

NO ACCESS Health Tracking

How Much More Cost Sharing Will Health Savings Accounts Bring?

Authors: [Dahlia K. Remler](#) and [Sherry A. Glied](#) | [AUTHORS INFO & AFFILIATIONS](#)

July/August 2006 • <https://doi.org/10.1377/hlthaff.25.4.1070>



Abstract

Proponents of health savings accounts (HSAs) contend that they will reduce medical expenditures. In practice, however, the effect of HSAs, and the high-deductible health plans that must accompany them, will depend on the actual provisions of those plans and of the plans they replace. We show that typical plans in the market today already contain substantial cost sharing. We find that many HSA/high-deductible arrangements would actually reduce cost sharing for many groups. In particular, the group responsible for half of all medical spending would see no change or a decline in cost sharing at the margin and on average.

Topics:

[Cost sharing](#)[Costs and spending](#)[Deductibles](#)[Out-of-pocket maxima](#)[Clinical care](#)[Health savings accounts](#)
[Coinsurance](#)[Private health insurance](#)[Taxes](#)[Out-of-pocket expenses](#)

Get full access to this article

View all available purchase options and get full access to this article.

[GET ACCESS](#)

ALREADY A SUBSCRIBER? SIGN IN AS AN [INDIVIDUAL](#) OR VIA YOUR [INSTITUTION](#)

NOTES

1.

For Bush administration proposals, see, for example, White House, "Fact Sheet: Guidance Released on Health Savings Accounts (HSAs)," 22 December 2003, <http://www.whitehouse.gov/news/releases/2003/12/20031222-1.html> (accessed 10 April 2006).

[Google Scholar](#)

For policy analysts' proposals, see, for example, J.F.Cogan, R.G. Hubbard, and D.P. Kessler, "Healthy, Wealthy, and Wise," *Hoover Digest*, no. 3 (2004): 161–167.

[Google Scholar](#)

; M.Feldstein, "Health and Taxes," *Wall Street Journal*, 19 January 2004.

[Google Scholar](#)

; and D.Gratzer, "HSA Man vs. Healthzilla," *Wall Street Journal*, 12 October 2004.

[Google Scholar](#)

2.

Current proponents include Gratzer, "HSA Man vs. Healthzilla." Original proponents include J.C. Goodman and G.L. Musgrave, *Patient Power: The Free-Enterprise Alternative to Clinton's Health Plan* (Washington: Cato Institute, 1994).

[Google Scholar](#)

3.

J.P.Newhouse, "Consumer-Directed Health Plans and the RAND Health Insurance Experiment," *Health Affairs* 23, no. 6 (2004): 107–113.

[PubMed](#) | [Google Scholar](#)

4.

See, for example, American Academy of Actuaries, *Medical Savings Accounts: Cost Implications and Design Issues* (Washington: AAA, May 1995).

; E.B.Keeler et al., "Can Medical Savings Accounts for the Nonelderly Reduce Health Care Costs?" *Journal of the American Medical Association* 275, no. 21 (1996): 1666 –1671

[Google Scholar](#)

; L.Ozanne, "How Will Medical Savings Accounts Affect Medical Spending?" *Inquiry* 33, no. 3 (1996): 225 –236

[Google Scholar](#)

; D.Zabinski et al., "Medical Savings Accounts: Microsimulation Results from a Model with Adverse Selection," *Journal of Health Economics* 18, no. 2 (1999): 195 –218

[Google Scholar](#)

; and L.M.Nichols, M. Moon, and S. Wall, *Tax-Preferred Medical Savings Accounts and Catastrophic Health Insurance Plans: A Numerical Analysis of Winners and Losers*, Research Report no. 406690 (Washington: Urban Institute, 1996).

[Google Scholar](#)

[SHOW ALL REFERENCES](#)

[View full text](#) | [Download PDF](#)

HealthAffairs

PUBLISHING



INFORMATION FOR

[Authors](#)
[Institutions](#)
[Reviewers](#)
[Subscribers](#)
[Advertisers](#)
[Media](#)
[Funders](#)

SERVICES & RESOURCES

[Submit Content](#)
[Request For Abstracts](#)
[Subscribe](#)
[Renew](#)
[Manage My Account](#)
[Newsletter Sign Up](#)
[FAQs](#)
[Contact Us](#)

ABOUT

[About Health Affairs Publishing](#)
[Jobs](#)
[Health Equity](#)
[Fellowships](#)
[Terms & Conditions](#)
[Privacy Policy](#)
[Accessibility](#)
[Permissions](#)



Health Affairs Publishing, LLC, is a subsidiary of [Project Hope](#), a nonprofit global health and humanitarian organization. Health Affairs Publishing is editorially independent from Project HOPE.

Health Affairs is an official journal of [AcademyHealth](#).

Copyright 1995 - 2026 by Health Affairs Publishing, LLC, eISSN 2694-233X.

[Terms and conditions](#)[Privacy](#)[Accessibility](#)[Project HOPE](#)