

Bend Financial Uses AI to Improve HSA Adoption and Administration

The cost of healthcare keeps going up. In the last 10 years, the annual premium for employer-sponsored family health insurance leapt 55% to almost \$20,000, according to the Kaiser Family Foundation. To keep those costs in check many companies are starting to offer high deductible health plans (HDHPs) in conjunction with tax-advantaged Health Savings Accounts (HSAs). These plans put employees more in charge of their healthcare dollars and encourages them to be better, more cost-conscious healthcare consumers while providing companies a powerful tool to help control their cost of healthcare.

HSAs are essential to making an HDHP an effective tool to manage healthcare cost for companies and employees. Unfortunately, managing HSAs can be complicated for both the employer and the employee, lowering adoption rates. Most consumers still don't know what HSAs are, how they work, and confuse them with other accounts like Flexible Spending Accounts (FSAs). Even when consumers do choose HSAs they often don't use them as efficiently as they could, preventing them from maximizing the benefit.

A Solution that Offers Tailored Education and Advice

To address this challenge, [Bend Financial](#) has pioneered the use of artificial intelligence (AI) and machine learning technologies to help consumers optimize HSA tax benefits and health spending through their HSA accounts. The concept is simple. The Bend HSA account seamlessly captures data about an individual's financial health, such as claims data, payment transactions, and deductibles.

Using this and other information, the Bend Advisor offers a dashboard view of their healthcare financials including contribution goals and a breakdown of how, when and where HSA funds are spent. The Bend Advisor's AI also learns about an individual's unique situation and provides tailored education and actionable advice so the individual can maximize the benefit from the HSA.

Putting Bend Advisor into Practice

There are many ways that the Bend Advisor can help people navigate their HSA, even from the moment they open their account.

While many employees open an HSA account when they enroll in an HDHP, they often don't fund the account because they forget, do not want to bother to, or are worried they don't have the discretionary income to do so. But [Bend](#) can help overcome these impediments. It recognizes when someone makes a qualified medical payment or has a qualified medical expense and guides the person to get reimbursed or make the payment. Because Bend is linked to the employee's methods of payment (such as a checking account or credit card), Bend can quickly facilitate the payment through the HSA account. On a \$70 payment, this simple approach could save \$20 in taxes.

Over time, Bend's AI and machine learning capabilities will learn the employee's transaction behavior and health situation, and begin to make recommendations. For example, Bend Advisor might suggest that a person begin making regular contributions to the HSA account, or increase their current contribution based on their spending history. If the employee agrees, Bend's integration with the payroll company will update payroll deductions behind the scenes without the employee or the employer needing do anything more.

Providing Advice and Aid for Employers

Bend also makes things easier for employers who administrate an HSA. Bend's integration with third parties, especially payroll companies, automates most of the work to manage the HSA program. Not only can Bend manage the enrollment and the account set up for employers, it can also manage payroll deduction changes with any frequency, such as on a monthly basis.

Bend can also make recommendations to employers. For example, by analyzing the contributions and spending of employees, Bend could conclude that if the company upped its employer contribution to the HSA by \$50, employees would kick in another \$100. These tweaks can have big tax benefits for employers because they don't have to pay FICA taxes on any employee payroll contributions to their HSAs.

Looking to the Future

In the near future, [Bend](#) plans to combine its HSA Advisor with a retirement advisor that could, for instance, make recommendations about whether it makes more financial sense to fund a 401K or HSA first. The bottom line is that Bend is continually looking to improve the user experience and maximize the value of the HSA tax benefits for individuals, while simultaneously simplifying employer administration and lowering the company's tax bill. This is a powerful combination given the increasingly central role that HSAs will play in the healthcare market.



© 2015 [SourceMedia](#). All rights reserved.

Employee Benefit Adviser | Employee Benefit News
For advertising information, please contact michael.pirro@sourcemediacom
For editorial information, please contact Brian Kalish at brian.kalish@sourcemediacom

FOLLOW  [@EBAmagazine](#)  Facebook
US:

For more information about reprints and licensing content from Employee Benefit Adviser, please visit www.SourceMediaReprints.com or contact PARS International Corp. (212) 221-9595.

SourceMedia
One State Street Plaza, 27th Floor New York, NY 10004
Phone: (800) 221-1809