

## Key Takeaways From the Congressional Report on HSAs

The Congressional Research Service (CRS) released its most recent report, updated in 2025, describing health savings accounts (HSAs). The CRS serves as a bipartisan shared staff to congressional committees and members of Congress, outlining topics that Congress might wish to consider.

An HSA is a tax-advantaged account paired with a high deductible health plan (HDHP) that individuals can use to save and pay for unreimbursed medical expenses (e.g., deductibles, copayments and coinsurance). The Bureau of Labor Statistics reported that 39% of private-sector and state and local government workers had access to an HSA through their employer in 2024.

For this report, the CRS regularly compiles and analyzes available statistics about HDHPs and HSAs. The Feb. 11, 2025, CRS report also provides an overview of HSA rules, qualifications and 2025 plan limits. This article summarizes the main findings of the CRS' [HSA report](#).

### HSA-qualified HDHP Enrollment

While HSA-qualified HDHP enrollment generally increased from the mid-2000s to 2020, data suggests enrollment has since stabilized. For the 2021 tax year, the IRS estimated that 2 million tax returns reported an HSA with individual contributions (1.2% of filed tax returns), and 12.1 million tax returns reported an HSA with employer contributions (7.5% of filed tax returns).

Furthermore, the IRS estimated increases in both the number of tax returns reporting individual HSA contributions and the number of tax returns reporting employer HSA contributions from tax years 2004 to 2019; however, the number of returns reporting employer contributions grew at a faster rate than the number of returns reporting individual contributions. The number of returns reporting individual contributions and those reporting employer contributions have decreased since 2019, which suggests that HSA-qualified HDHP enrollment has stabilized since 2020.

### HSA Withdrawals

The IRS estimates that the number of tax returns indicating nonrollover HSA withdrawals increased from tax years 2004 to 2020. For the tax year 2021, 8.8 million tax returns—5.5% of filed tax returns—reported a nonrollover HSA withdrawal. Of those, approximately 4% indicated taxable withdrawals, such as those for nonqualified medical expenses.

Consider these additional findings about HSA withdrawals:

- Since 2017, the 26-34 age group has consistently had lower HSA withdrawal rates compared to other ages. These individuals will likely have had less time to establish an HSA and build a balance. This age group is also less likely to have health care expenditures, which trigger withdrawals.
- In higher adjusted gross income (AGI) brackets—peaking in the \$500,000 to \$999,999 range—nonrollover HSA withdrawals are more common.
- In the tax year 2021, tax returns reporting a nonrollover HSA withdrawal by age and AGI highlight a generally increased prevalence of withdrawals as AGI increases up to \$1 million for all age brackets.

### Data Challenges

The latest CRS report explored HDHP enrollment and HSA utilization, with the caveat that there are data challenges due to the limited information available about HSA-eligible employees. The report clarifies that some data challenges exist due to a lack of data because HSAs and HSA-qualified HDHPs are separate products and are often administered by two different institutions. Individuals may establish their HSA with their insurer, and others may use another type of institution. For example, if the individual establishes their HSA with a bank, the insurer would understand their potential eligibility for HSA contributions. Still, it would not have any information or insights about their HSA activity, such as contributions, investments and withdrawals.

Because of the available options, HSA-holding institutions likely don't know about an individual's HSA eligibility, and insurers won't have a line of sight for HSA activity. Without a single data source, HSA research focuses on either HSA-qualified HDHP enrollees or HSA holders.

## Conclusion

HDHPs and HSAs are powerful tools to help employees increase their savings for future medical expenses. Awareness of current benefits utilization can guide organizations as they strategize and take action. Recognizing trends and take-up rates can help employers respond with meaningful employee benefits.

Employers should continue to monitor benefits trends, employee utilization and spending. Contact us for more resources.

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