

An aerial photograph of a winding asphalt road through a rural landscape. The fields are a mix of vibrant green and golden-yellow, suggesting different crops or stages of harvest. The road curves through the center of the frame, with a small yellow car visible on the left side. The overall scene is bright and clear, with soft shadows cast across the terrain.

The State of Delaware

Health Policy & Planning Subcommittee

Health Savings Account (HSA) Planning

March 7, 2019

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Today's discussion

- Background
- Revisit topics covered at February 7 Health Policy & Planning meeting
 - HSA plan design alternatives
 - Current GHIP offerings
- Potential financial impact on employees
- Considerations for member education and communications
- Next steps

- Appendix

Updates following our last meeting on February 7

- Feedback from this subcommittee on the following topics was shared with the Financial subcommittee earlier today:
 - HSA plan design alternatives
 - Considerations for employer contributions to HSAs (“seed”)
 - Current GHIP offerings
- We will share the Financial subcommittee’s feedback on these topics during today’s discussion
- Goals for today’s discussion:
 - Provide any additional feedback on HSA plan design, including HSA seed amount/frequency and impact of plan design on plan cost, for incorporation into final HSA plan proposal to the SEBC
 - Continue discussion on the feasibility of continuing the CDH Gold plan
 - Provide initial feedback on considerations for member education and communications

Overall Goal – Review and consider all key decision points associated with an HSA plan in order to be ready to present a complete proposal to the SEBC at the June 10, 2019 meeting

HSA plan design – illustrative scenarios

HP&P Subcommittee Feedback:

No comments were provided on any of the illustrative scenarios below.

WTW Recommendation: Scenario 1

Plan Design (In-network)	CDH Gold w/HRA	HSA Scenario 1	HSA Scenario 2	HSA Scenario 3	State Employers Peer Benchmark HDHP+HSA ³	CY2019 IRS Requirements for HSA Plans ⁴
Deductible (Ind./Fam.)	\$1,500 / \$3,000	\$2,000 / \$4,000	\$1,500 / \$3,000	\$1,500 / \$3,000	\$2,100 / \$4,200	<i>Minimum of</i> \$1,350 / \$2,700
Account Funding (Ind./Fam.)	\$1,250 / \$2,500	\$1,000 / \$2,000	\$1,000 / \$2,000	\$1,000 / \$2,000	\$700 / \$1,400 ³	<i>Maximum⁵ of</i> \$3,500 / \$7,000
Coinsurance	90%	80%	80%	90%	80%	
Out-of-Pocket Max (Ind./Fam.)	\$4,500 / \$9,000	\$4,500 / \$9,000	\$4,500 / \$9,000	\$4,500 / \$9,000	\$4,500 / \$9,000	<i>Maximum of</i> \$6,750 / \$13,500
PCP Office Visit	90%	80%	80%	90%	80%	
Specialist Office Visit	90%	80%	80%	90%	80%	
Emergency Room	90%	80%	80%	90%	80%	
Inpatient Care	90%	80%	80%	90%	80%	
Prescription Drug¹						
Out-of-Pocket Max (Ind./Fam.)	\$2,100 / \$4,200	Combined with medical	Combined with medical	Combined with medical	Combined with medical	Combined with medical
▪ Retail	\$8 / \$28 / \$50	\$8 / \$28 / \$50 after deductible	\$8 / \$28 / \$50 after deductible	\$8 / \$28 / \$50 after deductible	85% / 80% / 75% after deductible	Subject to deductible
▪ Mail Order	\$16 / \$56 / \$100	\$16 / \$56 / \$100 after deductible	\$16 / \$56 / \$100 after deductible	\$16 / \$56 / \$100 after deductible	85% / 80% / 75% after deductible	Subject to deductible
Relative Benefit Value (RBV)²	0.96	0.89	0.91	0.93	0.88	

1 Retail 30 day supply; mail order 90 day supply.

2 RBV estimate includes Health Savings Account seed.

3 See appendix for further details about this benchmark.

4 Announced by the IRS on May 10, 2018.

5 Combined for employer and employee account funding. Does not include catch-up contribution for individuals attaining age 55 by 12/31 until enrolled in Medicare; CY2019 catch-up contribution amount: \$1,000.

