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## HSA Spenders: An overlooked majority

Strategies to support  
your spenders







**Health savings accounts (HSAs) are booming in popularity and it seems most people are familiar with the term. But there is more to these accounts than just saving.**

Although many HSA administrators are eager to educate and encourage account holders to become savers – those who save more than they spend from the account – the reality is that many Americans are spenders. Spenders are people who use their accounts to pay for health care expenses as they occur, spending most of the funds they are able to deposit. And many people are spenders simply because they must be. Whether it's a chronic illness, medical costs associated with kids, or limited income, there's a reason they aren't saving.

Emphasis on saving can discourage spenders, who have the potential to derive just as much value from an HSA as savers. And they're an important population to consider when offering this account type. In fact, **we love spenders**. And you should too.





## Spenders can save employers money

Premium rates are often dependent on how much an employee population would cost the insurance company. By encouraging employees to pay attention to the cost of health care and select providers and services with the highest value, employers can improve their premium rates.

Likewise, by encouraging both savers and spenders to contribute to their HSA, employers can lower their taxable payroll. Even if an employee can't proactively contribute to his HSA, he can still save on his taxes by first depositing his out-of-pocket cost for a medical bill into his HSA when he is ready to pay the bill, then paying the provider from the HSA.

## Spenders are more likely to engage with the health care system

Unless they're only using their HSA to buy bandages, eye drops, and thermometers in bulk, it's a safe bet that an account holder who spends from their HSA is a consumer of health care services. Active health care consumers are an important part in the campaign to improve health care in America.

By focusing on them and offering support around the health care decisions they must make – big and small – we can make those changes. Engaged and educated consumers, who shop for the best price and demand the highest value in their health care, can drive competition in the health care market and ultimately push costs lower.



## Spenders are better at keeping in touch

When it comes to creating educated health care consumers, it's easier to do with engaged members. While many savers opt to take the "set it and forget it" approach of arranging automatic pre-tax payroll deductions and letting their base balance and interest grow, spenders are typically more active in engaging with their accounts. Spenders are tracking their balances, making payments, and requesting reimbursement.

If they're talking to a benefits advisor, calling in with questions about a claim, or using their HSA site or mobile app to check their balance, that's a moment ripe for greater education and guidance. Of course, it's important that all players involved are capitalizing on those opportunities and [answering the question beyond the question.](#)



# How we can show spenders some love

Now that we agree spenders are important, how do we support them? Here are some suggestions:

## Protect them from fees

The last thing a person needs while trying to get care for themselves or a loved one is the “gotcha” of hidden cost. That’s why a straightforward claims process is important – as is an HSA administrator with transparent pricing and no hidden fees.

### Common hidden fees include:

- Overdraft penalties
- Debit card replacement fees
- Charging for paper statements

If your HSA administrator uses these fees, be sure to proactively remind employees about them so there are no surprises.

## Offer multiple reimbursement methods

Some spenders want easy transfer of funds with online or mobile reimbursement, others want to leave their personal bank account out of it and pay the provider directly or even have automatic claims processing with their insurance company. Still others prefer getting a paper check in the mail. It’s important to provide options and clearly explain them.

It’s also important to meet employees where they are when they need access to their funds. Have multiple methods available, and make sure your employees are aware of how each method works.

## Support employees through care decision points

Decision support tools help your employees get the best value for their health care dollars. Telemedicine services and cost comparison tools are two popular resources that employers can offer to give their employees guidance and support in navigating the health care system.

## Remind them to keep their receipts

Receipt management is important when using an HSA. Not only does it protect your employees from possible IRS audit consequences, but it arms them with multiple reimbursement options. Many employees don’t realize that they can delay reimbursement and get money back for out-of-pocket expenses from years ago. Your employees just need to make sure that the expense occurred after they opened their HSA.

In addition to education and reminders about receipts, it’s helpful to offer your employees an alternative to paper storage. Many HSA administrators offer electronic document storage for receipts, prescriptions, and letters of medical necessity. Make sure your employees know how to use these tools.

## Ensure support is available

Even your savviest HSA account holder is likely to need some support, so you should make sure that your employees have helpful customer support teams on both the health plan side and the HSA administrator side. Make sure that they can reach out to a human (not just a chatbot) who can explain the nuances of their benefits to them and help them troubleshoot questions and issues. The best customer support teams also go beyond the original question to help your employees optimize their benefits and proactively follow up on unresolved questions.

## Focus on education

In a recent survey we performed, 31 percent of employer respondents cited “employee level of personal health care knowledge and education” as the No. 1

challenge when offering health spending or savings accounts. Many account holders can get more tax advantages from their HSA than they currently do—even if they must spend down every penny. And some people spend because they don’t understand the strategies around saving their HSA funds.

These days, it’s not as simple as plopping a thick reference guide on your employee’s desk and calling it a day. To really make an impact, you should focus on accommodating multiple learning types by offering different formats of information, like articles, videos, and in-person meetings. You should also make it easy for your information-overloaded employees to find the answers to their questions by making your materials searchable, easy to skim, and to-the-point.

## Top challenges identified by employers in offering health spending/saving accounts

**31%**

Employee level of personal health care

**22%**

Employee engagement

**7%**

Informational needs

**5%**

Management support

**12%**

Time/resources

**12%**

Cost

Method: Online survey conducted by SourceMedia in November 2018. Survey included 313 respondents. Respondents work in organizations with 5,000 or less employees, are in HR and benefits roles, and are involved in employee benefits decision-making.



## Why the right team is crucial

Your spenders need the right support – and so do you. According to the Human Resource Executive “What’s Keeping HR Up at Night 2018” report<sup>3</sup>, 45 percent of HR survey respondents don’t feel their HR department is currently staffed appropriately to handle its workload. A benefits advisor can help you put the pieces in place that you need to support your spenders.

And, any HSA administrator worth their salt will be able to back you up as well. Make sure your HSA administrator loves spenders just as much as you.



## At Further, we value spenders

While other HSA administrators serve Wall Street first, we are here for the millions of people who rely on HSAs to pay for their health care now. We celebrate our everyday heroes who genuinely care about customers. We strive to create an experience that’s easy, reliable, and makes sense with daily life.

And it shows. The HSA Report Card recently rated us as one of the [best HSA administrators for spenders](#).

## What to learn more?

### Agent Customer Service

888-460-4015

Monday-Friday 8am to 5pm CST

24/7 access via the Online Agent Service Center

### National Sales Line

855-363-2583

Visit us online at

[hellofurther.com](http://hellofurther.com)

## References

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