



6 Things to Look for in an HSA Provider

Unlocking the Power of the HSA

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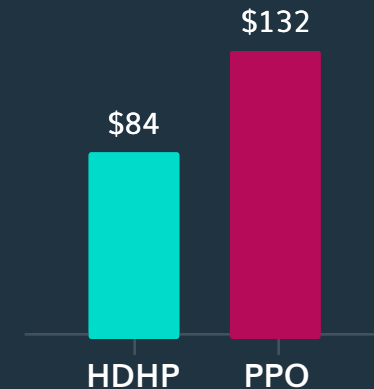
Introduction

Why offer an HSA?

Today in the U.S., insurance premiums continue to rise while coverage continues to shrink. The cost of health insurance benefits for employees in the private sector has increased 30% over the last ten years. This has a major impact on employers' bottom line since health insurance accounts for 7.5% of compensation costs on average. Your clients need to trim premium costs but need to keep benefits competitive, otherwise employee satisfaction and retention could be impaired.

Offering a high deductible health plan (HDHP) coupled with an HSA can help find this balance for your clients. An HDHP offers lower premium costs than traditional plans like PPOs and HMOs. A study from Mercer showed larger employers are paying an average of \$84 per month for HDHPs, compared to \$132 a month for traditional PPOs per employee. As more employees move to HDHPs, the result is a 37% premium savings per employee for the employer.

Offering an HSA alongside an HDHP can lead to further savings in the form of tax advantages. Employer HSA contributions and employee contributions running through payroll on a pre-tax basis are not subject to FICA taxes (7.65%). Employees can lower their tax burden as well by contributing to their HSA, further reducing their overall out-of-pocket cost of healthcare.



6 Things to Look for in an HSA Provider

Pairing an HDHP with an HSA can help your clients keep healthcare benefit costs stable, remain competitive in a robust job market, and allow employees to save more for their healthcare costs. However, not all providers offer modern solutions or make it easy to understand what the true cost of their service is.

Whether you're just starting to add an HSA to your offering or looking to switch providers, this guide will help you look beneath the surface to find an HSA custodian that helps you and your clients:



Save Time



Save Money



Maximize Employee Satisfaction

1 Ease of Use

Designed for today's benefits administrators.

Legacy HSA administrators have clunky, outdated products and bog you down with paperwork. Your clients' time is too valuable to be distracted by these redundant, time-consuming operational tasks. Recommending an HSA provider with a strong focus on technology, automation, and innovation will maximize the productivity and efficiency of your clients' people resources.

Look for an HSA provider that offers a paperless experience and a centralized online administrative dashboard. From here your client administrator will be able to manage all things related to your HSA including:

- Adding or removing employees
- Administering and updating complex contribution designs
- Viewing on-demand contribution and enrollment status reports

Onboarding should be seamless, not cumbersome. Whether your client wants to add someone themselves or have their enrollment platform do so, it should be simple and integrated. Adding one or 100 new employees should be a comparable effort.

2 Transparent Pricing

Prevent clients from being surprised by hidden fees.

Assessing an HSA provider's cost shouldn't be limited to the monthly fee charged per enrolled employee. While understanding this cost is a critical step in your evaluation process, if you don't look closely you may miss a host of fees charged directly to the employee like debit card usage, account statement, investment, minimum balance, or transfer fees.

Get a clear understanding of the true cost of the HSA for your clients and their employees by requesting a copy of the provider's fee schedule. Be wary of complicated cost structures that may further mask fees and surprise employees with additional costs, jeopardizing employee satisfaction with their HSA.

Key questions to ask in order to uncover hidden fees:

- Are there any initial account set-up fees?
- Does the monthly fee include both administrative and custodial fees?
- Is there a cost to close or transfer an account to another HSA?
- Is there a fee if an account balance falls below a certain threshold?
- Is there a fee if to add investment capabilities to their account?
- Is there a fee for an employee post-separation of employment?



3 Seamless Enrollment and Contributions

Prevent unnecessary administrative burden.

Enrollment can come in many forms including integrations with enrollment systems, exchanging files, or direct adds. Working with an HSA provider who accepts various inputs for enrollment will greatly streamline operations for your client. Similarly, ensuring contributions are made in a timely and efficient way is equally important. See if the HSA provider allows for automatic contributions to sync with their online payroll, is able to accept their contribution file, or simply allows them to control the process if they choose to do so.

