
2025 Health Savings Account Landscape

Morningstar Manager Research

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Executive Summary

Health savings accounts are more popular than ever, and they're getting better. Total HSA assets rose by a factor of 29 from 2006 through 2024, growing to about USD 146 billion. The widespread adoption of high-deductible health insurance plans—the only place where, until very recently, participants could use HSAs—and the accounts' plentiful tax benefits have fueled this growth. Meanwhile, HSA plans have gotten better in important ways. Both investment and spending account fees have continued to decline, for example, leading to downgrades on Morningstar's Price assessment for several providers, and investment option quality keeps improving.

HSA transparency and ease of use could still improve, though, and costs (particularly investing and custodial fees) could drop further. The process of investigating, signing up for, and funding accounts remains complicated, though providers are taking steps to improve the user experience. Fewer top providers charge maintenance fees, but some still do—and they often require minimum account balances before participants can invest. Most providers also pay paltry interest rates on spending account balances below relatively lofty levels, even three years after rates began rising.

Morningstar evaluated 11 of the top HSA providers offered to individuals on two different use cases: as spending accounts for current medical costs and as long-term investment accounts. Just four providers—Fidelity, HealthEquity, HSA Bank, and Saturna—earned Above Average assessments or better on both scenarios.

Morningstar does not assess employer-offered HSAs, as details can vary depending on employer/provider relationships and headcount.

Ten of the 11 providers responded to our surveys; we relied on publicly available data this year for previous survey respondent Associated Bank, which did not respond this year.

Exhibit 1 Morningstar Assessments of HSAs as Spending Accounts

Provider	Overall	Score	Maintenance Fee	Score	Interest Rate	Score	Additional Fees	Score
Fidelity	High	5.0	High	5	High	5	High	5
First American Bank	Above Average	4.1	High	5	Below Average	2	Average	3
HealthEquity	Above Average	3.8	High	5	Low	1	Average	3
HSA Bank	Above Average	3.8	High	5	Low	1	Above Average	4
Lively	Above Average	3.8	High	5	Low	1	High	5
Saturna	Above Average	3.8	High	5	Low	1	Above Average	4
UMB	Above Average	3.8	High	5	Low	1	Above Average	4
Associated Bank	Average	3.4	Above Average	4	Below Average	2	Above Average	4
Nuesynergy	Average	3.1	Above Average	4	Low	1	Above Average	4
Optum	Below Average	2.4	Average	3	Low	1	Above Average	4
Bank of America	Below Average	2.0	Below Average	2	Below Average	2	High ↑	5

↑ = Upgrade since last year, ↓ = Downgrade since last year.

Source: Morningstar, Inc. Assessments as of Aug. 31, 2025. Note: High or Above Average assessments for Maintenance Fee and Additional Fees indicate attractive fees, while Low or Below Average assessments indicate unattractive fees. The Additional Fees score is listed above for investors' convenience but is not considered in the overall assessment.

Exhibit 2 Morningstar Assessments of HSAs as Investment Accounts

Provider	Overall	Score	Menu Design	Score	Quality of Investments	Score	Price	Score	Investment Threshold	Score
Fidelity	High	4.6	Above Average	4	Above Average	4	High	5	High	5
HSA Bank	Above Average	4.2	Above Average	4	Above Average	4	High ↑	5	Average	3
Associated Bank	Above Average ↑	3.8	High	5	Above Average	4	Average ↑	3	Above Average	4
HealthEquity	Above Average	3.8	Average	3	Above Average	4	Above Average ↓	4	Above Average	4
Nuesynergy	Above Average	3.8	Average	3	High	5	Above Average	4	Average	3
Bank of America	Above Average ↑	3.6	Average	3	Above Average	4	Above Average ↑	4	Average	3
Saturna	Above Average	3.6	High	5	High	5	Below Average	2	Above Average	4
UMB	Average	3.4	Below Average	2	Above Average	4	Above Average ↑	4	Average	3
Lively	Average	3.2	High	5	Above Average	4	Low	1	High	5
First American Bank	Average	2.8	Average	3	Above Average	4	Below Average ↓	2	Average	3
Optum	Average	2.6	Above Average ↑	4	Above Average	4	Low ↓	1	Average ↑	3

↑ = Upgrade since last year, ↓ = Downgrade since last year.

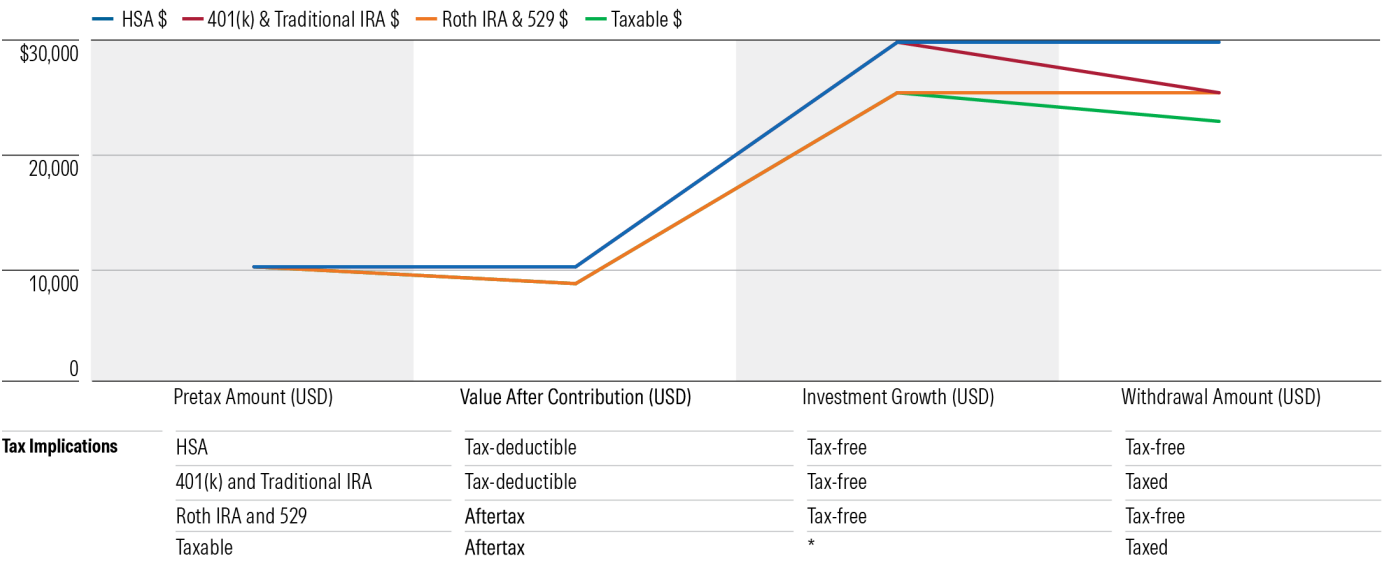
Source: Morningstar, Inc. Assessments as of Aug. 31, 2025. Note: High or Above Average assessments for Price indicate attractive fees, while Low or Below Average assessments indicate unattractive fees. A High assessment for Investment Threshold indicates no investment threshold exists, while a Low assessment indicates an investment threshold of USD 2,000.

HSA Features

Tax Benefits

HSAs offer exceptional tax advantages—better than those of 401(k)s, IRAs, and 529 plans. HSA contributions are tax-deductible, and growth, dividends, and interest are tax-exempt. Furthermore, withdrawals for qualified medical expenses incurred at any time are tax-free. Exhibit 3 shows the tax impact of the triple-tax-favored HSA account on a USD 10,000 investment compared with each of the other account types, including a regular taxable account. The illustration assumes a consistent marginal tax rate of 15% and a cumulative 20-year return of 200%, which amounts to a 5.6% compounded annualized gain. Also, there's no penalty for having saved money over and above medical expenses in an HSA during the participant's lifetime, and withdrawals after age 65 are taxed the same as IRAs and 401(k)s. One caveat: Withdrawals before age 65 that aren't for qualified medical expenses trigger a 20%-plus income tax.

