NEWS RELEASE

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Council, Mercer testimony to Joint Economic Committee:

Health Savings Accounts proven to bend cost curve, better manage employee health premiums

WASHINGTON, DC – "Employees enrolled in an HSA-eligible health plan get the care they need, have lower health care costs, and – most importantly – do a good job maintaining their health," Tracy Watts, senior partner and U.S. healthcare reform leader at Mercer, **told Congress' Joint Economic Committee today**.

Testifying at a hearing on behalf of the American Benefits Council and Mercer, Watts highlighted the findings from Mercer's most recent National Survey of Employer-Sponsored Health Plans and described some employer case studies demonstrating the upside of Health Savings Accounts (HSAs) and other "consumer-directed health plans," which now cover one-third of all American workers at large companies (those with 500 or more employees).

"The data showed us that the utilization of health care was quite similar across the two groups," Watts said when comparing a traditional PPO plan and an HSA-eligible plan. "When we looked at the two groups over the three-year period, the HSA-eligible plan participants maintained their health status, while those in the PPO plan saw [on average] an 8 percent increase in identified health risks."

As a report issued earlier this year by Mercer and the Council, Leading the Way: Employer Innovations in Health Coverage, details, employers are leveraging HSA-eligible plans and other innovative strategies to address some of the biggest costs drivers in our health care system including misplaced incentives, waste, uneven quality of care and the lack of pricing and cost transparency.

In light of persistent health care cost increases, the Council urges lawmakers to expand the availability of HSAs. "Workplace-based health insurance covers more than 178 million people nationwide and employers must be innovative in managing rising health care costs," Said Ilyse

Schuman, the Council's senior vice president, health policy. "We strongly urge the enactment of bipartisan legislation giving employers more flexibility in HSA-based plan design and allowing HSAs to take full advantage of cost-saving innovations like chronic care management and onsite and near-site health centers."

For more information on health policy matters, or to arrange an interview with Schuman, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (mobile).

To arrange an interview with Watts, please contact Bruce Lee, US PR leader for Mercer, at bruce.lee@mercer.com or by phone at 212-345-0553.

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans. Follow the Council on Twitter @BenefitsCouncil.

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