Identify which of these options suits your client's business needs and confirm that the provider can support it:

- Direct payroll integrations
- HRIS & benefits enrollment integrations
- Accepting contribution files
- Automated payroll syncing

These integrations will allow for seamless set up of one-time and recurring contributions and sync them across all of your client's systems. This will save valuable time and give employees a clear overview of their balance.

4 Unparalleled Customer Service

Offer support from a team of HSA experts.

An HSA can be complicated due to its intersection of financial services, healthcare, taxes, and investments. Seek a team that will provide exceptional customer service alongside HSA expertise that will be able to support your clients and their employees over the entire life of their HSAs. You don't want to them to ever get stuck chatting with a call center employee who is limited to an HSA script.

Your clients should be able to reach their support team however they choose—whether that be by phone, email, or chat—and actually be able to get through to a real person, not from an automated bot. They shouldn't have to wait multiple days for someone to reply to a support ticket.

Check if they'll get paired with a dedicated onboarding specialist who can carefully guide them through this often confusing and time-consuming process.

5 Maximize Employee Satisfaction

Facilitate employee adoption and utilization.

Your client won't realize the benefit of offering an HSA if their employees don't sign up or utilize their account. Look for a provider that eases all of the obstacles at each of the following stages:

Signing Up

Opening their HSA should be online and only take a few minutes. Setting up recurring or one-time contributions shouldn't involve lengthy paperwork. Employees should be able to easily modify their contributions being made via payroll deductions. They should also have the option available to link their bank account and contribute on a recurring or one-time basis for post-tax contributions. Requesting a rollover or transfer should be seamless, paperless, and not come with a slew of fees.

Utilizing Funds

Spending and withdrawing HSA funds to pay for their healthcare expenses should be stress-free. This is the most important part of having an HSA after all. They should receive debit cards and be able to request reimbursements online. Tools should be provided to track and view their transaction history and organize receipts.

Investments

Another important feature is the ability to invest their funds. This advanced feature should be available so they can further their health savings. Access to a variety of investment options should be available such as individual stocks, bonds, CDs, mutual funds, and commission-free ETFs. Make sure to look out for minimum balance requirements or fees based on the amount invested!

6 Access to Tools & Education

Help employees understand the value of their HSA.

Employees will need ongoing education that spans far beyond open enrollment in order to get the most out of their HSA. Addressing common HSA misconceptions will also be a vital step in communicating the full value of an HSA. Employees often conflate an HSA's policies with that of an FSA. They may think their funds expire each year or that they can't take their funds with them if they change jobs or retire. This lack of understanding will overshadow the long-term benefits and tax advantages of an HSA. HR staff will be left to figure out how to help employees understand their HSA in response to a flood of questions without comprehensive resources or guidance from the HSA provider.

Finding an HSA provider that makes their HSA easy to use and understand will address one part of this challenge. They should also provide multi-channel, on-demand HSA education for your employees on an ongoing basis. The provider should arm the employer with an arsenal of resources to facilitate employee account adoption and satisfaction.

Here are some of the most useful resources to look for:

- Detailed FAQs
- On-demand chat support
- Contribution, eligibility, and savings calculators
- Open enrollment guides
- Real-time HSA eligible expense lists
- HSA starter guides

Summary

Choosing an HSA provider involves thorough investigation of the diverse range of aspects outlined in this guide. Every broker and company will have a unique set of criteria for evaluating HSA providers but these will all be rooted by two core objectives:

Selecting the Best Employer-Sponsored HSA

HSA administration should not become a time-consuming strain. Seek a provider that balances technology and customer service to streamline client's workload from onboarding to managing contributions and everything beyond.

Offering the Best HSA to Employees

An HSA will save clients money but only if their employees use it. To facilitate utilization, the HSA must be easy to use, offer education, and never surprise employees with hidden fees.

Staying grounded in these goals will set your clients up for a solid HSA experience and empower them to fully leverage the long-term benefits of offering an HSA alongside an HDHP.



Lively is a modern Health Savings Account (HSA) platform for employers and individuals. Lively's user-centric solution creates an intuitive user experience allowing consumers to get the most out of their HSA. Lively HSAs work alongside HSA compatible health plans to make healthcare easier for everyone.

Visit www.livelyme.com/broker to start offering your clients a seamless HSA experience.