

J.P. MORGAN'S HEALTH SAVINGS ACCOUNT (HSA) PROGRAM RECEIVES TWO MODEL BANK AWARDS

Celent, a research and consulting firm focusing on the application of information technology in the global financial services industry, awarded J.P. Morgan with two model bank awards at their Innovation and Insight Day in New York City on June 3, 2009.

J.P. Morgan: Calculator Suite for HSA Clients

In early 2008, J.P. Morgan embarked upon an initiative to develop a Customizable Calculator Suite for its HSA clients. The initiative began when some HSA clients of J.P. Morgan, especially large organizations, requested a tool to facilitate the calculation of the HSA contributions and benefits costs of their employees. J.P. Morgan formed an internal team of experts to explore solutions, and through discussions with its clients and Benefit Consultants, designed the model for the Customizable Calculator Tool. This tool combines employee benefit cost estimation, health plan selection, and long-term HSA accumulation modeling.

The customizable client tool allows plan participants to:

- Quickly develop estimates of their out-of-pocket expenses under a high-deductible plan by entering basic information about their expected use of different medical services during the year. J.P. Morgan can also work with health plans to provide actual costs for the selected employer group.
- Select their health plans by comparing their expected out-of-pocket costs under the high-deductible plan to their expected out-of-pocket costs under other company medical plans.
- Model different potential accumulation and spending patterns under an HSA by linking their expected future medical usage to the short-term estimates developed previously or by selecting from long-term normalized estimates based on general health status.

Clients who used the tool saw about 98% penetration for the enrollment of those who were eligible to open accounts (compared to the industry average of 60-70%). Also, users of the tool had higher cash balances than nonusers, with the users having 19% higher average cash balances than nonusers. Additionally, 42% of users have balances in excess of \$1,000, compared to 29% for nonusers.

J.P. Morgan: Report and Funding Portal for Healthcare Clients

Until about a year ago, the communication and delivery of reports to healthcare clients of J.P. Morgan were manual in nature, and the process was inefficient with respect to both time and money. The product team at J.P. Morgan recognized the gap and decided to create a portal for facilitating client receipt of reports. The Report and Funding Portal for Healthcare Clients was launched to provide employers and their benefit administrators statistics and reporting for their HSA program via a simple website with email alerts to remind users when new reports are ready. The clients are provided with a suite of reports to help them understand program metrics and to confirm enrollments and funding for employee HSAs. In addition, users can also upload information via Excel templates or use the online funding application to allocate funds into employee accounts.

After the rollout, J.P. Morgan promoted the software internally to their clients. The portal has received positive feedback from users. In addition, as a result of the portal, the bank reduced its FTEs needed to process funding allocations by more than 25%. The firm also reduced call center volume 20% for key funding questions and reports.

J.P.Morgan