Exhibit 3 Triple Tax Benefit



Contribution limits for HSAs are rising, broadening their appeal. Exhibit 4 shows the 2026 caps. Newly approved legislation is set to significantly expand the user base for HSAs, too. The "One Big Beautiful Bill Act," passed in July 2025, allows individuals to contribute to HSAs if they are covered under a direct primary care service arrangement, receive remote healthcare services before meeting their deductible, or are enrolled in a bronze or catastrophic health care plan. A representative from one HSA provider we spoke to estimated that these provisions could expand the number of HSA participants by 3 million to 4 million people.

Exhibit 4 2026 Contribution and Limits for HSAs and HDHPs

2026 HSA/HDHP Details	Single (USD)	Family (USD)
HSA Contribution Limit (Aged 54 or Lower)	4,400	8,750
HSA Contribution Limit (Aged 55 and Above)	5,400	10,750
Minimum Deductible for Qualifying HDHP	1,700	3,400
Maximum Out-of-Pocket Expenses for HDHP	8,500	17,000

Source: Internal Revenue Service.

High-deductible health plans, or HDHPs, are now far more common than they were when HSAs were first created via the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which has helped fuel asset growth (see Exhibit 11). HSAs make such plans more attractive. Exhibit 5 demonstrates that HDHP's lower insurance premiums and employer contributions to HSAs outweigh the lower maximum deductibles of other health insurance plans, like preferred provider organizations. And if an HDHP participant doesn't hit the maximum deductible each year, that money stays in the HSA, earning interest or seeking higher returns in other investment options. That said, high medical costs could keep participants from building up their HSA balances.

Exhibit 5 Comparing the Average HDHP and PPO Insurance Plans

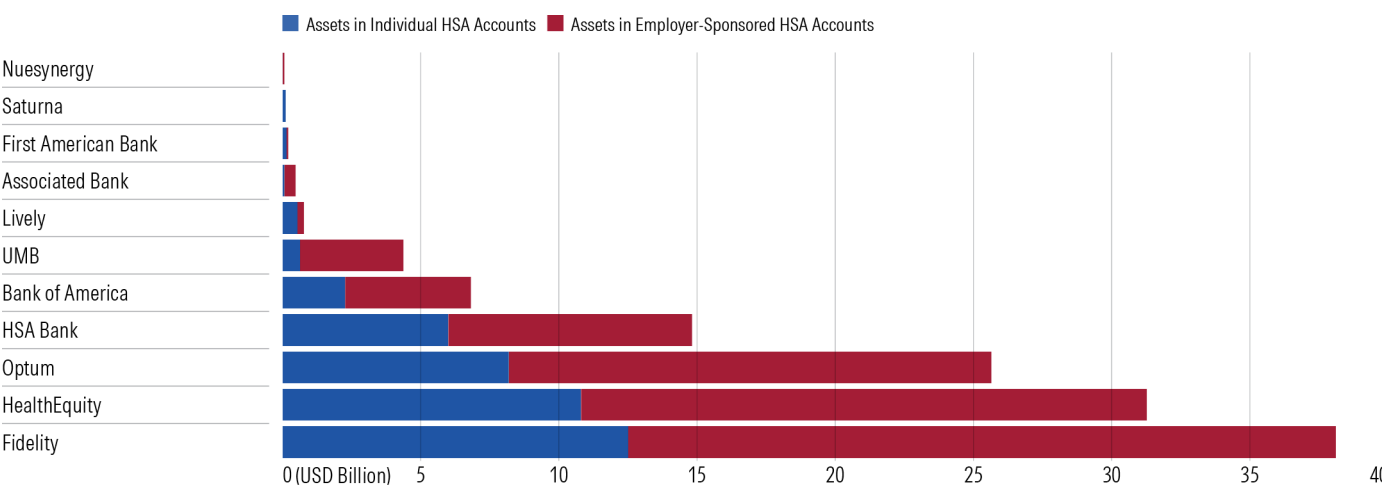
Insurance Plan	Annual Deductible (USD)	Annual Worker Contribution to Premium (USD)	Employer Contribution to HSA (USD)
Average PPO	2,770	6,609	0
Average HDHP	4,991	5,662	1,297
Difference	-2,221	947	-1,297

Source: Kaiser Family Foundation's 2024 Employee Health Benefits Survey.

Employer HSA Options

Individuals who are eligible to start HSAs should consider their employer's plan. Exhibit 5 shows that many employers contribute to those accounts. That can help participants build savings. Exhibit 6 shows that such accounts tend to garner more assets.

Exhibit 6 Assets in Individual and Employee Accounts (USD Billions)



Source: Morningstar, Inc. Data as of June 30, 2025. Associated Bank assets as of June 30, 2024. HealthEquity assets as of April 30, 2025.

Even after choosing an HSA, participants should look out for better options, as HSAs are more portable than 401(k)s for participants who stay with the same employer (see Exhibit 7). Many providers, however, charge a transfer fee of about USD 25 to move assets from one HSA to another, which can reduce the benefits of switching. Morningstar's HSA assessments can help participants decide whether to stay or switch.

Exhibit 7 HSA Transfer Options

Method	Account Funding	Transfer Mechanism	Tax Implications	Frequency
Transfer	Payroll Deduction	Provider > Provider	No	As needed
Rollover	Payroll Deduction	Provider > Employee > Provider	Potentially	Once every 12 months
Self	Self-Funded	Employee > Provider	Yes	As needed

Source: Morningstar.

Using an HSA for Investing

Many participants don't or aren't able to take advantage of HSAs' investing feature: An average of 73% of the clients of the surveyed providers only use their accounts for spending.

Participants may not be able to meet and maintain the minimum investment account balances most providers require. At the end of 2023, the average American spent roughly USD 14,570 on healthcare, according to the Centers for Medicare & Medicaid Services, which, for many HSA participants, would not leave much for longer-term investment.

For 2026, the maximum HSA contribution for an individual aged 54 or younger is USD 4,400.

Those who do use their HSAs as long-term investment accounts must consider factors that don't apply to standard retirement plans. Because at least some HSA money may be needed to cover sudden medical expenses, it makes sense to limit aggressive investments to a small portion of holdings. Exhibit 8 demonstrates the outcomes of four recent market downturns using mutual funds with varying risk levels that are staples of many HSA providers' investment menus. Each case assumes an HSA investing account balance of USD 20,000, which is close to the average among surveyed providers. If participants need to use that money during downturns, they can lock in a loss of principal that could have grown in the future.