HSA plan – potential financial impact on GHIP

Reminder:

Final determination of proposed budget rates and employee contributions for the HSA plan will be made by the Financial Subcommittee

- Financial impact of an HSA plan will vary based on:
 - Which participant groups are offered this plan
 - Availability of other plan options and/or changes to existing plan options
 - Final plan design and employer HSA contribution (“seed”)
 - Employee contributions relative to existing plan options

Estimated FY20 GHIP Savings ¹	HSA Scenario 1	HSA Scenario 2	HSA Scenario 3
Per 5% Migration to HSA plan	\$3.0M (\$1.9M General Fund)	\$2.2M (\$1.4M General Fund)	\$1.2M (\$0.7M General Fund)
Full Replacement (100% enrollment in HSA plan)	\$59.2M (\$37.2M General Fund)	\$43.1M (\$27.1M General Fund)	\$23.7M (\$15.0M General Fund)

- The richest HSA plan design permissible under IRS mandate includes a \$1,350/\$2,700 deductible (ind./family), followed by 100% plan cost-sharing
 - Relative Benefit Value: 98.7% (assumes \$1,000/\$2,000 Health Savings Account seed)
 - Estimated GHIP **Cost**¹: \$0.8M (\$0.5M General Fund) per 5% migration, up to \$16.7M (\$10.5M General Fund) at 100% migration

¹ Savings assumes migration from current plans (if offered alongside) or full-replacement of active employees and pre-65 retirees enrolled in the First State Basic, CDH Gold, HMO, and PPO plans; this does not include post-65 retiree Medicfill participants. Savings based on reduction in GHIP claims due to difference in actuarial value between current plan and HSA scenarios 1, 2 and 3.

HSA plan – potential financial impact on employee contributions

- Illustrative HSA plan rates shown below based on actuarial relativity to FY19 rate for CDH Gold¹ with employee contributing 5% of the total premium
 - Per the Delaware Code, the State must pay 95% of the premium for a consumer-directed health plan

Monthly Rates	FY19 CDH Gold		HSA Plan (Scenario 1) ²		
Coverage Tier	Rate	EE Contrib	Rate ²	EE Contrib	EE Savings (Annual)
Employee Only	\$719.68	\$35.98	\$665.12	\$33.26	-\$32.64
EE + Spouse	\$1,492.22	\$74.58	\$1,379.10	\$68.96	-\$67.44
EE + Child(ren)	\$1,099.56	\$54.96	\$1,016.21	\$50.81	-\$49.80
Family	\$1,895.74	\$94.78	\$1,752.03	\$87.60	-\$86.16

Reminder:
Final determination of proposed budget rates and employee contributions for the HSA plan will be made by the Financial Subcommittee

Monthly Rates	Employee Contribution Impact				
Coverage Tier	HSA Plan ²	FY19 HMO	EE Savings (Annual)	FY19 PPO	EE Savings (Annual)
Employee Only	\$33.26	\$47.16	-\$166.80	\$105.18	-\$863.04
EE + Spouse	\$68.96	\$99.50	-\$366.48	\$218.26	-\$1,791.60
EE + Child(ren)	\$50.81	\$72.18	-\$256.44	\$162.08	-\$1,335.24
Family	\$87.60	\$124.12	-\$438.24	\$272.86	-\$2,223.12

- The GHIP has flexibility in setting the HSA plan design (subject to IRS-qualified HDHP provisions) and budget rates to increase appeal of this plan relative to existing plan options

¹ CDH Gold RBV of 96.3% (including HRA seed).

² HSA plan scenario 1 reflects a \$2,000/\$4,000 single/family deductible, \$1,000/\$2,000 HSA seed and an RBV of 0.89.

HSA plan – employer seed considerations

HP&P Subcommittee Feedback:
Several members voiced their preference for delivering HSA seed money as an up-front lump sum.

