



# Consumer Driven Health Care,

- What is it? Why consider it? What are the pitfalls?

**E**mployers have a number of options in the design and funding of their health plans. What must be measured are the level of risk, employee involvement and the complexity of the format in terms of both communication and prolonged employee participation. Not all models are either available or appropriate across the spectrum of group size.

Consumer driven health care, CDHC, can make the system function more effectively and efficiently, both clinically and economically. The latest CDHC tax savings options include FSAs, HRAs, and HSAs.

There is strong interest in HSAs among employers. One study found that 73 percent of small business owners were interested in the HAS concept. Another study found that 61 percent were likely to offer HSAs in the near future.

HSAs are controversial. Proponents of HSAs think they will encourage individuals to become more astute health care consumers. Opponents think they are a new way to shift costs from employers to employees.

Want to learn more about HSAs? Here are just a few resources to aid you:

- The Treasury Department offers an [HSA primer](#).
- The IRS has a comprehensive [Q&A just for employers](#).
- [HSA Insider](#) is an HSA Coalition.
- [Health Care Spending and Savings Accounts: A Way Out of Our Health Care Crisis?](#)—Watson Wyatt
- [Choosing a New Health Plan Design? Differences Among HRAs, HSAs and FSAs: Beyond the Basics and Considering Guidance Through September 17, 2004](#)—Greta E. Cowart of Haynes & Boone and T. David Cowart of Jenkins & Gilchrist

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Got more questions? We'd expect so. Let's talk. That's what we do – help employers design and establish an employee benefit plan that's right for you.