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## Consumer-driven health plans increase rolls to 22 million in 2010

December 03, 2010 | Chris Anderson, Contributing Editor

WASHINGTON – The number of people enrolled in either a consumer-driven health plan or high-deductible health plan reached 22 million in 2010, according to the nonpartisan Employee Benefit Research Institute.

While employment-based health benefits still insure the vast majority of people with health insurance in this country, CDHP and HDHP programs continue to grow as employers seek creative ways to control their health insurance costs.

"The number of people who are enrolled in so-called 'consumer-driven' private health care plans is slowly growing," said Paul Fronstin, director of EBRI's Health Research and Education Program and author of a recent report on the subject. "And as employers continue to look for ways to manage healthcare cost increases, they are turning to these account-based plans."

The EBRI's "Consumer Engagement in Health Care Survey" found that enrollment in CDHPs rose to 5.7 million, or 5 percent of the privately insured population in 2010, up from 4 percent in 2009. Enrollment in HDHPs increased to 14 percent of the privately insured population (17.2 million people) in 2010, up from 13 percent in 2009.

CDHPs and HDHPs are account-based health plans that have high deductibles (at least \$1,000 for employee-only coverage) and tax-preferred savings or spending accounts that members use to pay for their out-of-pocket healthcare expenses. Consumer-driven plans are designed to give members more leeway in shopping for healthcare, since they are not tied to specific provider networks.

As part of the survey, EBRI tracked workers' enrollment in and attitudes toward their health plans, comparing those in traditional health plans with those in the newer consumer-driven and high-deductible plans. It found that enrollees in CDHPs and HDHPs exhibit more cost-conscious behaviors than those in traditional healthcare plans, such as checking to see whether the plan would cover specific care and asking for a generic drug instead of a brand name.

Other report findings include:

- **CDHP enrollees are more engaged in either a health risk assessment or health promotion program.** Three-quarters of CDHP enrollees participated in a health risk assessment program, compared with 60 percent of traditional plan enrollees. Similarly, 52 percent of CDHP enrollees participated in a health promotion program, compared with 41 percent of traditional plan enrollees.
- **Financial incentives are not a factor, but the use of health information technology is.** Financial incentives were no more a factor for CDHP enrollees than for traditional plan enrollees when it came to participating in wellness programs. However, CDHP and HDHP enrollees were more likely than traditional plan enrollees to choose a doctor based on his or her use of health information technology. Generally, about one-half or more of CDHP and HDHP enrollees are likely to choose a doctor based on his or her use of HIT, whereas between 40 percent and 50 percent of traditional plans enrollees are likely to do so.
- **Health status is better.** In 2010, 9 percent of adults enrolled in CDHPs and 12 percent enrolled in HDHPs, and 15 percent of those with traditional coverage smoked cigarettes.

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commonsenc says:

December 04, 2010 | 12:05AM GMT

### CDHP is going to increase with new business model

CDHP will likely increase rapidly in the coming years because we are just understanding that current tax law allows employers to contribute healthcare payments into employee-owned account where the employees purchase their own health insurance and pay for other qualified medical expenses all with pretax dollars. A company called LyfeBank has figured the way to do this within the current law.

When the employee takes ownership the dynamic changes in healthcare spending. This new business model works with the current structure, reduces the number of uninsured, and promotes cost control, what more do we want?

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