Exhibit 8 Balancing Risk Profile and Tolerance with Potential HSA Needs

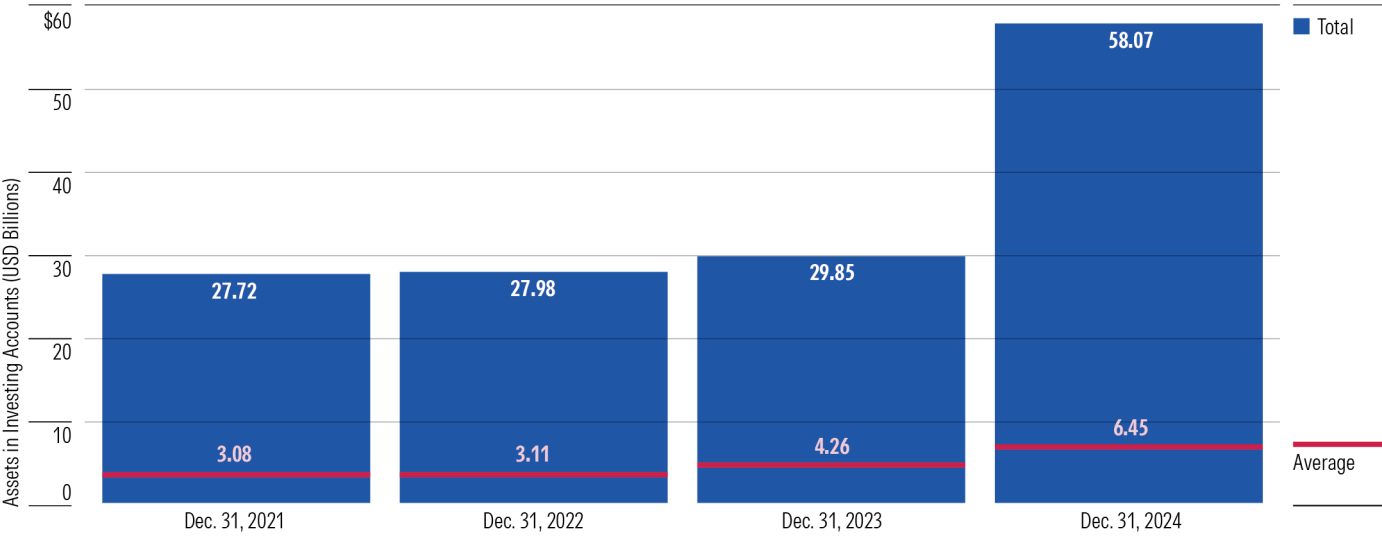
Fund Name	Ticker	Morningstar Medalist Rating	Equity Target (%)	2018 Q4 Selloff Sept. 18 – Dec. 24		2020 COVID Turmoil Feb. 20 – March 23		2022 Inflation Concerns Jan. 1 – Dec. 31		2025 US Equity Drawdown Feb. 19 – April 8	
				Return (%)	Ending Balance (\$)	Return (%)	Ending Balance (\$)	Return (%)	Ending Balance (\$)	Return (%)	Ending Balance (\$)
Vanguard 500 Index	VFIAX	 Gold	100	-19.4	16,125	-33.8	13,239	-18.2	16,370	-18.6	16,288
Vanguard Target Retirement 2050	VFIFX	 Silver	90	-16.2	16,762	-31.3	13,731	-17.5	16,508	-14.5	17,092
Vanguard LifeStrategy Growth	VASGX	 Silver	80	-14.3	17,136	-28.5	14,294	-17.1	16,582	-12.9	17,422
Vanguard LifeStrategy Moderate Growth	VSMGX	 Silver	60	-10.5	17,891	-22.4	15,514	-16.0	16,800	-9.6	18,076
Vanguard LifeStrategy Conservative Growth	VSCGX	 Silver	40	-6.6	18,674	-15.9	16,825	-15.0	17,002	-6.1	18,776
Vanguard LifeStrategy Income	VASIX	 Silver	20	-2.6	19,485	-8.9	18,215	-13.9	17,214	-2.6	19,480

Source: Morningstar Direct. Data as of Aug. 30, 2025.

Investors in HSAs Have Shown Resiliency in Recent Years

Broad equity and bond indexes, such as the S&P 500 and Bloomberg US Aggregate Bond Index, suffered double-digit declines in 2022. Despite these losses, both the total and average assets in HSA investing accounts among the providers Morningstar surveyed rose from the end of 2021 to the end of 2022. Those figures continued to grow in 2023 and 2024 when equity and fixed-income returns were much more favorable. And despite tariff concerns leading to a substantial decline early in the spring of 2025, investing account balances were markedly higher by midyear compared with 12 months earlier. Most providers reported that the percentage of participants who started investing increased in 2021, 2022, 2023, and 2024.

Exhibit 9 HSA Investing Account Assets Continue to Rise



Source: Morningstar, Inc. Data as of June 30, 2025. Bank of America, NueSynergy, and Optum are not included in 2023 data. Associated Bank is not included in 2024 data.

Encouraging More Participation

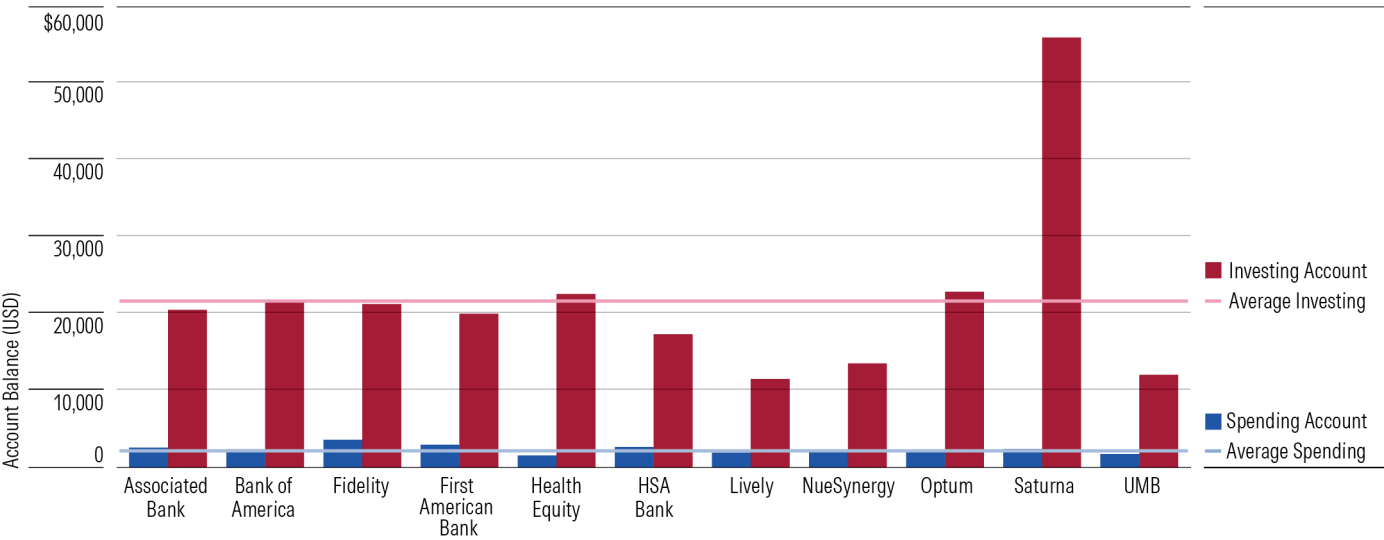
HSA providers and regulators can do more to motivate HSA participants to take advantage of their plans' investment features. While employers can automatically enroll employees in employer-sponsored retirement plans, the government has not yet allowed them to do the same for employees who are eligible for HSAs. Automatic enrollment has boosted retirement plan participation.

Another barrier to increased HSA investing is that participants sometimes aren't aware of investment-account options. Providers could simplify the account-opening process and better teach participants both how to transfer between the two account types and about the benefits of long-term investing. Providers that offer better guidance and tools tend to have higher average investment account balances. Exhibit 10 shows investing and spending account balances for the surveyed providers; note that Saturna offered an investing-only HSA before launching a new offering in 2023.

We spoke to executives from several HSA providers recently, and one clear trend is that they are attempting to improve users' online experience. Providers indicated that they are investing heavily in

artificial intelligence in ways that should allow participants to receive more personalized data and recommendations.

