



## HSA Update



Volume 5: July 20, 2010

Welcome to the HSA Update, keeping you up-to-date on the Health Savings Account marketplace with bi-weekly analysis and review of public policy, market innovations, and technology advances in the HSA arena.

### ■ **CDHC Market Data Advisory: Q1 2010 by the Consumer Driven Healthcare Institute**

This report is compiled from blind data provided to the Consumer Driven Healthcare Institute (CDHCI) from CDHCI members and partners. It represents 72% of the HSA market. The data in this report provides statistical information on HSA usage by individuals and families.

Below is a brief summary of the key findings, the full report is available for purchase from CDHCI:

<http://www.cdhci.org/>

#### **Key Findings:**

- The Average age of an accountholder is 44 (individual) and 45 (family).
- 65% of employers contribute to an individual HSA and 49% of employers contribute to a family HSA.
- 49% of employees contribute to an individual HSA and 56% of employees contribute to a family HSA.
- Compared to Q4 2009 account balances, individual HSA account balances decreased eight percent and family HSA account balances increased nine percent.
- Overall the average total account growth from Q4 2009 was four percent.

In order to learn more about this report, please visit: <http://www.cdhci.org/>

### ■ **Senator Dodd's Statement on Interchange**

Senator Chris Dodd (D-CT) added his voice to the growing number of congressional representatives that have gone on the record in support of exempting healthcare-related cards from the interchange fee cap. Senator Dodd entered the statement below into the [Congressional Record, see page S5927 for July 15, 2010](#):

The Congressional Record reads:

*Mr. President, I would also like to clarify the intent behind another of the provisions in the conference report to accompany the financial reform bill, H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Section 1075 of the bill amends the Electronic Fund Transfer Act to create a new section 920 regarding interchange fees. This is a very complicated subject involving many different stakeholders, including payment networks, issuing banks, acquiring banks, merchants, and, of course, consumers. Section 1075 therefore is also complicated, and I would like to make a clarification with regard to that section.*

*Since interchange revenues are a major source of paying for the administrative costs of prepaid cards used in connection with health care and employee benefits programs such as FSAs, HSAs, HRAs, and qualified transportation accounts —Programs which are widely used by both public and private sector employers and which are more expensive to operate given substantiation and other regulatory requirements — we do not wish to interfere with those arrangements in a way that could lead to higher fees being imposed by administrators to make up for lost revenue. That could directly raise health care costs, which would hurt consumers and which, of course, is not at all what we wish to do. Hence, we*

*intend that prepaid cards associated with these types of programs would be exempted within the language of section 920(a)(7)(A)(ii)(II) as well as from the prohibition on use of exclusive networks under section 920(b)(1)(A).*

## ■ **ABA Schedules Series of Telephone Briefings on Regulatory Reform**

ABA is hosting a series of telephone briefings aimed at helping bankers understand the major changes included in the Dodd-Frank regulatory reform bill (H.R. 4173). The first five briefings will examine broad issues that will affect the industry:

- "Safety and Soundness Regulations: What Will They Mean for Bank Capital, Liquidity, Deposit Insurance -- and Investors?" -- Thursday, July 22
- "Consumer Requirements: How Will They Impact Banks" -- Friday, July 23
- "Savings Associations, Thrift Holding Companies and Mutual Banks: Who Regulates and When?" -- Monday, July 26
- "Bank Activities: Changes in the Rules and Who Writes Them" -- Tuesday, July 27
- "Impact on Housing Finance" -- Wednesday, July 28

A second series, which will begin in August, will focus on more targeted areas, including:

- "The Impact on Wealth Management and Institutional Trust" -- Wednesday, August 11
- "Systemic Regulation: What Will Change and Who Will Be Impacted" -- Wednesday, August 18

Each briefing will run from 2 to 4 p.m. EDT. Discounts are available for those who purchase multiple briefings. [Read more or register](#). For more information on the reform bill, including an in-depth summary, visit [www.aba.com/RegReform](http://www.aba.com/RegReform).

## ■ **From HHS: New Health Insurance Plans Required to Provide Free Preventive Care**

The Departments of Health and Human Services (HHS), Labor, and the Treasury issued new regulations last Wednesday, July 14, 2010, which require new private health plans to cover evidence-based preventive services and eliminate cost sharing requirements for such services.

