



## UBA Health Plan Survey Special Report

### HSAs & HRAs: How They're Doing

A Health Reimbursement Arrangement (HRA) and a Health Savings Account (HSA) have many things in common, but also several key differences that define their purpose and benefits. For a closer look at the differences and similarities, see the UBA document [\*\*HRAs, HSAs, and Health FSAs – What's the Difference?\*\*](#)

In this spotlight report, we'll look at how HSAs and HRAs are being used among employers based on data reported in the 2015 UBA Health Plan Survey, which can be broken down by industry, by region, and by employer size.

So which is faring better in the industry, HRAs or HSAs? The answer very much depends on where you are in the country, what industry you're in, and how many employees you have.

## General Information

- The number of plans offering an HSA or an HRA is decreasing significantly. In 2015, 23.9% of all plans offered an HSA or an HRA, a 29% decrease from 2014.
- Like HRA plans, contributions to HSA plans don't always correlate with enrollment. Looking at employers by size, small employers, with their generous contributions, are indeed attracting the highest enrollment in these plans. Mid-Atlantic employers, with below average contributions, are seeing some of the lowest enrollment in HSA plans. While North Central and Southeastern states, as well as the arts/entertainment/recreation industries have the highest HSA enrollment despite below average contributions, which have been on the decline.
- Overall enrollment in HRA plans has remained flat at 8.7% for the last three years.
- The average employer contribution for an HRA was \$1,767 for a single employee and \$3,472 for a family, up slightly from 2014.
- Families got hit hardest at companies with 500 to 999 employees, whose average family contribution dropped nearly 14% in three years (from \$3,272 in 2013 to \$2,823 in 2015). Families in the North Central U.S. saw a 17% decrease in their employer contributions in the last three years (from \$4,430 to \$3,689), but these contributions are still higher than the overall national average.

## By Region

- California offers the best HRA plans for singles and families; large employers and Southeast businesses offer the worst HRA plans.
- California, New England, small employers and government employers offer the best HSA plans for singles and families; East Central businesses, large employers, and accommodation/food services/retail industries offer the worst.

## By Industry and Region

Interestingly, the data shows that contribution amount doesn't always predict enrollment rates. For example:

- The utilities industry raised average contributions and scored a huge HRA enrollment spike.
- New England states and the retail industry attract high enrollment even with below average contributions.
- Southeast employers are driving employees away from HRA plans with their low contributions, but the finance and health care sectors can't seem to attract HRA enrollment despite above average and average contributions, respectively, for singles and families.

## By Employer Size

“Though the average large employer (1,000+ employees) doesn’t typically offer competitive HRA or HSA plans, they don’t get a black eye,” says Les McPhearson, CEO of UBA. “They typically are able to offer other types of more generous plans, but this is the sector to watch. If they see the kind of double digit cost increases that other employer groups have already seen, they may have no choice but to offer more attractive HRA and HSA plans in an effort to control costs. Plus, employees at these companies are interested particularly in HSA plans, seeing dramatic 53% enrollment increases over the last three years despite their lack of competitiveness.”

## HRA Plans: Detailed Stats

### By Region

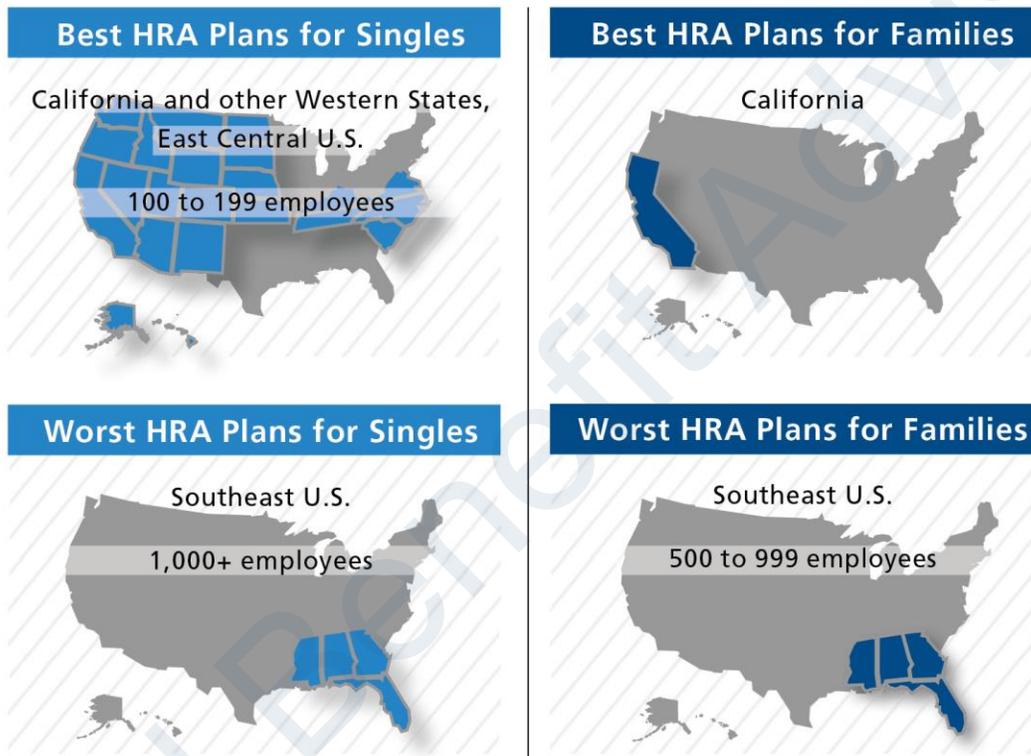
- Single employees fared best in the West (excluding CA) where average contributions have risen nearly 7% over three years to \$1,894, but they still lag the more generous contributions in California and East Central U.S., which average \$2,288 and \$2,019, respectively.
- Average family contributions in California are the second most generous at \$3,950, but that is a 13% decrease from three years ago when California led the nation with the highest HRA contributions at \$4,537.
- Employees in the Southeast get the least support and receive the lowest average single (\$1,273) *and* family (\$2,656) contributions (though their family contributions have grown by nearly 28% from three years ago).
- New England has the highest HRA enrollment at 20%. Conversely, the Southeast has the lowest enrollment at 2.3% (they are a leader in HSA enrollment, however).
- While most regions maintained their HRA enrollment levels (or saw slight increases) over the last three years, the Midwest and Mid-Atlantic states saw a decline in plan enrollment. The North Central saw a decrease from 9.4% to 8.1% over the past three years.

