

Best Communication Practices for Increasing HSA Enrollment

by Julie McCarter

More than 3 million members have opened a health savings account (HSA) in only three years of availability, according to a 2006 study by America's Health Insurance Plans. Additionally, 45% of employers say they will add HSAs in the next two years, according to Forrester Trends Research 2005. While strong market adoption suggests the effectiveness of HSAs, brokers must communicate how important it is for employers to provide comprehensive, tailored member communications to drive enrollment and guide informed plan use.

HSAs were developed at the end of 2003 to enable workers to invest, grow, and take money out tax-free (as long as it is used for qualifying medical expenses). HSAs are portable, enabling employees to take their accounts with them from job to job. You may have clients that have made HSAs an option alongside HMO and PPO plans, while others (mostly small companies) have replaced their healthcare plans.

Amid all the positives, there are challenges. Two of the biggest are determining the readiness of a company's workforce to adopt an HSA and educating workers on

using one. Fifty-nine percent of employers agree that proper communication is the most significant factor in getting people to sign up for an HSA, according to a recent study by NAHU.

HSAs certainly are a viable option, but to succeed, they should be combined with persistent, compelling member information campaigns since many consumers have misconceptions and need more education, according to a 2006 Great-West Healthcare study. For instance, 93% of employees blame rising healthcare costs on insurers, 91% on hospitals, and 90% on drug companies. Only 70% think that individuals have any responsibility. Seventy-nine percent of employees never learned the cost of a medical service or learned it only after they paid for it, according to the study.

Traditionally, employers have relied on mass communications to inform employees about their benefits. But, communicating an HSA plan requires targeted messages to make the concept more accessible. Clearly outlining the plan's features is one way to help make an HSA resonate with employees. This is as true for the debut of

a health plan as it is for the debut of any other corporate initiative.

Advise your clients to make the HSA rollout a community effort by engaging employees as well as the executive management team. It can be effective for communications about the health plan, including why it's important to participate, to come from the CEO. Encouragement from the top will spur interest among the rank and file. Employers should conduct health plan enrollment like a mini-business, with a business plan that sets enrollment targets. Thorough communication plans should include the "when" and "why" of each HSA communication sent to employees.

Your clients also can drive participation with an HSA contribution-matching program. They should consider offering tiered matching based on employee salary to favor lower-paid employees who may be less able to afford the high deductible. They can hold onto the most dedicated employees by matching HSA contributions based on tenure. Another tactic is to encourage participation by increasing matching funds as employees contribute more of their own money. They can also establish contributions based on incentives, such as participation in wellness or disease management programs.

Another effective approach is to use surveys to test the readiness of employees and to get them engaged from the planning stage. Many employers might not be able to determine whether their employees are ready for an HSA plan. As a broker, you should encourage employers to designate time and resources to communications specific to HSAs – not just during open enrollment, but throughout the plan year. For success, start early and communicate often. □

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Consumer-Driven Health Care Survey

Question	Disagree Strongly	Disagree Somewhat	Agree Somewhat	Agree Strongly
I feel comfortable using the Web to conclude car payments or mortgage payments.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel comfortable using the Web in health care decision-making (e.g. choosing a doctor, choosing a hospital, or researching cost and quantity).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm able to organize my financial records for tax and budgeting purposes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe I can save money by being a more responsible consumer of health care products and services (e.g. choosing cheaper or generic drugs rather than branded ones, researching the cost a problem before I have it done).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I try to live a healthy lifestyle (in terms of diet, exercise, weight control, healthy eating, stress reduction, getting adequate sleep).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I get sick or injured, I usually do research on my own to learn more about my illness or medical condition.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Before receiving a new type of drug or medical treatment, I try to learn all I can about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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