- The GHIP has flexibility in the amount and timing of HSA seed money

WTW Recommendation

Seed timing	Pros	Cons
Up-front lump sum	<ul style="list-style-type: none"> Employees have immediate protection against high claims early in plan year Administrative ease 	<ul style="list-style-type: none"> Employer seed vests immediately and money is portable; employees leaving employer during the year receive full value of the benefit The GHIP could forfeit \$100k in annual seed money for employees terminating during the year¹
Fixed per-pay contribution	<ul style="list-style-type: none"> Employer protection against employee turnover Employees “earn” seed money over course of plan year Minimizes budget impact 	<ul style="list-style-type: none"> Employees may have to pay for early claims with personal funds Administrative complexity for employer and employee
Periodic payments (quarterly, semi-annually, etc.)	<ul style="list-style-type: none"> Employer protection against employee turnover Employees “earn” seed money over course of plan year, with more money available initially Less complex than per-pay deposits 	<ul style="list-style-type: none"> Employees may have to pay for early claims with personal funds Administrative complexity for employer and employee

- Additional considerations:
 - Determination of the amount and timing of HSA seed money must be made as part of plan design and could impact overall plan costs/savings
 - Total deposits (employer + pre-tax employee contributions) are treated as employer contributions, and are subject to nondiscrimination testing
 - How to treat new hires during course of the year (i.e., make “whole” on date of hire, prorate, etc.)?

¹ Per 5% migration to HSA plan; assumes 5% annual turnover with uniform distribution throughout year, \$1,000/\$2,000 ind./family seed, and 40%/60% ind./family enrollment split

Current GHIP offerings

Plan participant enrollment patterns

- Approximately 1/3 of GHIP enrollees are millennials¹ who are lower paid, more likely to waive/enroll in single coverage, and more likely to elect plans with low contributions (First State Basic, CDH Gold) than other State employees
- Between CY2014 and CY2018, new hires/rehires were more likely to waive coverage or elect First State Basic and CDH Gold options compared to the current GHIP State eligible population overall
 - In more recent years (CY2017-CY2018), new hires are increasingly likely to elect the lowest cost plan (FSB) or waive coverage; fewer new employees elected the HMO and CDH Gold options, though proportion in CDH Gold remains higher than GHIP overall (see Appendix for data table)
- Offering an HSA plan alongside the existing CDH Gold option would erode potential GHIP savings
- For administrative and legislative simplicity, consider replacing CDH Gold plan with an HSA plan
 - Requires strategy for participants with existing Health Reimbursement Account (HRA) balances

HP&P Subcommittee Feedback:

Limited to one member voicing opinion that CDH Gold is “a good plan that encourages consumerism among our insured, as it incentivizes them to spend money for their health care as if it was their own.”

CDH Gold – FY19 enrollment and HRA balances

- As of December 2018, there are 2,569 employees enrolled in the Aetna CDH Gold plan
- Total funds remaining in participant HRA balances are \$6.5M, with an average remaining balance of \$2,537
- If the State were to eliminate the CDH Gold plan and cause HRA balances to be forfeited, there is a potential for members with existing HRA balances to rush to spend remaining funds before forfeiture

HRA Balance (as of December 2018)	# of Participants (% total)
\$0	315 (12%)
\$1 - \$100	34 (1%)
\$100 - \$249	45 (2%)
\$250 - \$499	108 (4%)
\$500 - \$999	279 (11%)
\$1,000 - \$2,499	845 (33%)
\$2,500 - \$4,999	602 (23%)
\$5,000 - \$9,999	286 (11%)
\$10,000 and greater	55 (2%)
Total	2,569 (100%)

¹ EBRI 2017 Consumer Engagement in Health Care Survey defines millennial generation as the demographic cohort with birth years ranging from 1977 to 2000.

CDH Gold plan – options for employees with HRA fund balance

- Because the CDH Gold is a self-insured medical plan with the HRA funded entirely by the State, the SEBC has discretion over:
 - What HRA funds could be used for (e.g., payroll contributions, out-of-pocket expenses for covered services) and for which plans (i.e., medical, dental, vision)
 - How long those funds are available (e.g., 6 months, 1 year)
 - Rules/Restrictions regarding use of funds (e.g., employee must be currently enrolled in the State’s dental plan in order to be able to use HRA balance to offset out-of-pocket expenses for covered dental services)

HP&P Subcommittee Feedback:

One member voiced preference for premium holiday HRA until the funds are exhausted.

Another member inquired about the administrative cost of both the limited-purpose HRA and the post-deductible HRA. Administrative fees for either option could be up to \$100,000 per year, but may vary by HRA option, scope of allowable expenses, length of time funding is available, vendor selection and potential need for a new or modified eligibility file.

