

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**



**ANNUAL REPORT ON THE AVAILABILITY OF HIGH DEDUCTIBLE  
HEALTH PLANS IN VIRGINIA**

**PURSUANT TO § 38.2-5601 OF THE CODE OF VIRGINIA**

**to the**

**Senate Committee on Finance and Appropriations  
Senate Committee on Education and Health  
Senate Committee on Commerce and Labor  
House Committee on Appropriations  
House Committee on Finance  
House Committee on Labor and Commerce  
House Committee on Health, Welfare and Institutions**

**December 31, 2021**

## EXECUTIVE SUMMARY

The Virginia State Corporation Commission (“Commission”) is required to report on the availability of High Deductible Health Plans in Virginia that are used with a Health Savings Account, a tax-exempt trust or custodial account to pay for certain medical expenses pursuant to the Virginia Health Savings Account Plan (Chapter 56 of Title 38.2 of the Code of Virginia).

Seventeen companies offer High Deductible Health Plans in Virginia. The number of policies sold in Virginia increased from 19,000 in 2019 to 21,000 during 2020. However, the number of Virginians (“lives”) covered by High Deductible Health Plans decreased during 2020.

Year End	Policies Sold	Companies Reporting	Total Lives Covered*
2020	21,000	17	260,000
2019	19,000	17	293,000
2018	21,000	18	272,000
2017	22,000	18	276,000
2016	52,000	22	374,000

\*Includes lives covered by policies sold and policies remaining in effect from prior years.

The Commission’s Bureau of Insurance (“Bureau”) has not identified any state legislative or regulatory barriers to the sale of HDHPs that would restrict their attractiveness to Virginians. As such, the Bureau offers no recommendations for legislative changes to the Virginia Health Saving Account Plan at this time.

## INTRODUCTION

High Deductible Health Plans (HDHPs) are health insurance plans that provide health coverage after a pre-determined monetary deductible has been reached by the insured. Insurance companies offering HDHPs may include a health maintenance organization, preferred provider organization, health services plan, life insurance company, health services plan, or accident and sickness insurance company.

The minimum deductible amount and annual out-of-pocket limits for an HDHP to qualify for use with Health Savings Accounts (HSAs) are determined by federal legislation and are indexed annually to adjust for inflation. The most recent standards are shown in this chart:

<b>2021</b>	<b>2022</b>
Minimum Deductible Limits \$1,400 for a single person (self-only) \$2,800 for family coverage	Minimum Deductible Limits \$1,400 for a single person (self-only) \$2,800 for family coverage
Annual Out-of-Pocket Limits \$7,000 for a single person (self-only) \$14,000 for a family	Annual Out-of-Pocket Limits \$7,050 for a single person (self-only) \$14,100 for a family

HSAs are designed for use with HDHPs. HSAs are owned by individuals, and the monetary contributions in the accounts are used to pay for eligible medical expenses.

**VIRGINIA AVAILABILITY OF HIGH-DEDUCTIBLE HEALTH PLANS IN 2020**

HDHPs are marketed for use with HSAs. There are currently seventeen companies offering HDHPs in Virginia.

<b>Companies Offering HDHPs</b>
Aetna Health, Inc.
Aetna Life Insurance Company
Anthem Health Plans of Virginia, Inc.
CareFirst BlueChoice, Inc.
Cigna Health and Life Insurance Company
Group Hospitalization and Medical Services, Inc.
HealthKeepers, Inc.
Innovation Health Insurance Company
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
Optima Health Insurance Company
Optima Health Plan
Optimum Choice, Inc.
Piedmont Community HealthCare, Inc.
Piedmont Community HealthCare HMO, Inc.
UnitedHealthcare Insurance Company
UnitedHealthcare of the Mid-Atlantic, Inc.
UnitedHealthcare Plan of the River Valley

The following chart compares overall results of HDHP purchases and lives covered in the Commonwealth for the last five years. While the number of HDHP policies sold increased by 2,000 in 2020, the number of lives covered by HDHPs decreased by 33,000. An individual HDHP policy, or policy certificate in the case of a group health plan, also may include dependent coverage. The changes in total lives covered from one year to the next could therefore be different from the reported end-of-year increase or decrease of the number of policies sold.

Year End	Policies Sold	Companies Reporting	Total Lives Covered*
2020	21,000	17	260,000
2019	19,000	17	293,000
2018	21,000	18	272,000
2017	22,000	18	276,000
2016	52,000	22	374,000

\*Includes lives covered by policies sold and policies remaining in effect from prior years.

**HEALTH SAVINGS ACCOUNTS - INCREASING THE ATTRACTIVENESS AND  
ELIMINATING BARRIERS TO USE**

The Bureau requested information from insurers that offer HDHPs of methods that could be used to increase the attractiveness of HSAs and no changes to the product or related legislation were recommended. Since federal legislation applies to HSAs, actions at the state level may have limited impact on the attractiveness of the product.

**CONCLUSION**

At year-end 2020, there were seventeen companies offering HDHPs in Virginia and 260,000 lives were covered by HDHPs. HDHP sales and the number of policies purchased increased. However, the number of covered lives decreased by 33,000 from 2019.

No state legislative or regulatory barriers to the sale of HDHPs have been identified that would restrict the attractiveness of HDHPs to Virginians. The Bureau will continue to monitor federal and state legislation and associated regulations, as well as HDHP market activity in Virginia.