

The Long-Term Financial and Health Implications of Early Selection and Maintenance of an HSA-Eligible Health Insurance Plan

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Abstract

The potential health and financial benefits of selecting and maintaining an HSA-eligible health insurance plan at a young age include human capital for current and future generations. During this strenuous time of change in the foundation of health insurance in the United States, Congress and state regulators should continue to support efforts that motivate young workers to select HSA-eligible health insurance plans and make HSA contributions. Due to recent changes in health insurance legislation, many young people in the United States are selecting health insurance coverage for the first time. Various incentives are being offered to motivate health insurance participation.

This study mathematically calculates, forecasts, and examines the direct financial, life-long benefits and income tax savings of early HSA plan management. Longitudinal data is used to demonstrate both current and future financial benefits based on past financial realities. Literature related to the effect of early HSA plan selection confirms the health benefits.

We plan to conduct a subsequent qualitative study to investigate factors that motivate young HSA participants to contribute and factors that dissuade contribution. Nationally representative survey data collected from (a) a Qualtrics panel and (b) Amazon's Mturk (approximately 300 respondents between the ages of 26 and 35) might confirm the qualitative results. Potential motivating factors include (a) cash reward for HSA participation, (b) educating participants about the benefits of HSA contributions, and (c) tax rebates for participation.

Any motivational factors shown to improve the human capital opportunities of young Americans should be woven into the fabric of the legislative agenda to encourage HSA contributions among younger professionals.

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