

# High Deductible Health Plans, Health Savings Accounts and Cancer Patients



High deductible health plans (HDHPs) and health savings accounts (HSAs) are becoming more common in employer-sponsored insurance and the individual and small group markets. These types of plans are not without risk and features must be implemented carefully so they do not harm cancer patients, survivors or those at risk for cancer.

## *What is a High Deductible Health Plan (HDHP)?*

An HDHP is a plan that requires more payment “up-front” for health care. If an insurance plan has a deductible, the enrollee must pay for her health care costs in full until she has met her deductible. While in most cases, these plans have lower premiums – the enrollee’s monthly bill – the plans have higher deductibles and plan holders often pay a much higher share of the cost for health care services. Shopping by premium alone can result in large out-of-pocket costs in HDHPs. The IRS defines an HDHP as any plan with a deductible of at least \$1,300 for an individual or \$2,600 for a family.<sup>1</sup> Starting in 2010, certain preventive services were required to be exempt from deductibles – so plans are not allowed to charge enrollees any cost sharing for services like mammograms or colonoscopies. HDHPs are sometimes paired with health savings accounts (HSAs).

## *What is a Health Savings Account (HSA)?*

A health savings account allows the enrollee to set aside pre-tax dollars for qualified medical expenses. In some arrangements, employers contribute money to HSAs for their enrollees, in other arrangements it is only the enrollee contributing money. The money is intended to help the enrollee pay for pre-deductible expenses, as well as any co-pays or co-insurance required after meeting the deductible.

## *What are the Concerns for Cancer Patients, Survivors, and Those at Risk?*

HDHPs – even when accompanied by an HSA – are not appropriate for everyone. While some preventive services and cancer screenings are currently required to be exempt from deductibles, some HDHP enrollees still assume they will be charged in full for their preventive services and are discouraged from seeking care. One study showed that switching to an HDHP was associated with a downward trend in overall colorectal cancer screening rates after two years.<sup>2</sup> There are also some services important to preventing cancer and cancer recurrence – like nutrition counseling – that are not part of the current requirement.

HDHPs are even more concerning for cancer patients and survivors. Once a patient is suspected of having cancer, he or she undergoes many tests that are not considered preventive services and therefore are subject to the deductible. Costs continue after the patient is diagnosed and undergoes surgery, radiation and/or chemotherapy. These costs are high, and they come fast – many cancer patients face paying their whole deductible in the first month or two after diagnosis. Being required to pay for these high costs up-front can cause delays in treatment, especially for low-income patients. Research is starting to show the negative consequences of HDHPs to cancer treatment and outcomes. One study showed that HDHP enrollment was associated with a decrease in imaging tests<sup>3</sup> – the tests a patient needs if she has a positive screening test for suspected cancer.

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<sup>1</sup> U.S. Department of Health and Human Services. Healthcare.gov Glossary. High Deductible Health Plan. Accessed December 14, 2016. <https://www.healthcare.gov/glossary/high-deductible-health-plan/>.

<sup>2</sup> Wharam JF<sup>1</sup>, Graves AJ, Landon BE, Zhang F, Soumerai SB, Ross-Degnan D. Two-year trends in colorectal cancer screening after switch to a high-deductible health plan. *Med Care*. 2011 Sep;49(9):865-71. doi: 10.1097/MLR.0b013e31821b35d8.

<sup>3</sup> Zheng, S; Ren, ZJ; Heineke, J; Geissler, KH. Reductions in Diagnostic Imaging with High Deductible Health Plans. *Medical Care*. February 2016 - Volume 54 - Issue 2 - p 110–117. doi: 10.1097/MLR.0000000000000472