single coverage and \$9,767 for family plans.

TABLE 6.
Description of HSA/HDHP Policies, Large-Group Market — Best-Selling Product

	Single	Family
Average Annual Deductible*	\$2,203	\$3,907
Average Annual Out-of-Pocket Limit	\$2,664	\$4,497
Average Lifetime Maximum Benefit**	\$4.9 Million	\$4.6 Million
Percentage of Policies with Unlimited Lifetime Maximum Benefit	28%	30%
Average Annual Premium	\$3,691	\$9,767

*Policies generally cover preventive care services before the deductible is reached.

**Among plans with a lifetime maximum benefit.

Source: 2010 AHIP HSA/HDHP Census

State-by-State Enrollment

AHIP's census was able to collect state-by-state enrollment on over 9.6 million lives with HSA/HDHP coverage as of January 2010. Almost every responding company was able to provide enrollment by state, and 33 companies (representing 2.7 million lives covered by HSA/HDHPs) were able to report average monthly premiums by state.

States with the largest reported HSA/HDHP enrollment levels were: California (1,018,000); Ohio (651,000); Florida (639,000); Texas (637,000); Illinois (575,000); and Minnesota with 361,000 covered lives (see Table 7).

States with the highest percentage of HSA/HDHP enrollees among their under-65 populations with private health insurance were: Vermont (13.8 percent); Minnesota (9.2 percent); Colorado (9.2 percent); Arkansas (8.2 percent); Indiana (8.1 percent); Ohio (8.0 percent); Louisiana and Nebraska (7.5 percent).

Only premiums for those states that met minimum data reporting standards (a minimum of companies that reported premiums and/or the percentage of total enrollment accounted for by the reporting companies) were reported. Monthly average premiums ranged from a high of \$399 for single coverage in New Hampshire and \$1,070 for family coverage in Rhode Island, to a low of \$210 for single coverage and \$462 for family coverage in North Dakota (see Table 8).

TABLE 7.
Total Enrollment in HSA/HDHP Plans and as a Percentage of Total Enrollment in Private Health Insurance, by State, January 2010

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	37,303	1.2%
ALASKA	10,206	2.4%
ARIZONA	185,326	4.8%
ARKANSAS	134,245	8.2%
CALIFORNIA	1,017,950	4.5%
COLORADO	313,083	9.2%
CONNECTICUT	182,253	7.1%
DELAWARE	27,718	4.4%
DISTRICT OF COLUMBIA	17,185	4.3%
FLORIDA	638,717	5.7%
GEORGIA	240,816	3.9%
HAWAII	1,884	0.2%
IDAHO	45,702	4.2%
ILLINOIS	574,553	6.3%
INDIANA	359,144	8.1%
IOWA	139,452	6.0%
KANSAS	82,069	4.1%
KENTUCKY	150,958	5.6%

LOUISIANA	191,516	7.5%
MAINE	44,499	5.0%
MARYLAND	282,816	6.8%
MASSACHUSETTS	93,231	1.9%
MICHIGAN	297,504	4.2%
MINNESOTA	360,918	9.2%
MISSISSIPPI	28,261	1.7%
MISSOURI	168,390	4.2%
MONTANA	48,211	7.4%
NEBRASKA	100,109	7.5%
NEVADA	36,904	2.2%
NEW HAMPSHIRE	45,006	4.5%
NEW JERSEY	194,981	3.1%
NEW MEXICO	15,722	1.5%
NEW YORK	324,702	2.6%
NORTH CAROLINA	252,569	4.2%
NORTH DAKOTA	16,720	3.5%
OHIO	651,354	8.0%
OKLAHOMA	54,502	2.3%
OREGON	89,904	3.4%
PENNSYLVANIA	233,015	2.6%
RHODE ISLAND	21,883	3.0%
SOUTH CAROLINA	133,883	4.6%
SOUTH DAKOTA	12,162	2.1%
TENNESSEE	247,671	6.6%
TEXAS	636,605	4.7%
UTAH	139,706	6.5%
VERMONT	60,035	13.8%
VIRGINIA	182,359	3.3%
WASHINGTON	196,535	3.4%
WEST VIRGINIA	13,778	0.9%
WISCONSIN	269,949	6.5%
WYOMING	15,792	4.2%
UNCATEGORIZED*	389,475	
UNITED STATES	10,009,230	4.8%

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

Sources: 2010 AHIP HSA/HDHP Census. US Census Bureau Current Population Survey (CPS), Annual Social and Economic (ASEC) Supplement 2008

TABLE 8.
Average Monthly Premium for HSA/HDHP Plans in Selected States,
January 2010

State	Average HSA/HDHP Monthly Premium Single	Average HSA/HDHP Monthly Premium Family
CALIFORNIA	\$334	\$869
COLORADO	\$324	\$849
CONNECTICUT	\$378	\$975
FLORIDA	\$311	\$787
GEORGIA	\$282	\$706
INDIANA	\$324	\$833
KENTUCKY	\$274	\$707
MAINE	\$339	\$888
MASSACHUSETTS	\$381	\$1,002
MISSISSIPPI	\$324	\$803
MISSOURI	\$304	\$754
NEVADA	\$302	\$753
NEW HAMPSHIRE	\$399	\$1,026
NORTH DAKOTA	\$210	\$462
OKLAHOMA	\$294	\$612
PENNSYLVANIA	\$327	\$827
RHODE ISLAND	\$399	\$1,070
TENNESSEE	\$239	\$482
UTAH	\$248	\$618
VIRGINIA	\$334	\$856
WEST VIRGINIA	\$313	\$699
WISCONSIN	\$303	\$762
WYOMING	\$273	\$669

Source: 2010 AHIP HSA/HDHP Census

Acknowledgements

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