HRA Options	Description	Pros	Cons
Premium Holiday HRA	Allow employees to use HRA funds to pay for coverage in lieu of payroll contributions in year one	<ul style="list-style-type: none"> ■ Could offer only if employee enrolls in HSA plan to encourage enrollment ■ Offers the most benefit to employees, especially if not limited to employees electing an HSA plan 	<ul style="list-style-type: none"> ■ May be expensive for the State, particularly if not limited to employees electing an HSA plan ■ Could be an administrative burden for the State to maintain
Limited-purpose HRA	Use HRA money to pay for “permitted insurance” (e.g., dental, vision) ¹	<ul style="list-style-type: none"> ■ Offers a small benefit to employees ■ Minimal cost to the State (relative to HRA use for medical expenses), especially if limited to out-of-pocket costs for “permitted insurance” 	<ul style="list-style-type: none"> ■ Communication could be difficult ■ If State allows HRA funds to offset dental and vision premiums, may need to review with those insurers for potential impact on premiums for those fully-insured plans
Post-deductible HRA	Pays for medical expenses after HSA plan deductible met	<ul style="list-style-type: none"> ■ Encourages HSA plan enrollment ■ Potential for moderate cost to the State 	<ul style="list-style-type: none"> ■ Would shield employees from some health care cost until HRA balance ran out
Retirement HRA	HRA used to pay for medical expenses ² in retirement	<ul style="list-style-type: none"> ■ Little cost to the State in the near-term ■ The State could chose to allow employees to keep HRA funds if they terminate before retirement 	<ul style="list-style-type: none"> ■ No immediate value to the employee ■ Could be an administrative burden for the State to maintain

¹ Potential compliance considerations related to allowing HRA use toward expenses not covered by the plan, and allowing employees continued access to HRA if they drop medical coverage.
² For non-Medicare eligible retirees enrolled in an IRS-qualified high deductible health plan, would need to be post-deductible medical expenses only to maintain eligibility for HSA contributions.

Member education and communications

Critically important to the successful roll-out of an HSA plan

Implementation responsibilities

Developing member communications about the new HSA plan:

- How the plan – including the HSA – works, and how to use it effectively
- What are the advantages of an HSA plan
- How to determine whether an HSA plan is right for you
- Where to find, and how to use, TPA tools to estimate medical/Rx costs
- How and when plan participants pay for services

Administrative responsibilities

- Create and distribute content across all channels (online, print, in person)
- Train Ben Reps and SBO staff
- Schedule and facilitate meetings with employees and agencies

Pre-Enrollment Communications

Focus on why employees should consider enrolling in a HSA plan

- Tax advantages and other benefits of an HSA
- Understanding HSA-eligible expenses
- HSA investment opportunities
- Effect of mid-year status changes

Post-Enrollment Communications

For those who do enroll, ensure awareness of all the plan's benefits in an actionable and timely way

- How to be a savvy health care consumer
- Health care and financial wellbeing literacy
- Tips for managing an HSA on an ongoing basis (e.g., saving receipts, new tax forms, HSA contribution planning)

Enrollment responsibilities

- **Deploying** educational materials and educational workshops to members regarding HSA plan advantages, effective utilization, investment options and user tools

Ongoing responsibilities

- **Directing** members to the appropriate educational materials and resources
- **Refining** communication materials and approaches based on feedback from members and Ben Reps

Member education and communications

Illustrative approach for an HSA plan

- Consider the following illustrative approach to HSA plan communications based on best practices:

