

Breaking barriers:

**5 ways to tackle
the healthcare
affordability crisis**

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Meet your presenters



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Americans are struggling to pay for healthcare

Rising costs and employee stress are major drivers of lower productivity and higher turnover

¹Source: [Kaiser Family Foundation Health Care Debt Report](#)^{*}

²MetLife 2025 Employee Benefit Trends Study, [Chapter 1 - The Current State of Holistic Health](#)



49%

of Americans report difficulty affording healthcare costs.¹

1 in 4

adults have delayed or skipped needed care due to cost concerns.¹

77%

of employees are concerned about medical costs.²

As the economic outlook continues to shift, employers and members are **seeking immediate, effective savings solution.**

How are budget constraints shaping your benefits strategy?

Select all that apply.

A

Vendor consolidation

B

Offering fewer health plan options

C

Eliminating ancillary solutions currently in place

D

Reassessing employer HSA contribution strategies

Stagnant HDHP strategies leave savings untapped.

Less than 30% of employees enrolled in a high-deductible health plan (HDHP) are building a durable safety net to pay for the healthcare they need.¹



\$400,000

employer savings left on the table for every 1,000 employees.¹

\$5,000

Average HDHP + HSA balance growth left on the table by your employees.²

¹Assumes current 30% average HSA participation and execution of 5 step affordability playbook, leverages KFF average savings.

²Average from HealthEquity client data for top quartile clients (2025).

Capture more savings with better strategy.

Top-performing HDHP + HSA benefits plans see¹:

- **11%-20% lower** healthcare costs vs non-HDHP plans.
- **2x-3x growth** of member HSA balances within 3 years.

¹Based on HealthEquity client case study, 2025.



01



Benchmark to optimize your
HSA contribution strategy.

Benchmark your contribution strategy with peers.

\$3,650

HSA Avg Plan Deductible¹

\$2,060

PPO Avg Plan Deductible¹

\$1,590

Deductible Difference

\$960

ER Contribution¹

¹ Source: KFF 2024 Employer Health Benefits Survey - Sections 7 and 8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10.



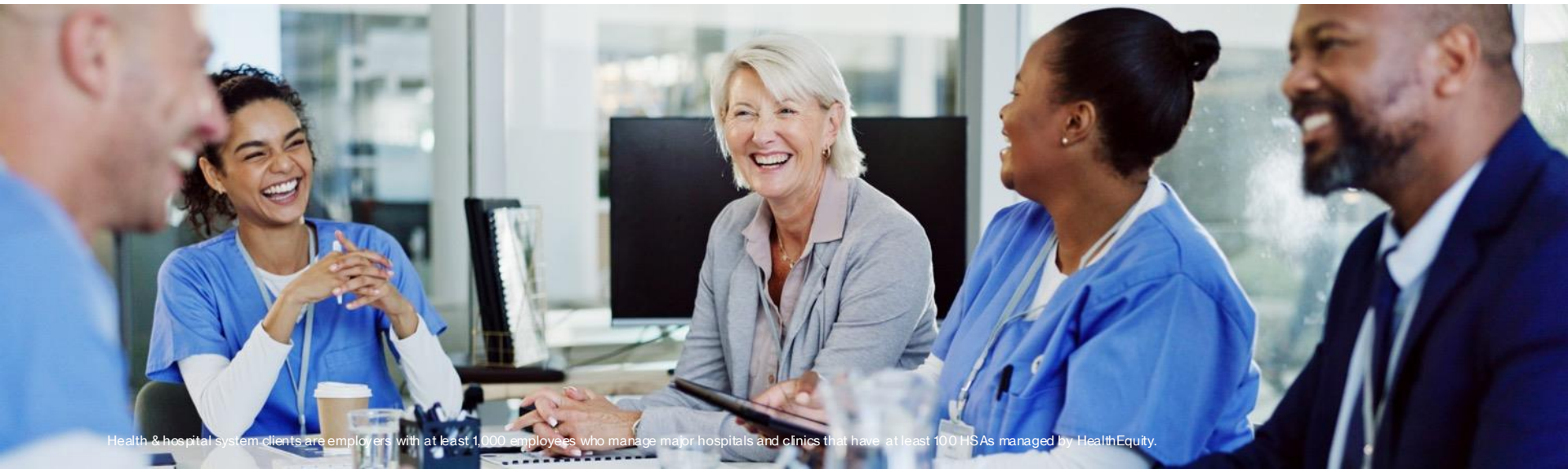
**HealthEquity works
with more health and
hospital systems than
any other sector.**