Exhibit 10 Average Account Balances (USD)



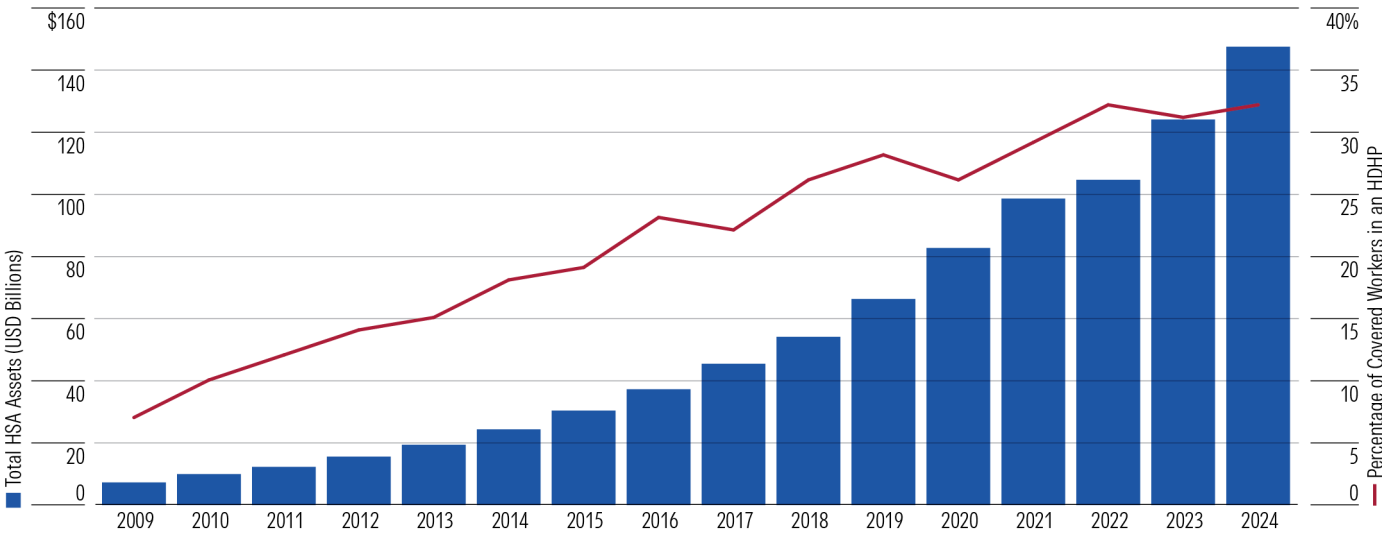
Source: Morningstar, Inc. Data as of June 30, 2025. Associated Bank data as of June 30, 2024.

Many HSA providers also require minimum account balances before participants can invest. Given the relatively low USD 2,500 average spending account balance among surveyed providers, many participants may fall short of those investment thresholds.

Industry Leaders and Asset Growth

HSAs were introduced in 2003 to make HDHPs more attractive. Exhibit 11 suggests that the strategy has worked. The increasing adoption of HDHPs has coincided with HSA asset growth. The percentage of workers in employer-sponsored medical insurance plans that have chosen HDHPs grew from roughly 7% in 2006 to 32% by the end of 2024. Over the same period, HSA assets rose to USD 146 billion from about USD 5 billion.

Exhibit 11 Growth of HSA Assets and Percentage of Covered Workers With a High-Deductible Health Plan

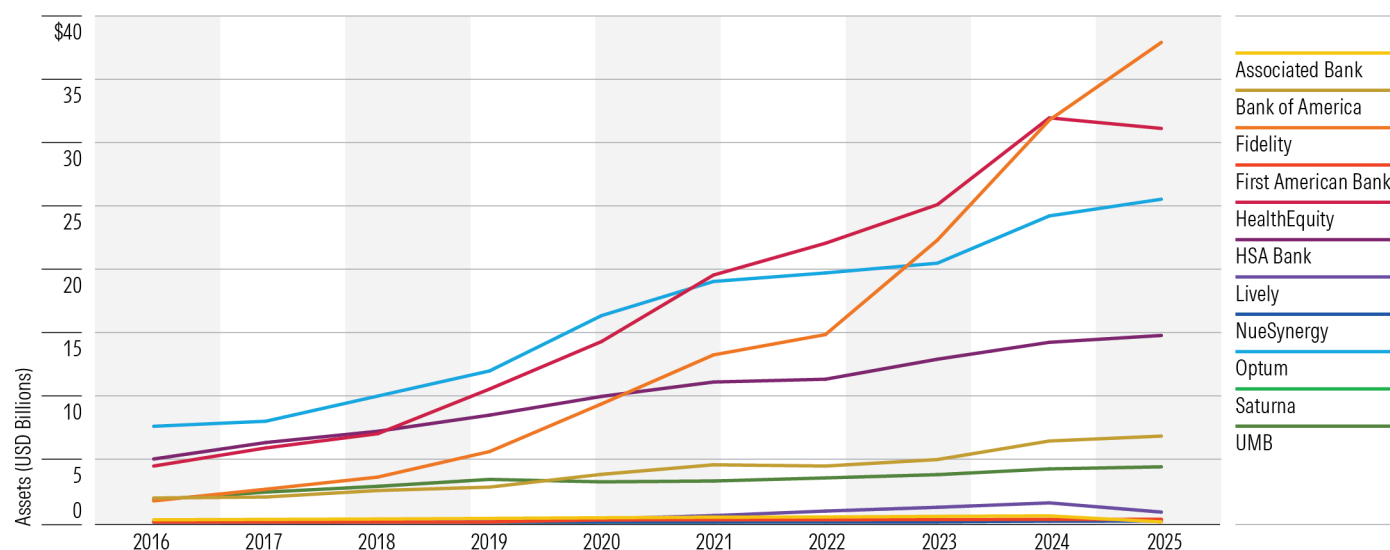


Source: Devenir and Kaiser Family Foundation Employer Health Benefits 2024 Annual Survey. Data as of Dec. 31, 2024.

Four providers have dominated the HSA industry: Fidelity, HealthEquity, Optum, and HSA Bank. However, Exhibit 12 shows that HSA Bank has lost ground to the other three.

HealthEquity, which has grown in part through multiple acquisitions, passed Optum in 2021. The growth of Fidelity’s seven-year-old accounts, which offer industry-leading interest rates, has found a new gear since interest rates rose in 2022 and 2023, and it now leads the pack.

Executives from HSA providers also stated in interviews with Morningstar that fees and customer service are among the biggest drivers of market share. As Morningstar’s assessments show, Fidelity has been one of the leaders in keeping a lid on additional costs to participants, beyond the fees of underlying investments.

Exhibit 12 Total HSA Assets by Provider (USD Billions)

Source: Morningstar, Inc. HealthEquity data as of April 30, 2025. Lively's 2023 data is as of June 30, 2023, and its 2024 data is as of June 30, 2024. Associated Bank 2024 data is as of June 30, 2024.

The HSA industry consolidated significantly from mid-2019 to mid-2022; providers that this paper used to cover, including HSA Authority, have been acquired, though there have been few significant deals since interest rates started rising three years ago.

Exhibit 13 Notable Acquisitions in the HSA Industry

Date	Acquirer	Acquiree	HSA Assets (USD Billions)
Aug. 30, 2019	HealthEquity	WageWorks	1.70
Sept. 29, 2021	HealthEquity	Fifth Third HSA portfolio	0.49
Nov. 1, 2021	HealthEquity	Further	1.90
Feb. 18, 2022	HSA Bank	Bend	0.02
March 2, 2022	HealthEquity	HealthSavings HSA portfolio	1.30
June 1, 2022	Millennium Trust	PayFlex	3.70
June 27, 2022	UMB	HSA Authority	0.50
May 14, 2024	HealthEquity	Conduent (BenefitWallet)	2.70
Sept. 2, 2025	UMB	Old National	0.03

Source: Corporate filings. Data as of June 2025.

Spending Account Analysis

Best practices for spending accounts:

- No ongoing maintenance fees.
- Competitive interest rates on account balances.
- Few or no additional fees.
- FDIC insurance on the spending account.