Initial communications	<ul style="list-style-type: none">Target Audience: All benefits-eligible employees/non-Medicare retireesTiming: Start at least 6+ months prior to the HSA plan's effective dateChannel(s): Electronic (SBO website & email where possible), print and in-personOther Considerations:<ul style="list-style-type: none">Distribute content on featured topics related to an HSA plan in a phased approach at least once per month leading up to the plan's effective dateIssue at least 1-2 communications outside of normal SBO cadence to highlight this new offeringLeverage an "executive sponsor" to emphasize the importance of the role that this plan plays in attracting and retaining top talentProvide preview of these communications to local leadership / managers, where possible, and provide supplemental educational resources to support conversations with their direct reports
Pre-enrollment communications (subsequent years)	<ul style="list-style-type: none">Target Audience: All benefits-eligible employees/non-Medicare retireesTiming: At least 3+ months prior to the HSA plan's effective dateChannel(s): Electronic (SBO website & email where possible), print and in-person
Ongoing communications	<ul style="list-style-type: none">Target Audience: Employees/Non-Medicare retirees enrolled in HSA planTiming: At least once per quarterChannel(s): Electronic (SBO website & email where possible) and printOther Considerations:<ul style="list-style-type: none">Educate DHR/recruiting staff on benefits of HSA plan to share with candidates/new hires

- Does this subcommittee have any thoughts or feedback on the above?

Feedback request

Thoughts from Health Policy & Planning Subcommittee members on...

- HSA plan design scenarios
- HSA seed timing
- Feasibility of continuing the existing CDH Gold plan
- Options for managing members' account balances if CDH Gold were discontinued
- Requirements for member education and communications

Next steps

- WTW to incorporate this feedback into the materials for the April 4 meeting of the Health Policy & Planning Subcommittee
- Further dialogue regarding HSA plan budget rates and the feasibility of continuing the CDH Gold plan may be extended through May 2019 in the event that the April meeting of the Financial subcommittee is cancelled

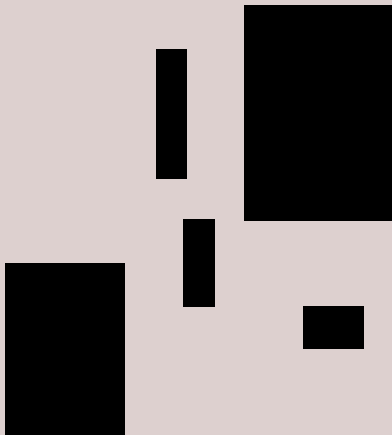
Timeline

- Review options and provide feedback
- Discuss other subcommittee's feedback
- ◇ TPA capabilities presentations
- ✓ Finalize recommendations

Overall Goal – Review and consider all key decision points associated with an HSA plan in order to be ready to present a complete proposal to the SEBC at the June 10, 2019 meeting

Task (PRC recommendation #)	Owner	February 7		March 7		April 4		May 2		June 6	
		Financial	Health P&P	Financial	Health P&P	Financial	Health P&P	Financial	Health P&P	Financial	Health P&P
Develop HSA plan design (2)	Health P&P		○	○ ■	■ ✓						
Develop premium rates (2)	Financial			○	○ ■	■ ✓					
Evaluate current plan offerings and feasibility of continuing CDH Gold plan (3)	Health P&P		○	○ ■	○ ■	○ ■	✓				
Review fiduciary responsibilities (4)	Financial			○		○		✓			
Determine intensity of focus for communication and education (5)	Health P&P				○		○		○		✓
Review TPA capabilities (6)	Health P&P						◇ ○		○		✓
Finalize HSA plan proposal and recommendations to SEBC (7)	Health P&P							○	○ ■	■ ✓	■ ✓

Appendix



PRC-recommended actions from the HSA Administrator RFP

- PRC recommended the following to the SEBC and the Health Policy & Planning and Financial Subcommittees:

1. Evaluate the overall GHIP plan offerings available and goals associated with adding an HSA plan to the GHIP offerings (**SEBC**)
2. Develop the proposed plan design (including the amount of and schedule for employer funding of the HSA) and premium rates (**HP&P – design; Financial – premium rates**)
3. Evaluate the current plan offerings and in particular, the feasibility of continuing the existing CDH Gold plan, including how members' account balances would be managed if a proposal included discontinuation of this plan (**HP&P**)
4. Fully understand the fiduciary responsibilities, if any, by the State for the investment accounts along with any fees to members and how the investment funds are structured (**Financial**)
5. Determine the intensity of focus needed to communicate and educate members about a HSA plan (**HP&P**)
6. Re-evaluate how closely aligned each vendor is to the above considerations to determine which vendor may be the best fit to administer a HSA plan (**HP&P**)
7. Propose whether or not to offer a HSA plan and the effective date, including all of the above considerations as part of a proposal that will include a recommendation on which of the two TPAs is best suited to administer the HSA plan (**HP&P**)

Note: "Owner" of the final decision about each the above topics is denoted in parentheses at the end of each topic.