340

Enterprise-caliber health & hospital system clients

375,000

Associated HSAs

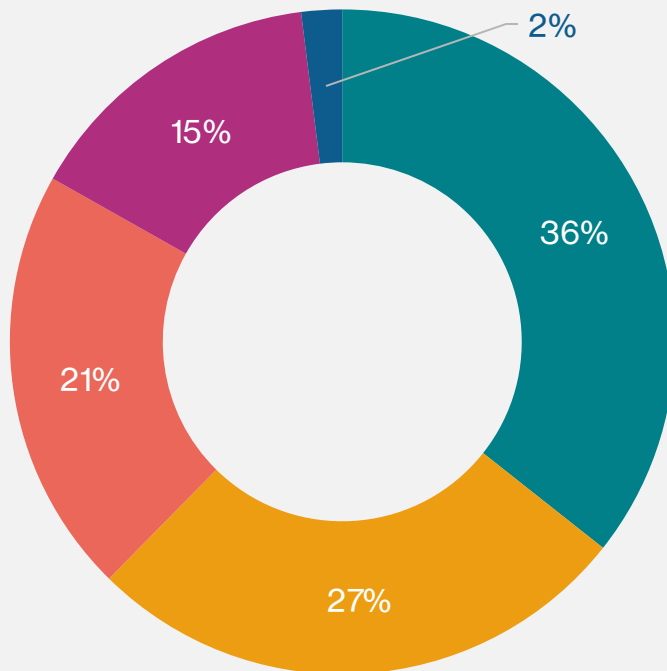


Health & hospital system clients are employers with at least 1,000 employees who manage major hospitals and clinics that have at least 100 HSAs managed by HealthEquity.

While most offer HSA contributions, many strategies haven't changed in years.

Health & hospital system contribution breakdown

- Matching & Seed
- Per payroll matching
- Distributed contribution*
- Annual or biannual seed
- No contribution



Based on ~340 health and hospital system clients with at least 100 HSAs across the 2022 and 2023 plan years. | *At least 4 contributions made into each HSA, usually based on payroll frequency and also includes wellness incentive contributions

Data as a competitive leverage tool

Health & hospital system client benchmarking

	Sample Early Client	Industry Median	Industry Top-Quartile
Average Balance (Total AUM/ HSAs)	\$1,075	\$2,755	\$7,365
Average Employer Contribution (single/ family)	\$550/ \$1,060	\$350/ \$700	\$430/ \$860
Average Member Contribution	\$1,290	\$1,345	\$2,210
% Savers and Investors	35%	50%	60%
% Non-Contributors	< 1%	29%	20%
HSA Enrollment	7%	40%	55%

Client data based on Plan Year 2024 Contributions and Distribution Report

Note 1: average across top-performing industry clients | High-Performance = top 25% metrics vs industry peers

