

# Benefits Resource Group

## Case Study: Health Savings Account Analysis



### Health Savings Account Analysis

#### Background

- Client offers three rich benefit, high cost health plans to employees.

#### Issues

- Health plan utilization and costs are rapidly increasing each year.
- Client turns to Benefits Resource Group ("BRG") for cutting edge, long term solution.

#### Solution

- BRG recommended a three year roll out of the Health Savings Account ("HSA") compatible plan.

Year 1: The basic plan was replaced by a HSA plan.  
Employee education is of the highest importance.  
Employer funded a portion of the HSA.

Year 2: The most expensive plan was eliminated.  
Employees chose either the traditional or HSA plan.  
Employer funded a portion of the HSAs again.  
Employee education is still key to success.

Year 3: Minimal benefit changes were made to both plans.  
Continued education played an important role again.  
Employer funds HSA for new enrollees only.  
Intense education continues each open enrollment.

#### Results

- Year 1 returned 11 HSA enrollees and a 5% premium savings.
- Year 2 returned 120 HSA enrollees and a \$90,000 premium savings.
- Year 3 returned 135 HSA enrollees and a premium increase of 3%, well under industry norms and trends.
- BRG successfully portrayed that very high benefits inflate experience data and premium increases.
- BRG effectively communicated the value of the consumer driven qualities and HSA plan has on members.
- Prior to the three year HSA roll out plan, the client's premium to claims loss ratio averaged 110%. The average loss ratio in years two and three of the HSA plan returned a loss ratio of 75%.
- This long term strategy allows the employer to meet financial goals while providing a comprehensive benefit plan to employees.