Summary of Spending Account Assessments

Participants use HSAs as spending accounts far more often than they do as investment platforms, so it's important to evaluate spending account features. Some aspects of such accounts are becoming more attractive. Rising interest rates have allowed them to pay higher interest, and fewer providers charge an ongoing maintenance fee now than in the past.

Exhibit 14 Morningstar Assessments of HSAs as Spending Accounts

Provider	Overall	Score	Maintenance Fee	Score	Interest Rate	Score	Additional Fees	Score
Fidelity	High	5.0	High	5	High	5	High	5
First American Bank	Above Average	4.1	High	5	Below Average	2	Average	3
HealthEquity	Above Average	3.8	High	5	Low	1	Average	3
HSA Bank	Above Average	3.8	High	5	Low	1	Above Average	4
Lively	Above Average	3.8	High	5	Low	1	High	5
Saturna	Above Average	3.8	High	5	Low	1	Above Average	4
UMB	Above Average	3.8	High	5	Low	1	Above Average	4
Associated Bank	Average	3.4	Above Average	4	Below Average	2	Above Average	4
Nuesynergy	Average	3.1	Above Average	4	Low	1	Above Average	4
Optum	Below Average	2.4	Average	3	Low	1	Above Average	4
Bank of America	Below Average	2.0	Below Average	2	Below Average	2	High ↑	5

↑ = Upgrade since last year; ↓ = Downgrade since last year.

Source: Morningstar, Inc. Assessments as of Aug. 31, 2025. High or Above Average assessments for Maintenance Fee and Additional Fees indicate attractive fees, while Low or Below Average assessments indicate unattractive fees. The Additional Fees score is listed above for investors' convenience but is not considered in the overall assessment.

Fidelity, for the fourth year in a row, is the only HSA provider to earn an overall assessment of High for its spending account features. The wide gulf between Fidelity's interest rate—2.19% on all balances—and those of the other 10 providers (none exceeded even 1.00%) drove most scoring differences. Although some of the 10 other providers paid more than they did before interest rates rose, none paid as much as the average FDIC-insured money market fund on average spending account balances.

Maintenance fees are also an important consideration. Seven of the 11 providers surveyed don't charge such a fee on any size account, the same as the past two years and more than 2021's total of five. The number of additional fees remains stable, with most providers charging for a handful of services that participants may or may not use, such as a debit card replacement or paper statements.

Methodology

Exhibit 15 explains the factors that determine these assessments.

Exhibit 15 Spending Account Methodology Framework

	Criteria Evaluated	Best Practices	Scoring Framework	Weight
Maintenance Fees	Does the provider charge a monthly fee and waive it when assets hit a certain threshold? If so, does it waive all or part of the fee when assets reach a certain threshold?	Providers do not charge a maintenance fee regardless of the account's balance.	High: No maintenance fee. Above Average: A maintenance fee less than \$50 per year that's waived once assets reach \$2,500. Average: A maintenance fee less than \$50 per year that's waived once assets reach \$5,000. Below Average: A maintenance fee less than \$50 per year that's never waived or only waived once assets exceed \$5,000. Low: A maintenance fee of \$50 or more per year that's never waived or only waived once assets exceed \$5,000.	70%
Interest Rate	What interest rates do providers offer on varying account balances?	The account's assets earn a reasonable interest rate.	Interest-rate scores are determined based on a provider's interest-rate schedule. Interest-rate scores are more subject to change year over year because it is a relative rank to other HSA providers in our report. We also compared interest rates offered by each provider with the average national savings account interest rate.	30%
Additional Fees	Does the provider levy other fees, such as for excess contributions or paper statements?	Providers do not have any one-off fees.	High: No additional fees. Above Average: One to five additional fees. Average: Six to 10 additional fees. Below Average: Eleven to 15 additional fees. Low: Sixteen-plus additional fees.	0%
Overall Assessment	Our evaluations are limited to offerings with FDIC insurance. The HSA industry remains young, and FDIC insurance gives us—and participants—confidence that healthcare spending dollars are protected from a catastrophic event at the provider.		Score = (0.7*Maintenance Fee score) + (0.3*Interest Rate score)	

Maintenance fees determine 70% of the overall assessment. Interest rates, which rose sharply in 2022 and early 2023, constitute the other 30%. We document the number of additional fees charged by providers, but they don't affect the scoring: Very few participants pay any of them because they rarely make use of those services, according to our surveys. These weightings may change as the industry evolves.

High Assessments

Fidelity stands alone, and with good reason. It recently paid a 2.19% interest rate on all balances, while most other providers start with very low rates (often 0.10% or less) for small balances, and the average spending account balance was relatively modest at roughly USD 2,500. Even the rates other providers pay for larger balances don't come close to Fidelity's payout. The firm also doesn't charge a maintenance fee.

Above Average Assessments

All six HSA providers at this level—First American, HealthEquity, HSA Bank, Lively, Saturna, and UMB—don't charge maintenance fees either, but their spending account interest rates are minuscule at low balance levels. (See Exhibits 16 and 17.) None paid more than 0.30% on a spending account balance of USD 2,500. First American pays as much as 0.75% but only on account balances of USD 100,000 or more.

Average Assessments

Only Associated Bank and NueSynergy receive Average assessments. Associated waives maintenance fees for the first 12 months and then waives them on an ongoing basis for balances of USD 2,500 or more. Balances below that may pay as much as USD 36 annually. The bank paid an interest rate of 0.15% on a USD 2,500 balance. NueSynergy charges a USD 24 maintenance fee on balances below USD 2,000 and pays a 0.1% interest rate on USD 2,500 balances.

Below Average Assessments

Bank of America and Optum garner the lowest scores. The providers charge respective USD 30 and USD 33 maintenance fees. Bank of America does not waive its fee, while Optum does waive its fee when balances reach USD 3,000. Bank of America does pay a 0.30% interest rate on spending accounts when the balance exceeds USD 2,500. Optum pays just 0.06% at that level, a slight increase over previous years.

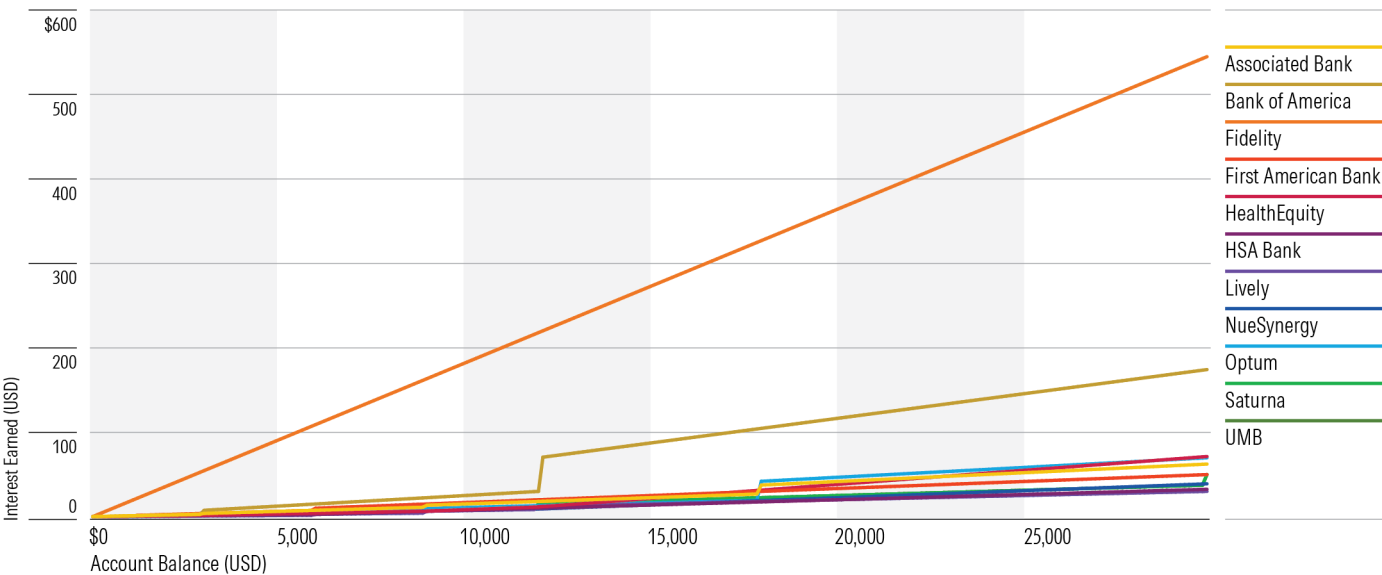
No providers earned a Low assessment for their spending accounts.