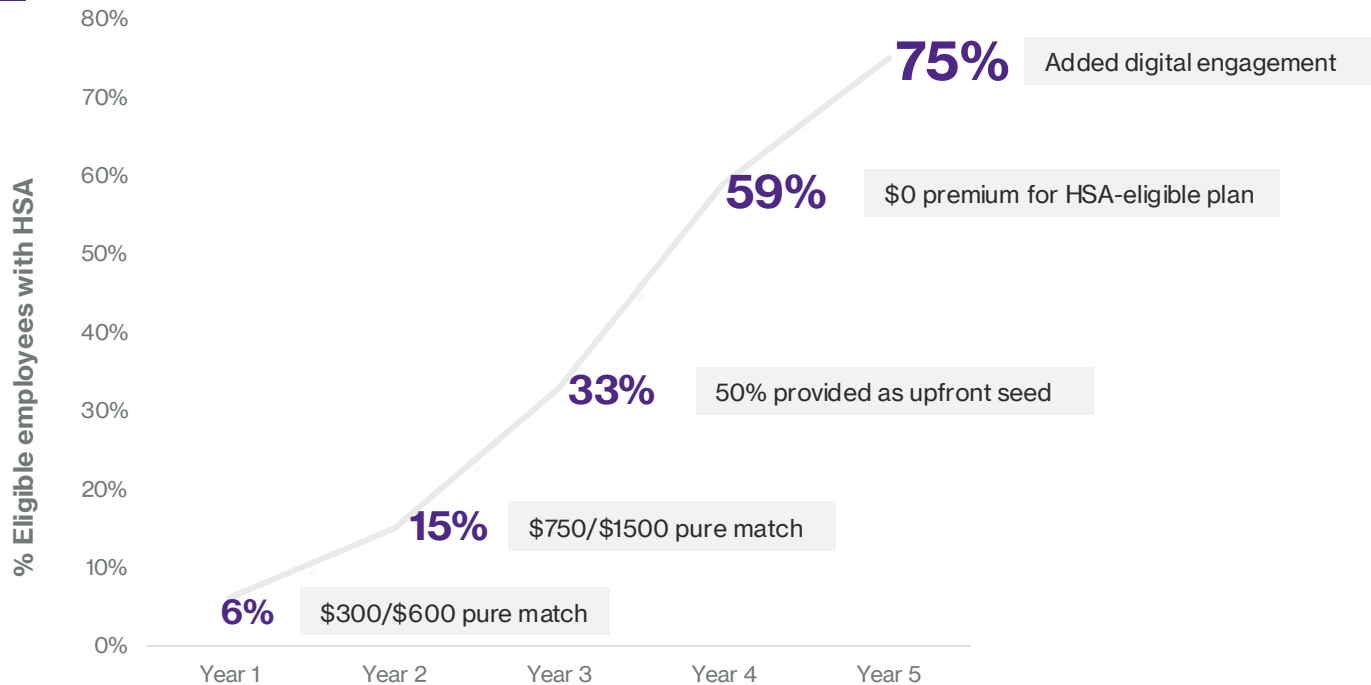
Note 2: per HealthEquity book of business with ~340 Health & Hospital System clients | 375,000 HSAs

Below peer
median

Above peer
median

Above peer
top quartile

Intermountain Health fine-tuned their HSA strategy to encourage growth.



63,000

Eligible employees



Salt Lake City, UT

Headquarters



Healthcare

Industry



2006

Partner since

02

**Default employee
HSA contributions.**

Default contribute all HDHP premium savings into HSA.

\$3,650

HSA Avg Plan Deductible¹

\$2,060

PPO Avg Plan Deductible¹

\$1,590

Deductible Difference

\$960

ER Contribution¹

\$600

EE Premium Savings
Contribution²

Default-contribute all HSA plan enrollees at the employee HDHP premium savings vs PPO plan | 90% of enrollees will keep this default | only 20% of enrollees get this right today

¹Source: KFF 2024 Employer Health Benefits Survey- Sections 7 and 8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10. | ²Source same as 1, blended family and single average premium differential vs PPO plan is \$585. Rounded to \$600 for simplicity.

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Outcome:

Plan design makes the HSA plan more competitive.

\$3,650

HSA Avg Plan Deductible¹

\$2,060

PPO Avg Plan Deductible¹

\$1,590

Deductible Difference

\$960

ER Contribution¹

\$600

EE Premium Savings
Contribution²

\$120 tax savings

+\$90 difference

between HDHP and PPO plan cost for employees

¹Source: KFF 2024 Employer Health Benefits Survey - Sections 7 and 8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10th. | ²Source same as 1, blended family and single average premium differential vs PPO plan is \$585. Rounded to \$600 for simplicity.

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**Offer an HPA to help
cover deductible.**

Health Payment Account (HPA)

A flexible way to pay for care

HSA + HPA

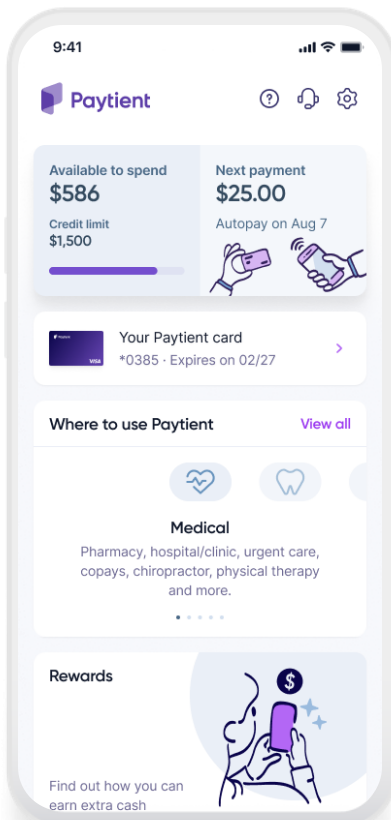
A path to flexible and convenient healthcare affordability.

