Underinsurance is growing, but HSAs aren't keeping up: study

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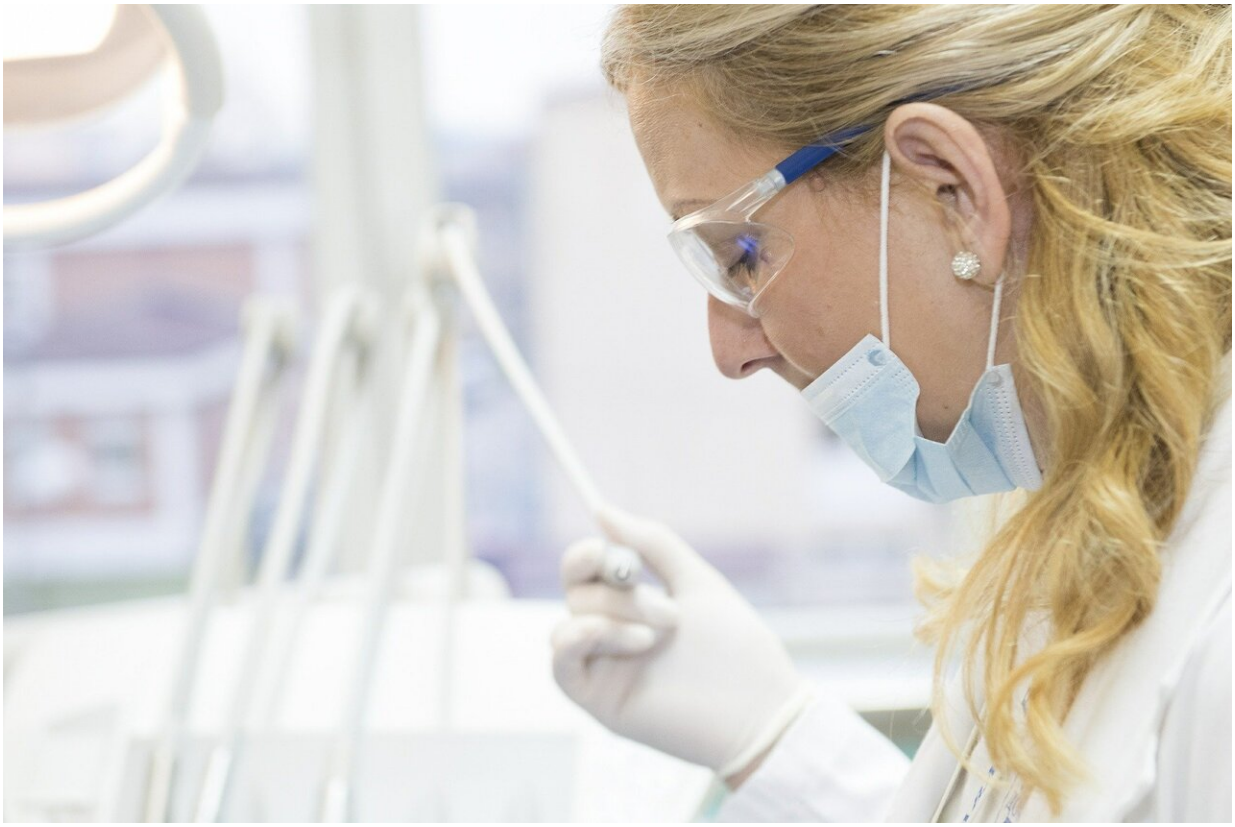

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High deductible health plans (HDHPs) have become much more common among all racial/ethnic and income groups, but the health savings accounts (HSAs) that make these plans potentially workable are

far less common among Black, Hispanic, and lower-income enrollees—and the gap is growing.

That's according to a new Boston University School of Public Health (BUSPH) study published in the November issue of the journal *Health Affairs*, the first to examine these trends.

"This is a deeply concerning inequity that is getting worse and worse with each passing year," says study senior and corresponding author Dr. Megan B. Cole, assistant professor of health law, policy & management at BUSPH.

HDHPs offer lower premiums but leave patients potentially paying thousands of dollars out-of-pocket for healthcare before insurance kicks in, making it difficult or even impossible to afford needed care. So, HDHPs are often coupled with an HSA, where enrollees and their employers may contribute tax-exempt dollars to help pay for those out-of-pocket healthcare costs.

The first-of-its-kind study delves into the racial/ethnic and income-level trends in HDHP enrollment with and without HSAs, something missed by just looking at whether people have insurance or not.

"The ACA effectively reduced income and racial disparities in insurance coverage, but we don't know very much about disparities in underinsurance, or having coverage and not being able to pay for care," says study lead author Dr. Jacqueline Ellison, a postdoctoral researcher at Brown University School of Public Health.

According to the study's findings, "patients who would be the most likely to benefit from the financial protection of an HSA are increasingly the least likely to have an HSA, which further exacerbates the health inequities already faced by Black, Hispanic, and low-income adults,"

Cole says.

In a previous study, Cole and Ellison found that Black cancer survivors on HDHPs face more cost-related barriers to care than white cancer survivors on the same plans, including needing to skip a medication or delay a refill to save money, and not being able to see a specialist. The new study suggests racial disparities in having an HSA may be a big part of the reason.

"These consumer-oriented approaches to cost containment are disproportionately impacting marginalized populations that already experience financial barriers to care," Ellison says.

For the new study, Cole, Ellison, and co-author Paul Shafer, assistant professor of health law, policy & management at BUSPH, used data from the National Health Interview Survey from 2007-2018.

They found that HDHP enrollment skyrocketed during that time period, with similar rates of increase for all racial/ethnic and income groups. For example, among the lowest-income privately-insured adults, HDHP enrollment increased from 17% in 2007 to 40% by 2018.

"This means that by 2018, two in five low-income privately-insured adults often had to pay thousands of dollars in out of pocket costs before their health insurance would cover most of the cost, despite the fact that this represents a really substantial portion of their total income," Cole says. "While these lower-income patients may technically be insured, when they need any type of health care that is not otherwise exempt from cost-sharing, it is effectively like being uninsured."

HSAs were more common among high- and middle-income HDHP enrollees than low-income enrollees, and among white enrollees than Black and Hispanic enrollees—and these gaps widened between 2007

and 2018.

"In the short term, it's critical that we implement policies that not only tackle uninsurance but that also tackle underinsurance, particularly for low-income and racial/ethnic minority groups," Cole says. "This may include expanding Medicaid in current non-expansion states, expanding Marketplace cost-sharing subsidies to persons under the federal poverty line, and creating more substantial tax incentives for employers to subsidize cost-sharing for their lower-income employees."

But most importantly, Cole says, "we need policies that address the root causes of these inequities—namely, racism and structural inequalities, which lead to differential employment opportunities (meaning employers that are more versus less likely to contribute to an HSA), wealth, and abilities to save."

More information: Jacqueline Ellison et al, Racial/Ethnic And Income-Based Disparities In Health Savings Account Participation Among Privately Insured Adults, *Health Affairs* (2020). DOI: 10.1377/hlthaff.2020.00222

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