Exhibit 16 Interest-Rate Assessments

Provider	Assessment	Interest Schedule Type	Interest Rate Schedule				
			2.19%				
Fidelity	High	Entire Balance	1 USD				
Associated Bank	Below Average	Entire Balance	0.12%	0.15%	0.18%	0.25%	
			1 USD	2,500 USD	7,500 USD	15,000 USD	
Bank of America	Below Average	Entire Balance	0.10%	0.30%	0.70%		
			1 USD	2,500.01 USD	10,000.01 USD		
First American Bank	Below Average	Entire Balance	0.05%	0.15%	0.20%	0.40%	0.75%
			1 USD	1,000 USD	5,000 USD	50,000 USD	100,000 USD
HealthEquity	Low	Progressive	0.05%	0.10%	0.20%	0.40%	
			1 USD	2,000 .01 USD	7,500.01 USD	10,000 USD	
HSA Bank	Low	Progressive	0.05%	0.15%	0.30%	0.50%	
			1 USD	5,000 USD	25,000 USD	50,000 USD	
Lively	Low	Entire Balance	0.02%	0.03%	0.06%	0.09%	0.12%
			1 USD	2,501 USD	5,001 USD	7,501 USD	10,001 USD
NueSynergy	Low	Progressive	0.05%	0.10%	0.20%	0.40%	
			1 USD	2,000 USD	10,000 USD	25,000 USD	
Optum	Low	Entire Balance	0.03%	0.06%	0.13%	0.28%	
			1 USD	2,000 USD	5,000 USD	15,000 USD	
Saturna	Low	Entire Balance	0.05%	0.10%	0.15%	0.20%	0.50%
			1 USD	5,000 USD	10,000 USD	25,000 USD	50,000 USD
UMB	Low	Entire Balance	0.05%	0.10%	0.15%	0.20%	0.50%
			1 USD	5,000 USD	10,000 USD	25,000 USD	50,000 USD

Source: Morningstar, Inc. Interest rates are received from the providers or pulled from their websites. Data as of June 30, 2025.

Exhibit 17 Interest Dollars Earned on Different Account Balances

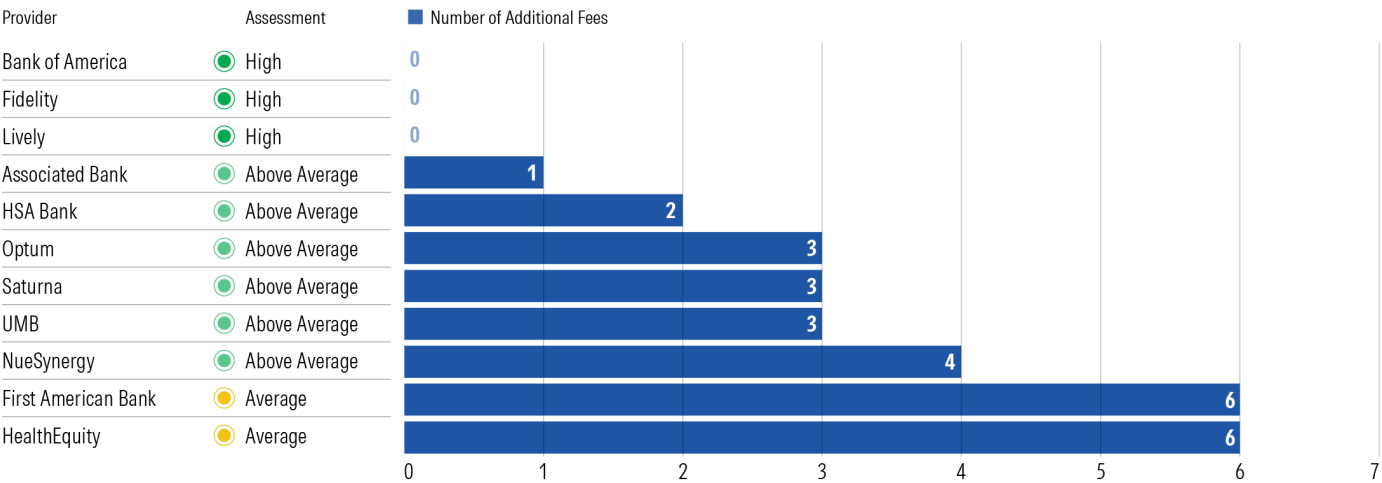


Morningstar, Inc. Interest rates are received from the providers or pulled from their website. Data as of June 30, 2025.

Additional Fees

Three HSA providers surveyed—Bank of America, Fidelity, and Lively—don't charge any additional fees. While the other eight listed as many as six different charges, very few participants use those services.

Exhibit 18 Number of Additional Fees



Investing Account Analysis

Best practices for investing accounts:

- Investment menus that cover core areas and limit overlap and volatile or niche strategies.
- Investment options that earn Morningstar Medalist Ratings of Bronze or better.
- Low fees.
- No minimum balance in a spending account is required before investing.

Summary of Investment Account Assessments

Fidelity again earned the only High overall investment account assessment. Six others garnered Above Averages: Associated Bank, Bank of America, HealthEquity, HSA Bank, NueSynergy, and Saturna; the first two improved from Average a year earlier. The other four surveyed providers earned Average assessments. The industry saw an overall trend toward lower costs, so providers that did not keep pace with this trend sometimes saw Price downgrades, such as First American Bank, HealthEquity, and Optum. There were just a handful of other changes among the four elements of the investing account assessments, though Optum earned upgrades of both its menu design assessment after making improvements, and its investment threshold assessment after cutting that figure in half.

Exhibit 19 Morningstar Assessments of HSAs as Investment Accounts

Provider	Overall	Score	Menu Design	Score	Quality of Investments	Score	Price	Score	Investment Threshold	Score
Fidelity	High	4.6	Above Average	4	Above Average	4	High	5	High	5
HSA Bank	Above Average	4.2	Above Average	4	Above Average	4	High ↑	5	Average	3
Associated Bank	Above Average ↑	3.8	High	5	Above Average	4	Average ↑	3	Above Average	4
HealthEquity	Above Average	3.8	Average	3	Above Average	4	Above Average ↓	4	Above Average	4
Nuesynergy	Above Average	3.8	Average	3	High	5	Above Average	4	Average	3
Bank of America	Above Average ↑	3.6	Average	3	Above Average	4	Above Average ↑	4	Average	3
Saturna	Above Average	3.6	High	5	High	5	Below Average	2	Above Average	4
UMB	Average	3.4	Below Average	2	Above Average	4	Above Average ↑	4	Average	3
Lively	Average	3.2	High	5	Above Average	4	Low	1	High	5
First American Bank	Average	2.8	Average	3	Above Average	4	Below Average ↓	2	Average	3
Optum	Average	2.6	Above Average ↑	4	Above Average	4	Low ↓	1	Average ↑	3

↑ = Upgrade since last year, ↓ = Downgrade since last year.