Members enjoy quick access to care while maximizing tax savings with Health Savings Accounts (HSAs).

The example is used for illustrative purposes only.

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Bridge the gap

Offer a Health Payment Account to help your employees cover deductibles and opt for an HSA-eligible plan.

Instant access

Members apply in minutes and get a card instantly, with no credit check.

No hidden fees

Members enjoy instant access to funds to cover healthcare expenses without interest or fees, ever.

Repayment sources

Members choose repayment; payroll deductions, bank account withdrawals or HSA.

Give employees peace of mind with a deductible safety net.

\$3,650

HSA Avg Plan Deductible¹

\$960

ER Contribution¹

\$600

EE Premium Savings Contribution²

Up to \$2,000

HPA | No-interest safety net

If needed, deploy no-interest line of credit to cover deductible gap.

¹Source: KFF 2024 Employer Health Benefits Survey - Sections 7 and 8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10th | ²Source same as 1, blended family and single average premium differential vs PPO plan is \$585. Rounded to \$600 for simplicity.

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Client insight

HPAs persuade Education employees to organically migrate to cost-effective, HSA-qualified plan.

Solution



Health Payment Account

Results

40%

employees enrolled in HDHP

\$40

PEPM cost savings for employer

“

We want to drive migration from the PPO to HDHP, and we need to make the HDHP more appealing by building in extra support. The HSA alone is not doing it.”

Education industry employer

What is the biggest barrier your employees have to choosing an HSA-qualified HDHP?

- A High deductible
- B High out-of-pocket costs
- C Minimal employer HSA contribution
- D Little understanding of savings potential
- E Comfortable with current plan and/or providers

04

Default enroll employees
in an HSA-qualified plan.

Default all employees into your HSA plan.

\$3,645

HSA Avg Plan Deductible¹

\$960

ER Contribution¹

\$600

EE Premium Savings Contribution²

Up to \$2,000

HPA | No-interest safety net

Default enroll all employees (or at least all new hires) into your HSA/HDHP plan.

Key context: *Only 10-30% of enrollees spend enough to hit this deductible each year³*

¹Source: KFF 2024 Employer Health Benefits Survey - Sections 7 and 8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10th. ²Source same as 1, blended family and single average premium differential vs PPO plan is \$585. Rounded to \$600 for simplicity. ³Based on book of business data for 50+ HealthEquity clients.

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Client insight

Plan design and education improve health and affordability outcomes over 3 years

140%

Increase in HSA enrollment

95%

Of HSA members contributing

11% ↓

Less expensive than PPO plan

\$3.3M

Savings for the employer, \$162 PEPY Savings

Plan Design

- Introduce a more competitive HSA seed to incentivize adoption

Defaulting

- Default \$25 employee HSA contribution per paycheck
- Default all new employees in HSA plan



Education

- Year-round cohort-specific HSA member engagement
- **Accelerator:** nudges for preventative care and tiered networks | \$400 PEPY savings



6,800

Eligible employees
60% of staff are in hourly phone-based support roles



California
Headquarters



eCommerce
Industry

The account was not provided by HealthEquity, but we believe this shows an accurate representation of program performance. Reported as of December 2024.

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05

**Provide ongoing education
and engagement.**

Education is key: to close the affordability gap and *help your employees thrive.*

