



INCREASING FLEXIBLE SPENDING ACCOUNT PARTICIPATION

Targeted email outreach to GSA employees did not increase enrollment in Flexible Spending Accounts

Target a Priority Outcome Flexible Spending Accounts (FSAs) allow federal employees to contribute up to \$2600 in pre-tax dollars each year for medical and dependent care expenses, a benefit that can yield savings of up to \$949 annually for employees. Eligible expenses include copayments, deductibles, prescription medications, vision and dental costs, and dependent care costs, and virtually all federal employees with Federal Employees Health Benefits (FEHB) eligibility are eligible for FSAs. The General Services Administration (GSA) had a goal of ensuring that employees who would be interested in FSAs were aware of and utilizing this benefit. More broadly, many employee benefits programs offer uncertain future returns, and employers accordingly seek to develop strategies to effectively communicate these benefits.

Translate Evidence-Based Insights There is limited literature exploring strategies to increase enrollment in this type of health and dependent care benefit. Evidence about the importance of timely, salient communication about program benefits in other health care contexts informed our communications strategy. Separate email communications were nested within the GSA Today newsletter highlighting the existence of FSAs, the expected absolute return on savings for an employee using a FSA, and the expected relative return on savings for an employee using a FSA.

Embed Tests The evidence-based intervention was tested with an individual level randomized control trial. The study sample included 11,412 GSA employees who were randomly assigned to one of four study arms, including approximately

2800 employees in each study arm. Individuals in the first intervention arm received a targeted communication about the benefits of FSAs delivered via the email newsletter GSA Today; individuals in the second arm received a communication that also highlighted their potential savings (“save \$949 over the course of a year”); and individuals in the third arm received a communication that highlighted their potential savings in relative terms (“save 30%”). All communications were delivered in both the first and last week of the federal benefits open enrollment period, between November 13th and December 11, 2017. In the fourth, control arm, employees received no targeted communication about FSAs, which was business as usual.

Analyze Using Existing Data GSA Human Resources collects information on enrollment in FSAs and employee contributions as part of their standard benefits management for employees. This information was used to track the effects of the targeted communication on FSA enrollment rates.¹

Reanalyzed Results The results indicate that targeted communications around FSA enrollment did not lead to increased enrollment. Enrollment in FSAs was 27.4% in the control group and 27.2% in the pooled treatment arms. The difference between the two enrollment rates is not statistically significant ($p=.838$, 95% CI [-0.021, 0.017]). The average amount contributed over the 2018 calendar year is \$686.49 in the control group and \$683.66 in the pooled treatment arms, and

¹ Unless noted otherwise, all of the analysis reported in this abstract was prespecified in an analysis plan, which can be found at <https://oes.gsa.gov>.

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again the difference is insignificant ($p=.929$, 95% CI [-65.053, 59.395]). We can rule out an increase in the probability of enrollment as small as 1.7 percentage points due to the email treatments. In addition, no significant differences are evident comparing across the treatment arms. Figure 1 shows the probability of contributing to a FSA by experimental arm, in conjunction with the 95% confidence interval; Figure 2 similarly shows mean contributions by experimental arm.

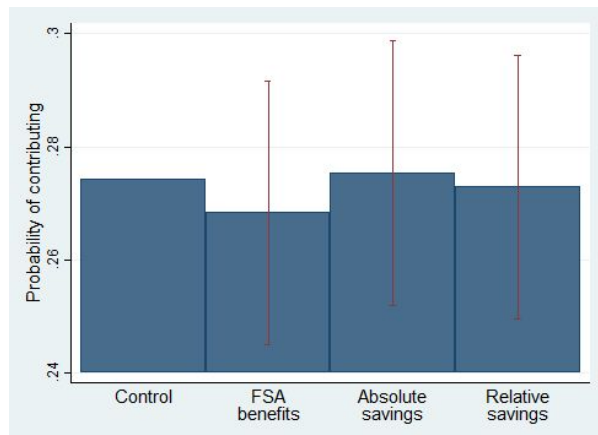


Figure 1: Probability of contributing to FSA by arm

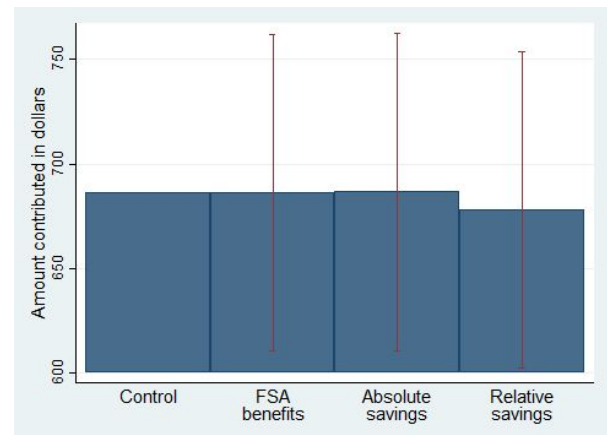


Figure 2: Mean FSA contributions by arm

Build Evidence This project demonstrates the ability of federal agencies to execute rapid tests on benefits enrollment. Exploratory analysis reveals email open rates of 50.3%, which is generally high for newsletter open rates but potentially too low for relaying important information. GSA is further exploring how employees read and utilize GSA Today and assessing optimal participation rates for FSAs as well as other benefit programs.

This project is a collaboration between the General Services Administration Office of Evaluation Sciences and the Office of Human Resource Management.