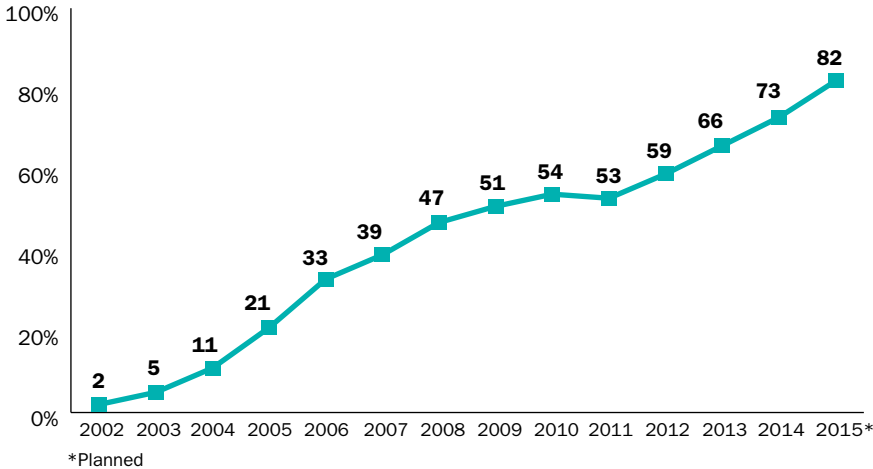


# Account-Based Health Plans

**Figure 32. Take-up in ABHPs on the rise**



Tax-advantaged ABHPs,\* new to the marketplace about 15 years ago, are now prevalent in every industry: 82% of employers expect to offer them by next year (Figure 32).

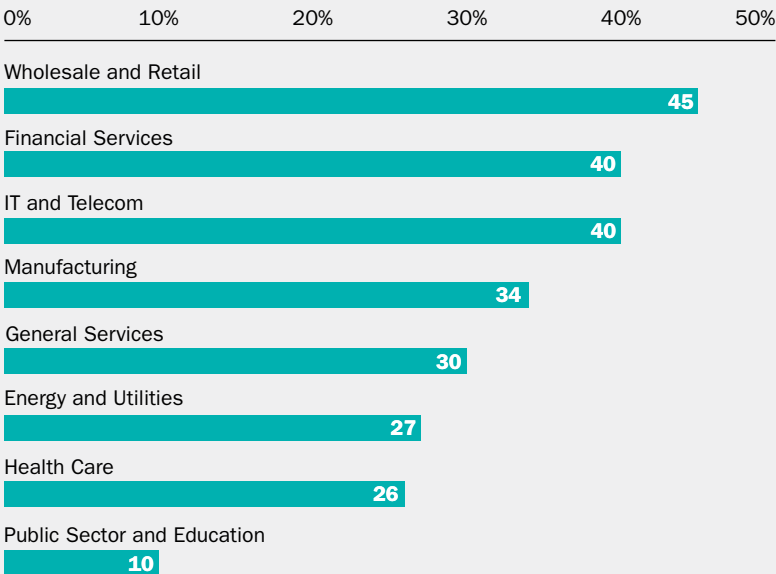
The effectiveness of ABHPs depends on a number of factors, including whether the plan is the only option offered, the size of the deductible, the percentage of employees who enroll in an ABHP, and whether ABHPs are used as a means of facilitating wellness initiatives and encouraging employee and member engagement in their health and well-being. Over the years, employers have taken steps to make ABHPs more attractive to employees by contributing funds to an account and subsidizing premiums at a higher level than other options they might offer. Increasingly, more companies are helping ease the transition to ABHPs through a year-round communication strategy and by incorporating education into retirement planning materials. Fifty-two percent (32% in 2013) have a year-round communication strategy, with another 20% planning to next year. Thirty percent include HSA education in retirement materials (19% in 2013), with another 22% planning it next year. These companies are also more likely to offer price and quality transparency tools and decision support tools for preference-sensitive care.

\*We define an ABHP as a plan with a deductible offered together with a personal account (i.e., HSA or HRA) that can be used to pay a portion of employee medical expenses not covered by the plan. ABHPs typically include decision support tools that help consumers better manage their health, health care and medical spending. Contributions from both the employee and the employer can be carried over into subsequent years and into retirement.