\$3,650

HSA Avg Plan Deductible¹

\$960

ER Contribution¹

\$600

EE Premium Savings
Contribution²

Up to \$2,000



Education

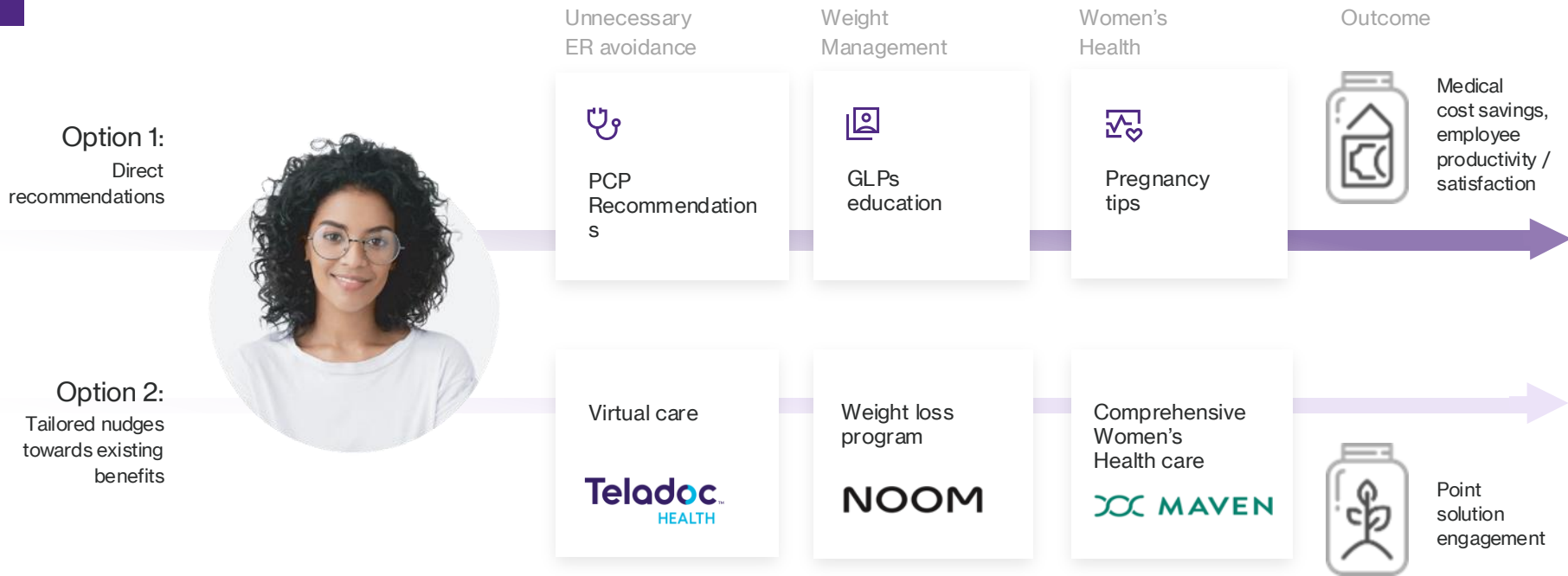
Educate through an integrated, holistic program, supported by HealthEquity.

¹Source: KFF 2024 Employer Health Benefits Survey - Sections 7-8 | HSA Plan composite Deductible and Employer Contribution @ 57% single-enrolled and 43% family-enrolled, numbers shown rounded to nearest 10. | ²Source same as 1, blended family and single average premium differential vs PPO plan is \$585. Rounded to \$600 for simplicity.

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Intelligent engagement that optimizes your benefits



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Current outcomes for HDHP + HSA enrollees

	Current	Top quartile industry comparison
Average HSA balance	\$2,520	\$6,100
Maximizers Investors who save all account funds and cover OOP cost personally	2%	7%
Investors Accountholders who have at least \$1 invested	4%	8%
Savers Accountholders who contribute and have >\$1,000 saved	21%	45%
Spenders Accountholders who contribute but have less than \$1,000 saved	40%	20%
Non-Contributors Accountholders who make no HSA contribution	33%	20%

Current impact

20%

of enrollees are saving and healthcare cost-secure.

80%

of enrollees are not thriving and have minimal savings to cover spend.

Outcomes 3 years post-HSA optimization

	Year 1	Year 3
Average HSA balance	\$2,520	\$6,800
Maximizers Investors who save all account funds and cover OOP cost personally	2%	5%
Investors Accountholders who have at least \$1 invested	4%	10%
Savers Accountholders who contribute and have >\$1,000 saved	21%	50%
Spenders Accountholders who contribute but have less than \$1,000 saved	40%	20%
Non-Contributors Accountholders who make no HSA contribution	33%	15%

Future impact

85%

of enrollees build strong savings and achieve healthcare cost-security.

Spender scenario

Which plan is right for Melissa and Spencer?

Melissa and Spencer plan to use their HSA to pay for their healthcare expenses.

PPO

- \$2,500 deductible

HSA plan

- \$4,650 deductible



Spender scenario

Which plan is right for Melissa and Spencer?

Melissa and Spencer plan to use their HSA to pay for their healthcare expenses.

