

A Solution for Making Sense of the Alphabet Soup of Health Care Financing

April 2015 | Barbra McGann



It used to be that most consumers simply rolled over their health insurance plans year to year and the costs and tax benefits were largely pre-set. Now, though, the options are increasing dramatically and determining whether or not a high deductible health plan (HDHP) with health savings account (HSA) is the right plan for each individual or family can be a daunting decision.

Daunting or not, an HDHP / HSA combination is proving to be a cost efficient way to provide health benefits. This is especially so for employers that want to provide insurance and medical benefits for employees, but face increasing payroll taxes, administrative costs, and regulatory pressures to stay within specified limits or pay fees – the forthcoming excise or so-called “Cadillac tax.” According to Mercer, about 30% of employers are at risk of triggering a tax in 2018 if they don’t change their most costly plans and offer alternatives.

Making sense of these changes and allowing consumers to more easily understand and follow through on their options is where service providers like ConnectYourCare are stepping in. ConnectYourCare is on a mission to provide health benefits account administration that includes flexible funding / financing options and a unique approach to the critical role of education and engagement to drive a better overall experience.

HfS recently sat down with ConnectYourCare to get a sense of how they are putting people at the center of health care finance services, focusing on user-friendliness, flexibility, and convenience.

Here are three examples:

- **Promoting ease of understanding and engagement in a friendly fashion.** HSA, FSA/DCAP, HRA, HDHP ... it’s an alphabet soup of acronyms and activities. ConnectYourCare teamed up with the publishers of “[Fill in the Blank] for Dummies” series (John Wiley & Sons) to write HSA for Dummies, an e-book available to anyone who wants to understand how HSAs work and whether or not an HDHP/HSA is right for them. Also, ConnectYourCare’s 360° Connect program taps into the stories of employees to help bring context to the use of HSAs – not just “what is it” but “what was the benefit for me.” One client saw HSA participation go up 27% with a 95% satisfaction rate with the ensuing experience with the claims process, and a 10% increase in employer tax savings.
- **“Acceleration of money” through the patent-pending HSA On Demand®.** One of the barriers to adoption of HPDP / HSA plans is the concern about an unexpected medical expense coming up early in the plan year, before the account is funded. Some employers will start the year by “seeding” the account to alleviate this concern. HSA On Demand® offers the option of providing a “real-time advance” on the intended annual allocation or contribution. It can be used right away as needed and then replenished from payroll over the course of the year.
- **There is an “app for that” -- integrating mobility into the health care and benefits claims process with the ConnectYourCare mobile app.** From being able to take a picture of a receipt with a smartphone and uploading it with a claim, to using a text message to check account balance, claims status, or contribution status.

Health care benefits are getting both more confusing and potentially more variable in their financial impact as well. Helping consumers, employers, health plans, and financial institutions to navigate better through this alphabet soup of services and connect to build long term strategies that maximize benefits over a lifetime is relatively new but increasingly important. We expect to see many more as-a-service user-friendly educational and operational programs going forward in the same way that ConnectYourCare has pioneered.

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