HDHP with HSA plan design benchmarking

State employers peer group¹

Key Provisions (In-Network)	GHIP CDH Gold with HRA	State Employers Peer Benchmark HDHP+HSA ^{1,2}
Deductible (Ind./Fam.)	\$1,500 / \$3,000	\$2,100 / \$4,200
Account Funding (Ind./Fam.)	\$1,250 / \$2,500	\$700 / \$1,400 ³
Coinsurance	90%	80%, after ded.
Out-of-Pocket Max (Ind./Fam.)	\$4,500 / \$9,000	\$4,500 / \$9,000
PCP Office Visit	90% after ded.	80%, after ded.
Specialist Office Visit	90% after ded.	80%, after ded.
Emergency Room / Urgent Care	90% after ded.	80%, after ded.
Inpatient Hospital	90% after ded.	80%, after ded.
Prescription Drug ^{4,5}	After ded.	After ded. ⁶
▪ Retail	\$8/\$28/\$50	85% / 80% / 75%
▪ Mail Order	\$16/\$56/\$100	85% / 80% / 75%
▪ OOP Max (Ind./Fam.)	\$2,100 / \$4,200	Combined
Relative Benefit Value	0.96 ⁷	0.88 ⁸

- 26 (53%) of 49³ state employers offer one or more health savings account (HSA) qualified high deductible health plan (HDHP) options
 - 4 (8%) state employers provide access to both HDHP+HSA and HDHP+HRA plan options
 - Of the 26 states benchmarked, none offers an HDHP+HSA as their only medical plan option
- Of the 26 State employers in the HDHP+HSA peer group, 12 (38%) provide HSA funding^{1,3}
 - 37 HSA-qualified plans evaluated; subscribers in 16 HDHP+HSA plans receive plan sponsor account funding
 - The individual and family deductibles in the average HDHP+HSA peer benchmark design is higher than the FY19 CDH Gold plan, however, OOPMs align
 - Dependent HSA plan sponsor funding is generally 2-times individual funding across all peers
 - Prevalent coinsurance-only medical and Rx cost sharing, after deductible; however, 15 of the 37 plans evaluated include pharmacy coverage with combined copayment plus coinsurance design
 - On average, non-formulary prescription drugs are covered at a lower coinsurance
 - Prescription drug individual and family deductibles and out-of-pocket maximums are combined with medical across all HDHP+HSA plans evaluated
- Kansas (KS), Nevada (NV) and South Dakota (SD) state employers provide wellness incentives through HSA contributions⁹

Note: Refer to the appendix for a list of the state employers evaluated

1. 26 state employers; 37 HDHP+HSA plans; 12 state employers provide account funding to 16 HSA-qualified plans; excludes the State of Delaware's Group Health Insurance Program (GHIP) CDH Gold plan
 2. Provisions shown are averages of 37 HDHP+HSA plans in place in 2018 (CY2018 and FY2019) corresponding to 26 state employers evaluated
 3. KS, NV and SD HSA seed incentives for wellness participation not included in the account funding individual/family averages (see footnote #9. The State of Kansas (KS) provides HSA funding to plans C and N, however, funding for plan C is contingent on employee contributions to HSA
 4. Deductible must be satisfied before coinsurance applies; coinsurance waived for preventive drugs and services
 5. Retail 30 day supply; mail order 90 day supply
 6. For prescription drug purchase, 15 of the 37 HDHP+HSA plans benchmarked apply a copayment in addition to coinsurance, after the deductible has been met; retail generic avg. copay: \$10, formulary avg. copay: \$40, non-formulary avg. copay: \$80; mail-order avg. copays approximately 2x retail; Indiana, Utah and Wisconsin drug plans are coinsurance-based with minimum and/or maximum copays in place
 7. CDH Gold plan RBV of 96.3% (including HRA seed)
 8. RBVs shown are rough estimates developed using WTW proprietary actuarial tools and provided for reference only
 9. KS provides additional \$500 employee or \$1,000 employee+spouse annual HSA funding for completing wellness-related activities; NV provides additional \$200 in HSA contributions to employees only (regardless of coverage level), \$100 for participating in preventive care exams and \$100 more for completing registration with Doctor on Demand and a guided tour using the Healthcare Blue Book (HCBB) program; in FY19, SD provides additional \$250 individual / \$500 family HSA contributions if employee or employee and spouse complete a health screening, a health assessment and earn 100 wellness points during plan year (by March 31, 2018); methodology for earning points not outlined in plan documents or website. Additional plan sponsor HSA contributions excluded from average account funding.