PPO

- \$2,500 deductible
- + \$0 ER contribution

\$0

Saved each year

HSA plan

- \$4,650 deductible
- + \$1,200 ER contribution
- + \$1,600 EE contribution from premium savings default
- \$1,800 healthcare spend¹

\$1,000

Saved each year

The example used is for illustrative purposes, based on an 6% average rate of return and 20% tax rate.

¹Average family spend for Family-enrolled Spenders



Spender scenario

The plan they choose has long-term impact.

After 3 years, enrollees like Melissa and Spencer have a strong healthcare safety net, costing their organizations less.

PPO

\$0 savings
x 3 years

\$0

Saved after 3 years

HSA plan

+ \$1,000 savings
x 3 years

\$3,000

Saved after 3 years

40% chance of
becoming Savers

50% chance of
becoming Investors

The example used is for illustrative purposes, based on an 6% average rate of return and 20% tax rate.



Capture more savings with better strategy.

11-20%

Lower healthcare costs vs non-HDHP plans.¹

2x-3x

Growth in member HSA balances within 3 years.¹

95%

of members build a durable financial safety net.¹

¹Based on HealthEquity client case study, 2025.

HealthEquity delivers **savings and affordability**



\$400,000 per year in savings for a typical 1,000-employee organization³



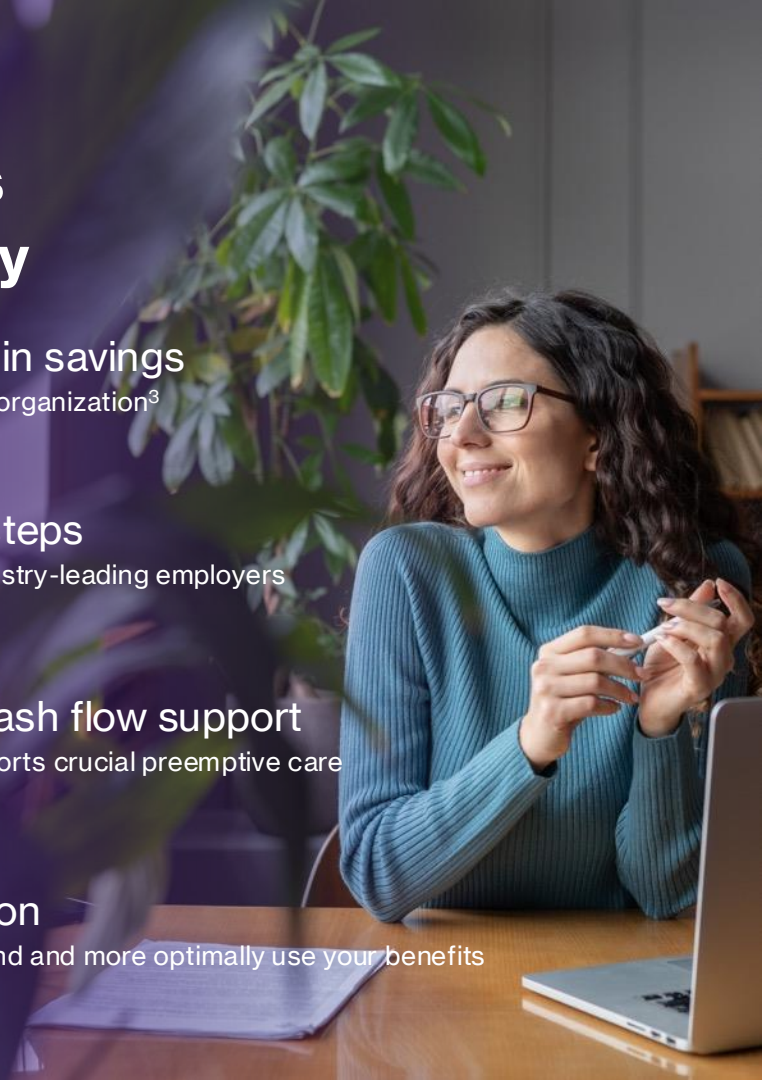
Five best-practice steps per lessons learned from industry-leading employers



Full coverage and cash flow support of deductible coverage | supports crucial preemptive care



End-to-end education ensures employees understand and more optimally use your benefits



Any questions?

Empowering lives, together.

Dedicated to your well-being, we're your trusted benefits partner, offering flexible, integrated, and cost-effective solutions.

Let's shape the future together!



HSA



FSA



HRA



LSA



COBRA



Commuter

