

Helping to make the transition to an HSA health plan easier

A best practices communication guide

United Healthcare

Welcome

Today, more and more employers are increasingly turning to consumer-driven health (CDH) plans. With these plans, an employee can pay out-of-pocket expenses from a tax-advantaged health account such as a health savings account (HSA), one of the fastest-growing types of health accounts.

This guide is designed to help you successfully transition to an HSA health plan and increase your chances for successful CDH adoption and engagement among your employees.

About HSAs

Our experience has shown us that integrating a health plan and HSA increases account use and helps make it easier for members to save money to pay for qualified medical expenses. HSAs include:



Triple tax benefits

An HSA helps save on taxes 3 ways:

- Deposits are exempt from income tax
- Savings grow tax-free
- Money spent on qualified medical expenses is income tax-free

Choice

Employees decide how to spend funds on qualified medical expenses or save for future expenses.

Contributions

The employee, employer or third parties may contribute to the HSA.

Full ownership and portability

Funds in the HSA are fully owned by the employee who keeps the account through life changes, even when changing jobs or retiring.

Flexibility

Employees can participate in an HSA and a limited flexible spending account (FSA) at the same time.

Key considerations

Before rolling out an HSA-eligible plan, it is important for you to take into account some key considerations to help ensure that you are creating an approach that will help meet your company's objectives and the needs of your average employee population.

Considerations for your company

- Financial objectives, for both the company and employees
- Company culture and diversity
- Geographic locations
- Health plan enrollment goals
- Adoption and communication tactics for various employee groups

Considerations for your employees

- Perception that the move to an HSA-eligible health plan is purely a cost-savings measure
- Willingness to engage in addressing their own health care needs
- Taking control over their health care dollars
- Different populations often require different adoption tactics and communication programs

UnitedHealthcare is the industry leader for CDH, with more than

53K employees and

6.4M members[1]

Best practices at a glance

To make implementing our best practices easier for you and your company, we have organized our learnings into 4 steps that encompass a year-round approach to HSA success.

1 Plan

- Understand that success takes time
- Limit plan choice
- The benefits team cannot do it alone

2 Motivate

- Contribute to the account
- Allow pre-tax payroll deductions
- Encourage senior leaders to "walk the walk"

3 Show and tell

- Direct employees to use savings on monthly premiums to build the balance of their HSA
- Present "people like me" stories

4 Engage

- Educate and guide employees throughout the year
- Communicate in multiple ways

1 Plan

Understand that success takes time

Successful adoption of an HSA program requires giving your employees enough time to absorb the information and talk about the HSA plan with their colleagues, families and friends. Educate on the new plan even before open enrollment begins to make HSAs easier and understandable for your employees.

We recommend setting goals on the number of employees you would like to select the CDH plan as well as open and fund their HSA. That way you will be able to see if your approach is working and you will have the opportunity to adjust your strategy to meet those goals.

Here are 2 indicators to help you determine goals for your company:

30%

average employee enrollment rate in a CDH plan[2]

84%

average employee enrollment rate when employer funds[3]

Best practice recommendations

- Use the Consumer-Driven Health Toolkit (CDH Toolkit), an online resource available to help prepare your employees for the transition to, or increased adoption of, a CDH plan
- Use the customizable communication calendars in the CDH Toolkit to build a communication plan
- To increase enrollment, reintroduce your HSA-eligible health plan each year using the education materials and communication templates in the CDH Toolkit
- Maintain an area on your intranet or other common site to help employees learn how to plan, save and pay for health care with their HSA

Limit plan choice

By reducing the choice of plans being offered and eliminating a popular plan, employees are far more likely to make an active choice and change to a CDH plan.

Best practice recommendations

- Offer a total of 3 or fewer plan choices by eliminating a popular plan
- Require active enrollment to help employees make a choice
- Offer your HSA plan at substantial premium savings from the other plans you offer

The benefits team cannot do it alone

The benefits team is often too small to conduct the full rollout of an HSA-eligible plan on their own. Successful plans engage all of human resources and key employees.

Best practice recommendations

- Benefits groups cannot go to every site, so utilize all of the company's HR staff, including generalists and call centers
- Use onsite training to build the HR team's interest in learning and understanding HSA-eligible health plans
- Encourage benefits leaders to own an HSA so they have firsthand knowledge of how it works

2 Motivate

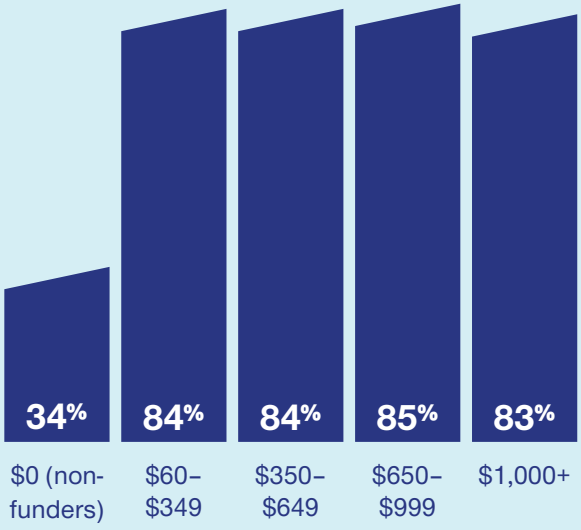
Contribute to the account

Employer contributions help motivate employees to contribute their own funds, giving you a head start with your move to CDH.