HDHP with HSA plan design benchmarking

Peer list - State employers¹

Peer #	Peer State Employer Name	Region ²	Plan Year Effective Date	Account-Based High Deductible Health Plans (HDHPs) ¹	HSA Employer Funding ³ Ind./Fam.
1	Arizona (AZ)	West	1/1/2018	●	No
2	Arkansas (AR)	South Central	1/1/2018	●●●●	No ⁴
3	Colorado (CO)	South Central	7/1/2018	●●	HDHP UHC & HDHP Kaiser: \$720 / \$720
4	Florida (FL)	South East	1/1/2018	●●	HDHP PPO & HDHP HMO: \$500 / \$1,000
5	Georgia (GA)	South East	1/1/2018	●●●●	No
6	Indiana (IN)	North Central	1/1/2018	●●	No
7	Kansas (KS)	North Central	1/1/2018	●●●●	Plan C: \$1,000 / \$1,250 ^{5,6} Plan N: \$500 / \$625 ⁵
8	Louisiana (LA)	South Central	1/1/2018	●●	No
9	Mississippi (MS)	South East	1/1/2018	●	No ⁴
10	Missouri (MO)	North Central	1/1/2018	●	HSA Plan: \$300 / \$600
11	Nebraska (NE)	North Central	7/1/2018	●	No
12	Nevada (NV)	West	7/1/2018	●	CDHP: \$700 / \$900 ^{5,7}
13	New Jersey (NJ)	North East	1/1/2018	●	HD1500: \$300 / \$300 ⁸
14	North Dakota (ND)	North Central	7/1/2018	●	No
15	Oklahoma (OK)	South Central	1/1/2018	●	No
16	Rhode Island (RI)	North East	1/1/2018	●	Choice Plus: \$1,500 / \$3,000
17	South Carolina (SC)	South East	1/1/2018	●	No
18	South Dakota (SD)	North Central	1/1/2018	●	HDHP: \$250 / \$500 ^{5,9}
19	Tennessee (TN)	South East	1/1/2018	●●	CDHP State & Higher Educ.: \$250 / \$500 ¹⁰
20	Texas (TX)	South Central	9/1/2018	●	Consumer Direct: \$540 / \$1,080
21	Utah (UT)	South Central	7/1/2018	●●	STAR: \$792 / \$1,584 Basic Plus: \$1,825 / \$3,650
22	Virginia (VA)	South East	7/1/2018	●●	No
23	Washington (WA)	West	1/1/2018	●●	UMP CDHP: \$700 / \$1,400 ¹¹
24	West Virginia (WV)	South East	7/1/2018	●	No
25	Wisconsin (WI)	North Central	1/1/2018	●●	No
26	Wyoming (WY)	North Central	1/1/2018	●	No

