**Impact of Health Savings Accounts on Access to Affordable Health Insurance**

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**Introduction**

Of the 47 million uninsured, approximately 60 percent work for small businesses, which are finding it more and more difficult to offer health insurance. The percentage of US workers covered by employer-sponsored insurance declined from 81% in 2001 to 77% in 2005. The smallest employers provide coverage least often: 72% of those with ten to twenty-four employees, and only 47% of those with three to nine employees.1

High-deductible health plans (HDHPs) coupled with tax exempt health savings accounts (HSAs) are consumer-driven health plans that offer an affordable alternative to conventional health insurance. A single person can deposit $2,850 a year into an HSA account and a family can deposit $5,650, to be used for routine office visits, preventative care, eye care, dental care, and prescriptions.2 The Government Accountability Office (GAO) estimates as many as eight million people who would have been uninsured now have insurance due to the lower premium costs of high-deductible health plans.3

A Rand Corporation study tracked health-care spending by 2,000 families over eight years. Families who received free health care spent 40% more than families with deductibles and co-pays, but the health outcomes for the two groups were the same.4

**Stakeholders**

President George W. Bush and most Republicans favor HDHPs and HSAs because premiums are less expensive than traditional single-policy coverage and because they allow portability of healthcare insurance as coverage is independent of employment.

Democrats generally see HSAs as tax shelters for the rich. Senator John D. Rockefeller IV (D-WV) is concerned consumers will forego proper healthcare if they have to pay for it out of their own pockets.5

**Conclusions**

While high deductible health plans and health savings accounts are not a viable option for low wage families or for the chronically ill, high-deductible health plans do offer a potential opportunity for over 17 million currently uninsured people earning over $50,000 a year to obtain affordable health insurance.6 Market-based health insurance systems such as high-deductible health plans and health savings accounts cut out inefficiencies and lower costs without compromising quality.

**References**