**Issue #5: Are Health Savings Accounts (HSA) Working Effectively?**

Many United States Citizens are either unable to afford health insurance or opt not to buy into it for a variety of reasons. Many alternatives exist to buying into a "traditional" health insurance plan, but one rapidly growing in popularity is the Health Savings Account. HSAs allow you to pay for current and future health expenses, without having a large monthly premium to pay. Many believe though that this program has more negatives than positives and ends up costing more in the end. As with anything, there are differences in opinion and rationale which leads us into the highly debated topic... " Are Health Savings Accounts (HSA) Working Effectively?"

Presented by Claire, the American Benefits Council believes that HSAs are absolutely working effectively. It was stated that compared to a traditional health insurance plan the healthcare was identical, but the cost of having the insurance is about 4.1% less. If the care is remaining the same and the cost has diminished, even if by only a few percentage points, it is difficult to argue that the plan is not working effectively. In addition to the cost being lower, it is said that most every one of the HSAs are being used for their intended purposes. As with any system, it will be abused by a few people, but in the case of HSAs this is said to be false.

Linda J. Blumberg believes that HSAs are not operating effectively whatsoever. She does not want to see the program disassembled, but believes in a definite need for a remodeling of the account. Tyler, the presenter of the opposing side stating that the program incentives of no taxes and free use of the money for health related purposes is very misleading. In addition to being misleading based on the organization of the program it mainly benefits just the healthier portion of our society and can actually be a detriment to the pocketbooks of the chronically ill individuals as you will have to pay more out-of-pocket for medical procedures than you would with a traditional health insurance plan. It was also said that, unlike the other side mentioned, there is no way of knowing if the accounts are being used for their intended purposes as there is no system in place to monitor the validity of expenses and payments withdrawn from the account.

Based on the presentations made I did not have a difficult decision to make. Before reading and learning more information about the HSA and how it functions I had never heard of one before and was unable to make an educated decision. I strongly believe that the accounts are still in their infancy and could be working much more effectively and efficiently with a little bit of expense and some creative restructuring.