## What's the Difference?

### Median ABHP enrollment by industry

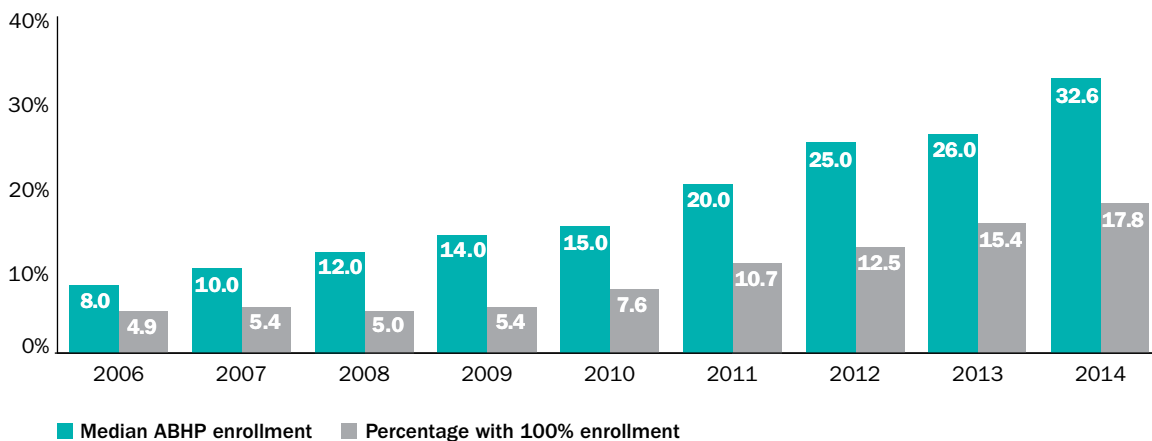


“More companies are helping ease the transition to ABHPs through a year-round communication strategy and by incorporating education into retirement planning materials.”

By aligning their ABHP and health management strategies, companies have been able to move to a full-replacement ABHP more quickly — driving enrollment up significantly. Enrollment has increased from 15% to nearly 33% in four years, largely because employers replaced all their plans with ABHPs (Figure 33). Nearly 30% of employers expect

to offer ABHPs as their only plan option in 2015; at the same time, ABHPs with HSAs and HRAs have risen steadily (Figure 34). Although participation is not required, nearly 80% of employers with an ABHP now contribute to an HSA, seeding the account with the hope that employees will also contribute (Figure 35).

**Figure 33. ABHP enrollment rates are rising at a rapid pace**



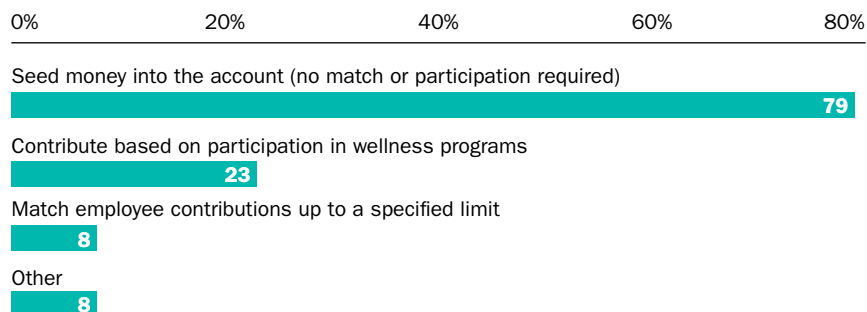
Note: Estimates are based on companies that offer an ABHP in various years — 2006 is based on the 12th annual Towers Watson/NBGH survey; 2007 is based on the 13th annual survey, etc.

**Figure 34. ABHP as the only plan option is on the rise**

	2014	2015*
ABHP with HRA	25%	30%
ABHP with HSA	63%	74%
Contribute funds to an HSA	54%	65%
Offer an ABHP as our default plan option	29%	44%
Offer an ABHP as our only plan option	16%	30%
Offer an ABHP to collectively bargained employees	24%	27%
Subsidize premiums of ABHP plan(s) at a higher level than other plan options	43%	51%

Note: Based on all companies with or without an ABHP  
\*Includes companies indicating “planned for 2015”

**Figure 35. HSA contributions**



Note: Based on companies with an ABHP that currently contribute money to an HSA