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## Health Savings Accounts: What's Next?

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As we near the 10th anniversary of the enabling legislation for health savings accounts, the industry, employers and brokers/agents all have the opportunity to move HSAs forward, beyond basic administration, with the use of insightful reporting and analytical tools.

### Reporting process

Essentially, account reporting can provide the insight necessary for employers to not only see exactly how their employee accounts are being used, but also allows them to react and positively impact a desired outcome. In order to fully realize the benefits of these accounts and influence employee behavior to improve wellness and ultimately lower health care costs, employers need to have the supporting data and applied analysis to make those informed changes.

We view reporting as a three-step process:

- First, the employer will need to obtain the data in a usable format. While this sounds straightforward, many administrators have yet to develop or supply adequate reporting tools and analysis. It is important to consider this capability when selecting an HSA administrator.
- Second, the data needs to be analyzed and applied to the employer's specific situation.
- Third, the employer needs to take action based on what the data is revealing.

These steps can appear fairly straightforward, however, the norm with data reporting has often been to review the data and file it away.

### Understanding the data

In order to avoid stalling at step three and to take action, it is important to understand what the reporting data means. Reporting provides aggregated data that looks at the actual numbers from each employer group month-to-month which allows a better understanding of the habits of the accountholders and any existing trends.

Reporting can provide a wealth of data, including:

- **Accounts** – enrollment, open and closure
- **Balances** – total, average and tier breakdowns
- **Contributions** – employee and employer
- **Distributions** – amount, frequency and method
- **Investments** – number of accounts and balances

We have found it helpful to look at each data point as if it were the answer to a question. It's important to analyze the reports with the employee in mind.

Some of the common employer questions include:

- How are employees using their accounts?
- Are the employees using their account more often to spend or save?
- How much does an employer have to fund, and for how long?
- What is the level of employee engagement in the plan?
- What are the employees' habits for contributions and distributions?

### Looking deeper

In addition to typical reporting metrics, we have also identified several additional key data metrics that allow for tracking trends, including:

- Percentage of accounts with employee contributions
- Contribution to distribution ratio
- Distribution frequency versus benchmark average
- Remaining balance to contributions

Data reporting can also help identify and classify different behaviors of employee accountholders, which is helpful in creating tailored communications.

### Execution

In order to effectively implement change based on the reporting data, employers need to have a plan for what they hope to accomplish within their **HSA** plan offering — what problem they need to tackle. We have identified a six-point plan to better manage this process, including the following steps:

- Identify the item/problem to impact
- Choose the best way to impact the result
- Identify the measure of success
- Deploy the necessary resources
- Regularly review
- Make adjustments

By analyzing the reporting trends over a period of time, employers can review their progress impacting change in their HSA plan.

### Moving forward

Employers need to take the time to regularly view and understand their HSA reports. In addition, it's critical to analyze the data to see what trends and opportunities for improvement exist. While many employers are strapped for time and resources, business partners, including HSA administrators and brokers/agents, have the experience and knowledge to help in driving positive change.

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