Source: Morningstar, Inc. Assessments as of Aug. 31, 2025. High or Above Average assessments for Price indicate attractive fees, while Low or Below Average assessments indicate unattractive fees. A High assessment for Investment Threshold indicates no investment threshold exists, while a Low assessment indicates an investment threshold of USD 2,000.

Methodology

We made one change to our methodology in 2025: When calculating dollar-based fees to percentage terms, we raised the investing account balance to USD 20,000 from USD 14,000 to more closely approximate the average balance, which rose substantially in the past year.

Consistent with the past three years, we averaged underlying fund fees and counted each target-date and target-risk series as a single strategy. Exhibit 20 explains the factors that determine the investment account assessments.

Exhibit 20 Investment Account Methodology Framework

	Criteria Evaluated	Best Practices	Scoring Framework	Weight												
Menu Design	The asset classes available to investors through the investment menu.	Offer investment strategies in all core asset classes while limiting overlap among options.	High: Covers all the core asset classes and offers essentially no overlap. Above Average: Leaves modest room for improvement, such as overlap in several asset classes or the presence of one niche fund. Average: Overlap across the menu and/or more than one niche sector strategy available. Below Average: Large lineups with excessive overlap and/or multiple niche funds available. Low: An overwhelming amount of options that makes the menu very difficult to navigate.	20%												
Quality of Investments	A forward-looking assessment of how the funds in the investment menu will perform.	Provide strong investment strategies that earn Morningstar Medalist Ratings of Bronze or better.	Utilizing Morningstar Medalist Ratings, we created a numerical scale to calculate an Average Quality Score. <table><tr><td>Rating:</td><td> Gold</td><td> Silver</td><td> Bronze</td><td>Neutral</td><td>Negative</td></tr><tr><td>Score:</td><td>5</td><td>4</td><td>3</td><td>2</td><td>1</td></tr></table> Scores correspond to the following ratings: High: 4.50 to 5.00 Above Average: 3.50 to 4.49 Average: 2.50 to 3.49 Below Average: 1.50 to 2.49 Low: 0 to 1.49	Rating:	 Gold	 Silver	 Bronze	Neutral	Negative	Score:	5	4	3	2	1	20%
Rating:	 Gold	 Silver	 Bronze	Neutral	Negative											
Score:	5	4	3	2	1											
Price	The total cost imposed on an investor, including maintenance fees, investment fees, and underlying fund fees.	Charge low fees for both active and passive strategies.	Price scores are determined based on a provider's total fees (including underlying fund fees, maintenance fees, and investment fees). We converted dollar-based fees to percentage terms, assuming an investment account balance of USD 20,000 and a spending account balance of USD 2,500. Then we calculated the average expense ratio of all strategies offered by a provider--counting one target-date fund per series where offered--to determine the underlying fund fee. Price scores are more subject to change year over year because it is a relative rank to other HSA providers included in our report.	40%												
Investment Threshold	The amount of money required to be kept in an investor's spending account prior to putting dollars toward investments.	Don't require investors to keep money in the spending account before investing, which creates an opportunity cost.	High: No investment threshold Above Average: USD 500 Average: USD 1,000 Below Average: USD 1,500 Low: USD 2,000+	20%												
Overall Assessment	Score = (0.2 *Menu Design score) + (0.2 *Quality of Investments score) + (0.4 *Price score) + (0.2 *Investment Threshold score)		High ≥ 4.5 Above Average = 3.5 < 4.5 Average = 2.5 < 3.5 Below Average = 1.5 < 2.5 Low < 1.5													

Source: Morningstar Inc. Assessments as of Aug. 31, 2025.

Exhibit 20 Investment Account Methodology Framework (Continued)					
Investment Threshold	The amount of money required to be kept in an investor's spending account prior to putting dollars toward investments.	Don't require investors to keep money in the spending account before investing, which creates an opportunity cost.	High: Above Average: Average: Below Average: Low:	No investment threshold \$500 \$1,000 \$1,500 \$2,000+	20%
Overall Assessment	Score = (0.2 *Menu Design score) + (0.2 *Quality of Investments score) + (0.4 *Price score) + (0.2 *Investment Threshold score)		High ≥ 4.5 Above Average = 3.5 < 4.5 Average = 2.5 < 3.5 Below Average = 1.5 < 2.5 Low < 1.5		

Source: Morningstar, Inc. Assessments as of Aug. 31, 2025.

Menu Design

Best Practice

HSA providers should offer investment menus that are easy to navigate, are focused on high-quality active and passive options, and don't include a lot of investment overlap or volatile niche funds. Research has shown that too many choices can overwhelm investors and impair their results. Of the nine providers who disclosed the average number of funds their participants owned, all but two said they held two to four funds. The most attractive menus have two strong core options—perhaps an active and a passive choice—in the most important asset classes, US large-cap stocks, US smaller-cap stocks, non-US stocks, and US investment-grade bonds. One solid, relatively less volatile choice in narrower areas such as emerging-markets equities and high-yield debt is generally enough. Niche specialty funds, such as those focused on a single stock sector, are typically too volatile and hard to use responsibly for these accounts.

Exhibit 21 Investment Menu Design

Allocation			
Target-Date Series	At least one		
Target-Risk Series			
Other Allocation			
Equity	Value	Blend	Growth
US Large Cap	At least one		
US Mid Cap	At least one		
US Small Cap			
International Developed	At least one		
World Stock			
Emerging Markets	One is plenty		
Specialty Equity	Not necessary		
	Cash Equivalent / Short Term	Core	Specialty Fixed Income
Fixed Income	At least one	At least one	One is plenty
Alternatives / Other	Not necessary		

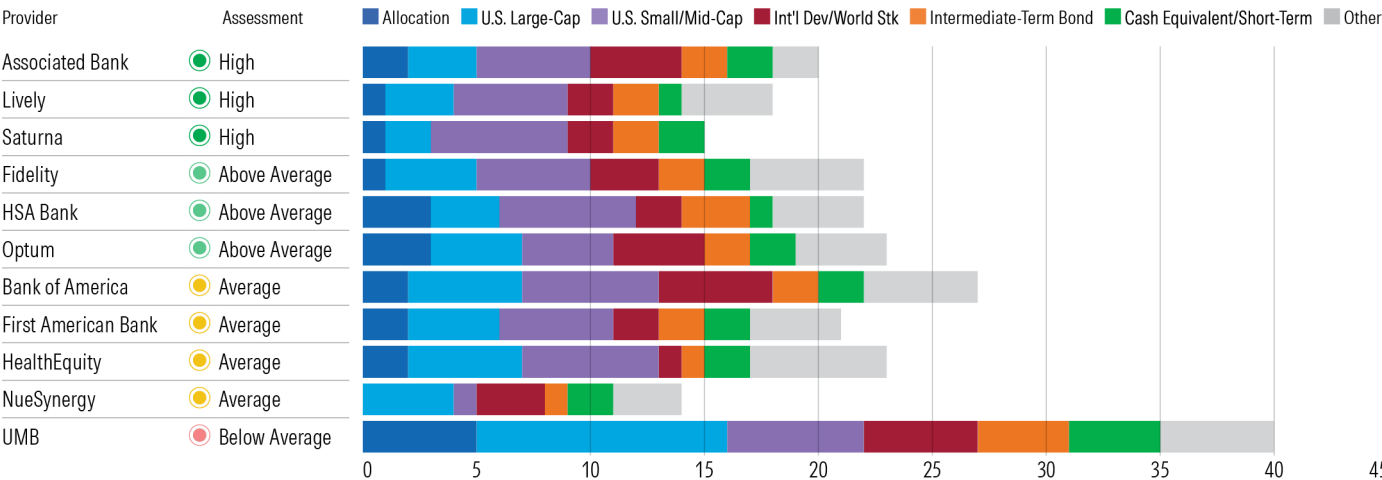
Source: Morningstar, Inc.