### By Employer Size

- Singles at companies with 1,000+ employees receive the lowest average HRA contributions, \$858, whereas singles at companies with 100 to 199 employees receive the highest average contributions at \$1,941.
- Employers with 50 to 99 employees see the most HRA enrollments at 13.6%, but that is declining (compare to 16.3% in 2013).

## By Industry

- The retail trade industry dominates HRA plan enrollment with 21.3%, nearly an 89% increase from three years ago. The utilities industry has also seen a dramatic increase in HRA enrollment in three years (going from 1.5% to 13.8%).
- The finance/insurance and health care/social assistance industries are seeing the largest declines in HRA enrollment.



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## HSA Plans: Detailed Stats

### General Information

- The average employer contribution to an HSA was \$491 for a single employee and \$882 for a family (funding for singles decreased more than families from 2014).
- The average single contribution to HSA plans decreased 14.5% from three years ago going from \$574 to \$491.
- There was a 10.7% increase in the number of individuals enrolled in HSAs, likely due to the increase in consumer-driven health plan (CDHP) enrollment (which often have HSAs tied to them). Since 2013, there has been a 53% increase in enrollment showing significant employer and employee interest in these plans over time.

## By Region

- Singles fare the worst in the East Central and South Central U.S., with the lowest average employer contributions of \$364 and \$369, respectively.
- Singles in California received very generous contributions of \$981 on average.
- Though New England employers have the second most generous contributions (\$664), these employers have slashed their contributions 17% over the last three years.
- Families do the best in California with average employer contributions of \$1,789. This is the only region that has increased its contributions over the last three years; all other regions decreased their average contributions or kept them largely the same. For example, New England has the second highest average employer contribution at \$1,331, but that is a nearly a 10% decrease from three years ago.
- Families fare the worst in the East Central states, with an average family contribution of \$562, nearly a 33% decrease from three years ago and 44% below the national average employer contribution.
- The North Central states have the highest HSA enrollment (33.2%) followed by the Southeast states (19.4%). By contrast, the Mid-Atlantic states have the lowest HSA enrollment at 4.7%.

## By Employer Size

- Singles at companies with 1,000+ employees receive the lowest HSA contributions (\$393). Singles at some of the smallest companies (10 to 24 employees) receive the most generous contributions (\$541 on average).
- Like their single counterparts, families get more generous contributions from small employers. The average family HSA contribution in groups with 25 to 49 employees was \$1,005 and employers with 10 to 24 employees gave, on average, \$921 to families.
- Families with HSA plans at the largest employers (1,000+ employees) receive the least support, with average employer contributions of \$702.
- Companies with 10 to 24 employees have the highest HSA enrollment (16.3%). However, the larger companies (200 employees to 1,000+) have seen the most dramatic increases in enrollment, ranging from 50% to 90% from three years ago.

## By Industry

- Across all industries, HSA contributions are, for the most part, down or stagnant from three years ago.
- Singles in the accommodation/food services industries received virtually no support from employers, with average HSA contributions at \$149. Families with HSA plans in the accommodation/food services industries also receive virtually no support, with average family contributions of \$172. These industries seem to be driving employees (singles and families) to HRA plans, where their contributions are competitive.
- Government employees had the most generous contributions at \$834, on average. This industry also has the highest employer contributions for families, on average \$1,636.
- Retail employers are one of the least generous contributors to family HSA plans (\$581) both this year and historically.
- The arts/entertainment/recreation industries have the highest HSA enrollment (23.2%), closely followed by the professional/scientific/tech industries at 22.2%.
- While most industries have seen steady growth in HSA enrollment, the utilities industry not only has the lowest enrollment (3.2%), it is the only industry to see a decline from three years ago.

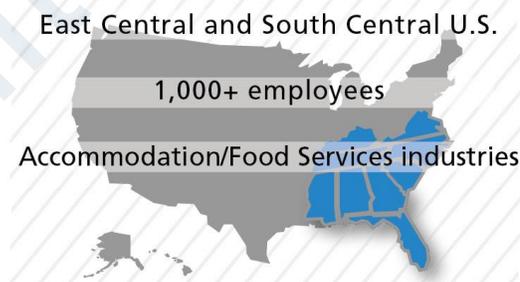
### Best HSA Plans for Singles



### Best HSA Plans for Families



### Worst HSA Plans for Singles



### Worst HSA Plans for Families



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