The following was provided by Health and Human Services (HHS):

Under the regulations, new health plans beginning on or after September 23, 2010, must cover preventive services that have strong scientific evidence of their health benefits, and these plans may no longer charge a patient a copayment, coinsurance or deductible for these services when they are delivered by a network provider. Specifically, these recommendations include:

- Evidence-based preventive services: The U.S. Preventive Services Task Force, an independent panel of scientific experts, rates preventive services based on the strength of the scientific evidence documenting their benefits. Preventive services with a "grade" of A or B, like breast and colon cancer screenings, screening for vitamin deficiencies during pregnancy, screenings for diabetes, high cholesterol and high blood pressure, and tobacco cessation counseling will be covered under these rules.
- Routine vaccines: Health plans will cover a set of standard vaccines recommended by the Advisory Committee on Immunization Practices ranging from routine childhood immunizations to periodic tetanus shots for adults.
- Prevention for children: Health plans will cover preventive care for children recommended under the Bright Futures guidelines, developed by the Health Resources and Services Administration with the American Academy of Pediatrics. These guidelines provide pediatricians and other health care professionals with recommendations on the services they should provide to children from birth to age 21 to keep them healthy and improve their chances of becoming healthy adults. The types of services that will be covered include regular pediatrician visits, vision and hearing screening, developmental assessments, immunizations, and screening and counseling

to address obesity and help children maintain a healthy weight.

- Prevention for women: Health plans will cover preventive care provided to women under both the Task Force recommendations and new guidelines being developed by an independent group of experts, including doctors, nurses, and scientists, which are expected to be issued by August 1, 2011.

The regulations can be found at:

<http://www.healthcare.gov/center/regulations/prevention/regs.html>.

## **HSA Council members receive a 20% discount off sponsorships and attendee fees for the CDHC Solutions Forum**

Not an HSA Council member? Learn how membership can help you expand your HSA business. To find out more about membership benefits, please contact [Renee Galbraith](#).

Current HSA Council members, please contact [Renee Galbraith](#) for your discount code.

The HSA Council offers several membership levels, one of which is sure to meet the needs of your company. Take advantage of this opportunity to join the leading voice in Washington committed to educating Congress and protecting and expanding the use of HSAs!

 <p><b>CDHC solutions</b> <small>Consumer Directed Health Care</small> <b>FORUM</b> Produced by CDHC Solutions and EmployersWeb.com <b>A single day of Innovative Health &amp; Benefits Management Conference</b></p>		
<a href="#">Register</a>	<a href="#">Agenda</a>	<a href="#">Speakers</a>
<p>Change is coming with this year's Health Care Law and you need to be ready for it. Find out what the experts are saying about how these changes will affect you, your company and the bottom line.</p> <p>Scheduled speakers include the #1 health care compliance attorney in the U.S., the former Health Care Advisor to both President Bush and Vice President Cheney and CIGNA's expert on Health Care Consumerism.</p> <p>With health care being the biggest expenditure for many businesses today, you cannot afford to miss this innovative Health &amp; Benefits Management Conference.</p> <p style="text-align: center;"><b>September 9, 2010</b> <b>Atlanta, GA</b> <b>Cobb Galleria Centre</b></p> <p style="text-align: center;"><b><a href="#">Early Bird Registration until July 9th! Save \$200</a></b></p>		
<b>Scheduled Speakers</b>		
<p style="text-align: center;"><b>Ron Bachman</b> Sr. Fellow Center for Health Transformation</p> <p style="text-align: center;"><b>John Young</b> VP Consumerism, CIGNA</p> <p style="text-align: center;"><b>Roy Ramthun</b> HSA Guru, Former Health Care Advisor to President Bush</p> <p style="text-align: center;"><b>John Hickman</b> Partner, Alson &amp; Bird LLP</p> <p style="text-align: center;"><b>Terry Womack</b> Sr. Fellow Center for Health Transformation, Former VP Human Resources Bell South</p>		

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HSA Update is edited by Kevin McKechnie, ABIA executive director, and Renee Galbraith, health policy manager. Please visit our Web site for daily news updates, in-depth legislative analysis, and resources for implementing HSAs. [www.hsacouncil.com](http://www.hsacouncil.com)

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