KANSAS CITY BUSINESS JOURNAL
Friday, May 9, 2008

HSA enrollment continues to exhibit healthy growth

by Rob Roberts | Staff Writer

U.S. enrollment in health savings account plans has increased 35 percent to 6.1 million since last year, according to a new study by America's Health Insurance Plans.

But adoption remains low in this area, said Dennis Triplett, chairman of AHIP's HSA Leadership Council and president of UMB Healthcare Services in Kansas City. AHIP reported that 3.4 percent of Americans with private coverage are enrolled in HSA-eligible plans. Enrollment rates in Kansas and Missouri are 3.2 and 2.4 percent, respectively.

Fortunately, he said, UMB Financial Corp. also receives HSA deposits from states such as Minnesota, which has the highest HSA enrollment at 9.2 percent. A pioneer in HSA banking, UMB offers the service to consumers through partnerships with insurers and others. It has more than $120 million in HSA deposits.

HSA enrollment

An annual survey by American's Health Insurance Plans shows that the number of Americans covered by health savings account plans continues to grow. The data below show the growth of enrollment since Congress authorized the plans in 2004.

March 2005	1 million
January 2006	3.2 million
January 2007	4.5 million
January 2008	6.1 million

HSAs are tax-favored accounts that may be coupled with qualifying high-deductible health plans. One advantage of HSAs, Triplett said, is that they encourage wise health care spending decisions so consumers can accumulate enough savings to cover deductibles and medical expenses during retirement.

High deductibles often are said to put some of the employee's "skin in the game," which cuts employer premiums. But **Ron Dutton, president of local benefits adviser R.J. Dutton Inc**., said employers are starting to view "skin in the gym" as a better way to cut costs.

Dutton said a new United Benefit Advisors LLC survey revealed that 11 percent of employers offer wellness plans in their coverage, and 38 percent are considering such plans for next year. Meanwhile, 51 percent of employers think consumer-driven plans will be the dominant plan type in five years -- down from 52.9 percent in 2006, Dutton said.

"There's mixed evidence about whether they really are more cost-effective," said Jerry Nebbia of Mercer Health & Benefits' local office. "Those who say they aren't contend that they're just skimming the healthier lives from the risk pool. We've got clients on both sides of the aisle. But I think some significant minority of the insured public ultimately will be enrolled in these plans."