

Survey of State Employee Benefits: Comparing Traditional Health Benefits and Health Savings Accounts

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As Texas considers introducing a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) for state employee health benefits, at least ten other states currently have the option in place, in addition to many large private companies. States with the HDHP/HSA option currently in place include:

- Arkansas
- Colorado
- Florida
- Georgia
- Indiana
- Kansas
- Mississippi
- South Carolina
- South Dakota
- Utah

The HDHP/HSA design varies from state to state, with deductibles and cost sharing that generally reflects the structure of the traditional benefits plan already in place. In most cases, the state's contribution to the traditional plan is also applied to the HDHP/HSA, and in some cases a portion of the resulting savings is deposited into the state employee's savings account. The tables below show the total per member cost, state share, and employee share for states with an HSA option, comparing each state's traditional coverage with the HDHP/HSA option for individual and family coverage.

INDIVIDUAL COVERAGE

	TOTAL		STATE SHARE		EMPLOYEE SHARE		State Contribution to HSA
	Traditional Plan	HDHP	Traditional Plan	HDHP/HSA	Traditional Plan	HDHP/HSA	
Arkansas	\$469.74	\$297.32	\$254.56	\$254.56	\$215.18	\$42.76	None
Colorado	281.02	264.86	244.12	244.12	36.90	20.74	None
Florida	427.86	392.86	377.86	377.86	50.00	15.00	\$500 (2006)
Georgia (COBRA)	442.06	N/A	370.92	N/A	71.14	45.00	None
Indiana*	455.82	350.33 (1) 381.16 (2)	350.35	350.35(1) 350.33 (2)	105.47	0.00(1) 30.81 (2)	1375.00 (1)* 935.00 (2)*
Kansas**	286.68	199.36	229.66	195.38	57.02	3.98	900.00
Mississippi	339.00	322.00	322.00	322.00	17.00	0.00	None
South Carolina	332.10	247.92	\$238.64	\$238.64	\$93.46	\$9.28	None
South Dakota	441.60	441.60	441.60	441.60	0.00	0.00	None
Utah	369.65	282.73	343.78	282.73	25.87	0.00	650.00

*Indiana's contribution to the savings account is included in state contribution.

** Kansas traditional plan rates are based on salary schedule.

Note: Georgia's health benefits information only reports the premium rates for members. The COBRA number is used to show the unsubsidized portion of the benefit for comparison.

FAMILY COVERAGE

	TOTAL		STATE SHARE		EMPLOYEE SHARE		State Contribution to HSA
	Traditional Plan	HDHP	Traditional Plan	HDHP/HSA	Traditional Plan	HDHP/HSA	
Arkansas	1,242.20	785.20	547.84	547.84	694.36	237.36	None
Colorado	814.76	766.76	567.42	567.42	249.58	199.34	None
Florida	\$967.60	\$851.90	787.60	787.60	180.00	64.30	\$1000 (2006)
Georgia (COBRA)	820.47	N/A	603.31	N/A	217.16	146.00	None
Indiana	1253.52	963.43 (1) 1043.33 (2)	963.43	963.43 (1) 963.43 (2)	290.09	0.00(1) 79.90(2)	2750.00(1)* 1870.00(2)*
Kansas**	518.06	279.10	282.02	185.43	236.04	93.67	1350.00
Mississippi	868.00	808.00	322.00	322.00	546.00	486.00	None
South Carolina	840.80	654.78	\$546.22	546.22	294.58	108.56	None
South Dakota***	693.68	544.46	441.66	441.66	126.01	102.80	None
Utah	1017.47	819.00	946.25	819.00	71.22	0.00	1300.00

*Indiana's contribution to the savings account is included in state contribution.

** Kansas' traditional plan rates are based on salary schedule.

*** South Dakota's family coverage is determined by age of employee. Amounts shown reflect spouse age 30-39.

Note: Georgia's health benefits information only reports the premium rates for members. The COBRA number is used to show the unsubsidized portion of the benefit for comparison.

Savings for State Employees

State employees in most every state with an HDHP/HSA option sees some savings as a result of choosing the HSA option, but only because most every state in the list requires their state employees to share in the cost of their health insurance. Since Texas' state employees pay nothing for employee only coverage, the best picture of the potential out-of-pocket savings for state employees can be seen in the employee's share of family coverage. The savings in each of the states with the option in place is significant.

- In Arkansas, the savings for family coverage is \$457/month;
- In Colorado, the savings for family coverage is \$50.24/month;
- In Florida, the savings for family coverage is \$115.70/month;
- In Indiana, the savings for family coverage is \$290.09/month; and
- In South Carolina the savings for family coverage is \$186.02/month.

In addition, state employees in Indiana can reap a savings contribution to their savings account, as the state deposits a portion of the balance from the state savings into the employee or family savings account.