- 26 of 49 U.S. state employers offer one or more health savings account (HSA) qualified high deductible health plans (HDHP) options; 37 HSA-qualified plans evaluated. 6 of 49 state employers offer access to health reimbursement arrangement (HRA) HDHP plans (AK, GA, KS, KY, LA and VA), however, only 4 provide access to both HDHP+HSA and HDHP+HRA plan types
- HDHP+HSA plans distribution by region (# of state employers / # of plans): North Central – 8 / 11; North East – 2 / 2; South Central – 6 / 11; South East – 7 / 9; West – 3 / 4
- Of the 26 State employers in the HDHP+HSA peer group, 12 provide HSA funding to a total of 16 plans. AR, ID, IN, MN, MS, ND, VA, WA, WI and WY, assumed do not provide HSA funding to one or all of their plans as HSA funding information was not publicly available
- State employer does not offer/administer HSA accounts, however, subscribers are advised to secure an account independently
- KS, NV and SD state employers provide wellness incentives through HSA contributions
- KS state employer provides HSA funding to plans C and N, however, funding for plan C is contingent on employee contributions to HSA; KS state employer also provides additional \$500 employee or \$1,000 employee+ spouse annual HSA funding for completing wellness-related activities
- NV state employer provides \$500 base HSA funding for employee only coverage and additional \$200 for each dependent
- NJ state employer offers an HDHP+HSA (HD4000) to Local Government and State employees and an HDHP without account option (HD1500) to all Local government, Education and State employees
- SD state employer provides base account contribution amounts based on coverage level and additional FY 2019 \$250 individual / \$500 family HSA contribution, if the employee and covered spouse complete a Health Screening, a Health Assessment, and earn 100 Wellness Points during FY18; plan sponsor contribution rules and methodology for point assessment not disclosed in plan documents or website
- TN state employer offers 2 HDHP+HSA plans. CDHP State and Higher Education subscribers receive \$250 ind./\$500 fam. annual account funding. Plan sponsor account funding is not available for CDHP Local Education and Local Government subscribers
- WA state employer offers 2 HDHP+HSA plans. Plan sponsor account funding is not available for Kaiser CDHP subscribers

Health Savings Account plan designs – surrounding states¹

2018 Plan Design (In-network)	NJ HD4000 ²	NJ HD1500 ²
Deductible (Ind./Fam.)	\$4,000 / \$8,000	\$1,500 / \$3,000
Account Funding (Ind./Fam.)	N/A	\$300 / \$300
Coinsurance	80%	80%
Out-of-Pocket Max (Ind./Fam.)	\$5,000 / \$10,000	\$2,500 / \$5,000
PCP Office Visit	80%	80%
Specialist Office Visit	80%	80%
Emergency Room	80%	80%
Inpatient Care	80%	80%
Prescription Drug³		
Out-of-Pocket Max (Ind./Fam.)	Combined with medical	Combined with medical
▪ Retail	80% after deductible	80% after deductible
▪ Mail Order		
Relative Benefit Value (RBV)⁴	0.78	0.88⁵

- The State of NJ provides two HSA-qualified high deductible health plans (HDHPs) alongside several other traditional plan options (5 PPOs, 5 HMOs with RBVs ranging from 0.87 – 0.98) with varying levels of eligibility
 - The State of NJ \$300 annual Health Savings Account funding is available to HD1500 plan subscribers only
- The State of PA offers an CDHP with a Health Reimbursement Account for permanent part-time and temporary employees
- MD has not implemented an HSA-qualified HDHP from 2016 through 2018
- From 2016 through 2018, none of the states evaluated, implemented and then eliminated HSA-qualified HDHPs

1. Maryland (MD), Pennsylvania (PA) and New Jersey (NJ) state medical programs evaluated; MD and NJ 2016 through 2018 medical programs; PA 2017 and 2018 medical programs

2. HD1500 plan available to all Local government, Education and State employees; HD4000 plan available to Local Government and State employees only

3. Retail 30 day supply; mail order 90 day supply

4. RBVs shown are rough estimates developed using WTW proprietary actuarial tools and provided for reference only

5. NJ HD1500 plan RBV estimate shown includes HSA funding (annual funding dollars are \$300 Individual/\$300 Family); NJ HD1500 estimated RBV without seed is 0.86

State employer peer benchmarking

HSA seed amounts¹ and overall plan relative benefit values²

State employer peer HSA plans	Minimum	25 th Percentile	Median	75 th Percentile	Maximum	Average
Individual HSA Seed	\$250	\$450	\$620	\$738	\$1,825	\$694
Family HSA Seed	\$300	\$619	\$950	\$1,288	\$3,650	\$1,177
Relative Benefit Value (Without Seed)	0.65	0.78	0.83	0.84	0.88	0.80
Relative Benefit Value (With Seed ³)	0.73	0.86	0.90	0.92	0.95	0.88

1 KS, NV and SD HSA seed incentives for wellness participation not included in the account funding individual/family seed amounts or RBV average with seed.

2 RBVs shown are rough estimates developed using WTW proprietary actuarial tools and provided for reference only. RBVs with seed based on averaged individual and family seed amounts.