Best practice recommendations

- Make contributions to your employee's HSA — even small contributions have an impact
- Pay account fees for employees to encourage them to open and keep their accounts active

When employers funded an HSA, as little as $60 a year led to higher participation rates[3]



Allow pre-tax payroll deductions

To encourage your employees to contribute to their HSAs, offer them the option to contribute through pre-tax payroll deductions. Pre-tax payroll contributions provide immediate income and FICA tax savings to your employees while reducing your payroll tax.

Best practice recommendations

- Facilitate pre-tax employee contributions through direct deposit
- Consider making your contribution contingent on employees funding at least a base amount, such as $100, into their account

Encourage senior leaders to "walk the walk"

For successful adoption and increased enrollment in the HSA-eligible health plan, support for your HSA-eligible plan needs to be visible throughout your organization. Take a waterfall approach, starting at the top and moving downward.

Best practice recommendations

- Encourage executives to choose a high deductible CDH plan for themselves
- Ask CEO and other senior executives to participate in the plan rollout and discuss the reasons for the move to an HSA-eligible plan
- Hold mandatory enrollment meetings "on the clock" and have senior leaders attend

3 Show and tell

Direct employees to use savings on monthly premiums to help build the balance of their HSA

When employees are moving to an HSA-eligible plan, their monthly premiums are generally lower. Encourage employees to reallocate the premium difference toward their HSA.

Best practice recommendations

- Visit the HSA Library included in the CDH Toolkit for communication tools and templates to educate employees about the importance and benefits of opening, funding and saving for their HSA
- Talk about “making HSA deposits” and explain/show how an HSA accumulates real savings for the account holder over time, reminding them that the money is theirs alone and they can use it to spend or save

Present “people like me” stories

A highly effective way to get your employees to read benefit materials and increase engagement is to incorporate hypothetical examples of how people like them would use their HSA-eligible plan. They help to humanize a process that can often seem technical and complex.

To access these stories via our online toolkit in Employer eServices®, log in to Employer eServices and click on Resources. Select the link for the Communication Resources. Choose Programs and Services and then Consumer-Driven Health Toolkit.



Tip:

Show a side-by-side comparison of your health plan options so your employees can see the differences in premiums between their plan options. Then, recommend that they reallocate the CDH premium savings to their HSA.

4 Engage

Educate and guide employees throughout the year

Instead of treating enrollment as a one-and-done, it is critical to help your employees through the transition and to keep encouraging them to contribute to their account by reinforcing the benefits of an HSA. Employees may become more active, satisfied health care consumers when they have year-round access to tools and educational resources.

Best practice recommendations

- Find post-enrollment materials in the CDH Toolkit that can be used to encourage and guide employees through opening and funding their HSA right away
- Reinforce the importance of making deposits into their account and the benefits of letting the funds grow for future health care costs
- One month before the plan year begins, let employees know what's happening and when they will get their card and account materials
- At mid-year, remind employees of the benefits of the account and answer questions they may have after they begin to use their account

Communicate in multiple ways

Use multiple media to reach your employees and reinforce HSA messaging throughout the year. Your media can include emails, print materials, webinars and in-person meetings to reinforce HSA messaging throughout the year.

Don't forget about sending messages home—remember, the employee may not be the health care decision-maker. The more they understand their HSA-eligible plan, the more employees will enroll and re-enroll.

Best practice recommendations

- Find turnkey communication tools, such as email and letter templates, fliers, videos and more in the CDH Toolkit
- Dedicate space on the company intranet for benefits choices and education
- Direct employees to self-guided training, so they can learn on their own time
- Distribute materials year round, not just at open enrollment

Learn more

Contact your UnitedHealthcare representative, broker or consultant for more information. To access the CDH Toolkit, visit **uhc.com/employer/communication-resources/understanding-plans.**

United Healthcare

[1] Health Activation Index™ (HAI™) scores 2019.

[2] Mercer's National Survey of Employer Sponsored Health Plans, 2018. Accessed Aug. 31, 2021.

[3] Health Savings Accounts: Employer Contributions Matter, United HealthCare Services, Inc., 2014.

The UnitedHealthcare plan with qualifying Health Savings Account (HSA) is a qualifying high deductible health plan (HDHP) that is designed to comply with IRS requirements so eligible enrollees may open a Health Savings Account (HSA) with a bank of their choice or through Optum Financial™, Member of FDIC. The HSA refers only and specifically to the Health Savings Account that is provided in conjunction with a particular bank, such as Optum Financial, and not to the associated HDHP.

Hypothetical examples are offered for illustrative purposes only. Individual results may vary.

These materials are intended to communicate best practices only. Each employer group should make decisions that they feel are best for their specific employees.

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