



# **Maintaining a Profitable & Competitive HSA Business**

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# Two Perspectives

- *U.S. Bank*: design, price, market, and sell a competitive and profitable HSA solution.
- *Open Solutions*: create capabilities that enhance the value to the account holder, provide flexibility of the product offering to the bank, improve efficiency and quality of delivery and reduce cost of operation.



# Managing Your HSA Costs

## Focusing on product & operations:

- Cost Containment – increase productivity, reduce labor costs, minimize third-party expenses
- Provide “Best in Class” service offering and quality to enhance the value proposition of the banks.



# Cost Containment & Revenue Generation

	Cost Containment	Revenue Generation
Marketing		Y
Sales & Distribution Channels	Y	Y
Enrollment	Y	Y
Employer Services	Y	Y
Recordkeeping & Transaction Processing	Y	
Customer Access & Support	Y	Y

# Cost Contributors

**Current-state analysis should focus on and include:**

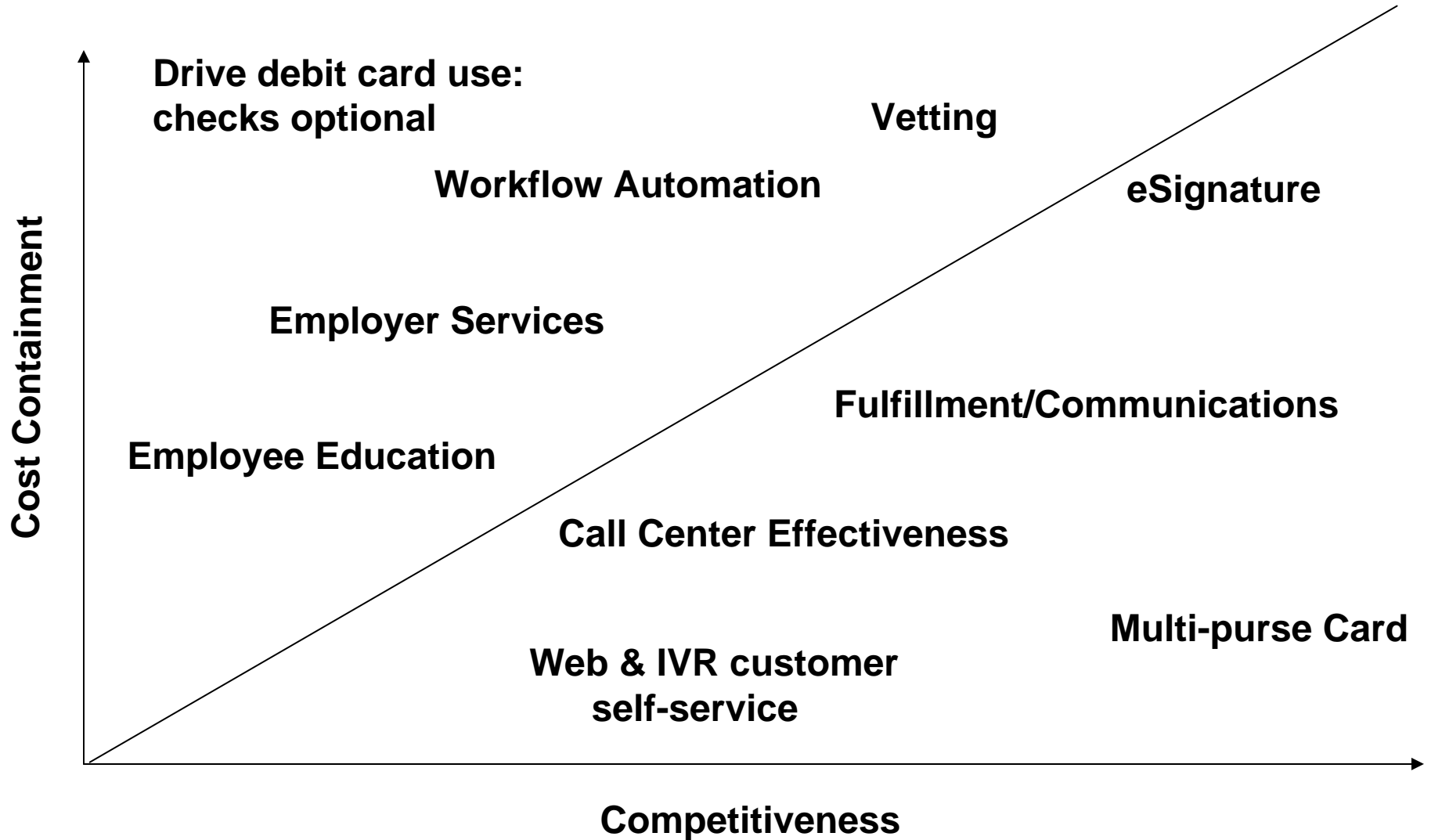
- Paper-based processes
- Manual data input
- Exception handling
- Undefined or unclear business rules
- Employer & customer service duration
- Printing & mailing costs

Examine each element & phase of each business process.



# Product, Service & Process

## Cost Containment



# Revenue Drivers

## Revenue drivers related to product capabilities and operations:

- Feature/Functionality – continue to innovate and automate
- Marketing – exploit distribution channels
- Sales Effectiveness – automate key drivers for account holders
- Employer Service – reduce costs to drive employer sales
- Accountholder service – achieve centers of excellence

Focus on efficiency and cost benefits of all revenue generating capabilities.

# Strategic Improvement

## Ask yourself:

- ✓ What elements of HSA does the customer value?
- ✓ Do any aspects of your service have a negative impact on employer or employee retention?
- ✓ Is your cost of doing business in line with other bank products? (consider volume)
- ✓ Do you leverage existing processes?
- ✓ Do you review for improvement regularly?

Focus on cost containment while improving product and service quality.





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