



Affordable HSA Insurance Growing

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Health Savings Accounts are becoming ever more popular and widespread even as Obamacare threatens to effectively prohibit them. Health policy expert Greg Scandlen reports that the number of Americans covered by HSAs [grew 18 percent](#) last year, from 11.4 million in January 2011 to 13.5 million in January 2012.

Health Savings Accounts combine a high-deductible insurance policy with employer contributions to a tax-deferred investment account similar to an IRA, except money can be withdrawn at any time to pay health care expenses not covered by the insurance.

In Michigan, about 385,000 people have HSAs, or 6.7 percent of those under age 65 with private health insurance, [according to figures](#) provided by the industry-funded "America's Health Insurance Plan" organization. In other states, enrollment ranges from a high of 19.9 percent in Vermont to 0.3 percent in Hawaii. Average monthly premiums for single-person (not family) coverage range from \$467 in New Hampshire to \$206 in North Dakota. Michigan has the fifth lowest average cost at \$277 for an individual plan.

Despite their popularity and affordability, these health plans may become a thing of the past under Obamacare's regulations. Here's part of how the Cato Institute described the threat to HSAs in its [2009 report](#) on the law titled "Bad Medicine" (a good one-stop shopping source for information on other "Affordable Care Act" provisions as well):

Nothing in the legislation directly prohibits (Health Savings Account plans). However, the law does add several new restrictions...

Of greater concern is the potential impact of the law on high-deductible insurance plans. Current law requires that an HSA be accompanied by such a policy. However, many of the insurance regulations discussed above raise questions about whether or not high-deductible plans will remain viable.

...The fate of HSAs is therefore dependent on a regulatory ruling by the secretary of HHS in an administration avowedly hostile to HSAs.

... In theory, a high-deductible plan designed to work with health savings accounts could meet all the new requirements. But industry sources warn that a plan designed to those specifications would offer few if any advantages over traditional insurance and would not be competitive in today's markets. As a result, insurers may stop offering high deductible policies. And since the rules for HSAs require that they be accompanied by a high-deductible plan, the result would be to end HSAs.