Menus with a reasonable number of options strike the best balance between offering broad diversification and keeping the number of strategy choices manageable. All but two of the 11 HSA providers land in a range of 14-23.

Menu Design Assessments

The number of strategies isn't the only factor. Coverage of core asset classes and limiting the number of niche options and strategy overlap are important, too.

Exhibit 22 Menu Design Assessment



Source: Morningstar, Inc. Data as of Aug. 31, 2025. A target-date series and a target-risk series each count as one option.

High Menu Design Assessments

Associated Bank, Lively, and Saturna retain their High assessments from a year ago. Each offers a menu that covers all the core asset classes, includes passive choices, limits overlap, and keeps a lid on niche offerings.

Above Average Menu Design Assessments

Fidelity continues to earn an Above Average assessment. Participants can build well-diversified portfolios and don't have too many strategies to sift through. The plan does offer two emerging-market equity strategies (one active and one passive) when one strong one would do. HSA Bank's menu is focused on core strategies and has few niche offerings. Optum's list scored the lone upgrade by adding more dedicated non-US equity vehicles and trimming the number of narrow options: The menu now has one high-yield bond fund instead of two.

Average Menu Design Assessments

Bank of America, First American, HealthEquity, and NueSynergy make up this group. Their menus hit most of the essential areas but also have shortcomings. Bank of America and HealthEquity offer more specialty strategies than most. Bank of America's menu is the only one covered that offers a commodities strategy. HealthEquity has a materials sector fund on its menu. First American earned an upgrade from Below Average in 2024, but it offers a tactical allocation strategy, which can have an unpredictable risk profile. NueSynergy's menu of broad exchange-traded funds lacks allocation options, which have wide appeal for investors.

Below Average Menu Design Assessments

UMB scored the lowest, with a Below Average assessment. UMB earned a High mark for its menu design in 2022, but the provider then roughly doubled the size of its menu to 40 strategies, introducing strategy overlap and making it tougher for individuals to navigate. The menu hasn't changed since.

No providers earned a Low for menu design.

Quality of Investments

Best Practice

HSA providers should offer strong investment strategies that earn Morningstar Medalist Ratings of Bronze or better. This group of 11 firms does that. NueSynergy and Saturna earn a High assessment based on Morningstar Medalist Ratings, and the other nine are rated Above Average. NueSynergy's fund offerings include no Neutral- or Negative-rated funds, and 64% of its menu was Gold-rated as of September 2025. Eighty-three percent of Saturna's menu was Gold-rated, and just two of its funds were Neutral-rated, while none were Negatives. Just one provider, UMB, had a Negative-rated fund on its menu, and four providers had no Neutral-rated funds. Utilizing a numerical scale, with 1 as a Negative rating and 5 as a Gold, the lineups scored an average of 4.19. Funds placed under review were omitted from the Average Quality Score. Funds with Gold, Silver, or Bronze ratings made up at least 86% of each lineup.

Exhibit 23 Quality of Investments Assessments

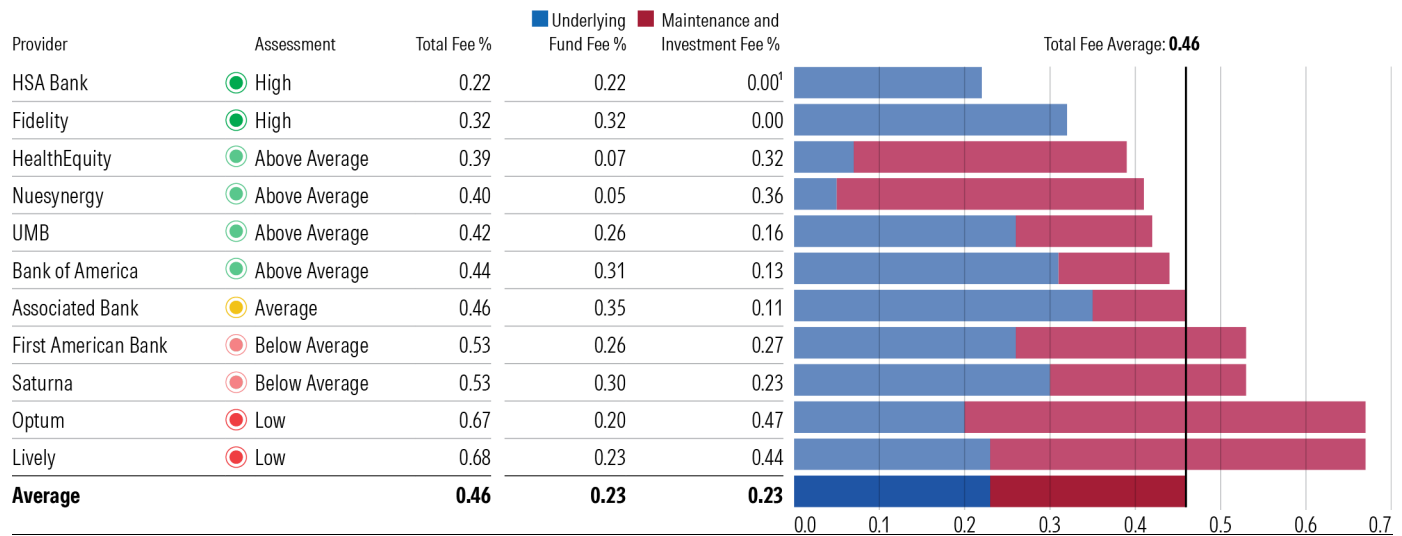
Provider	Assessment	Average Quality Score	Morningstar Medalist Rating %				
			 Gold	 Silver	 Bronze	Neutral	Negative
Saturna	 High	4.65	82.61	8.70	0.00	8.70	0.00
NueSynergy	 High	4.57	64.29	28.57	7.14	0.00	0.00
HSA Bank	 Above Average	4.26	32.26	61.29	6.45	0.00	0.00
Fidelity	 Above Average	4.24	54.55	21.21	18.18	6.06	0.00
HealthEquity	 Above Average	4.21	36.36	51.52	9.09	3.03	0.00
UMB	 Above Average	4.16	37.25	49.02	7.84	3.92	1.96
First American Bank	 Above Average	4.15	33.33	51.85	11.11	3.70	0.00
Lively	 Above Average	4.05	20.00	65.00	15.00	0.00	0.00
Associated Bank	 Above Average	4.00	36.36	40.91	9.09	13.64	0.00
Optum	 Above Average	4.00	28.57	42.86	28.57	0.00	0.00
Bank of America	 Above Average	3.85	17.95	56.41	17.95	7.69	0.00
Average		4.19	40.32	43.39	11.86	4.25	0.18

Source: Morningstar, Inc. Data as of Aug. 31, 2025. A target-date series and a target-risk series each count as one option.

Price**Best Practice**

Providers should charge low fees for investment options.

The Price assessment is based on the average total fee an investor would incur in the investment account. The total fee includes the underlying fund, maintenance, and investment fees. The evaluation calculated the average expense ratio of the funds each provider offered to determine the costs of the underlying funds. It then assumed a USD 20,000 investment account balance and a USD 2,500 spending account balance to determine each provider's maintenance and investment fees. Price assessments range from High (the cheapest) to Low (the most expensive). Exhibit 24 shows each provider's Price assessment along with the calculated fees.

Exhibit 24 Price Assessments

¹ HSA Bank has a 0.25% custodial fee, which is waived for balances over \$7,500. Source: Morningstar, Inc. Data as of Aug. 31, 2025. Assumes USD 20,000 investment account balance and USD 2,500 spending account balance. Total Fee numbers may appear slightly larger or smaller than the sum of the two components because of rounding.

HSA fees have consistently declined since Morningstar began evaluating the accounts in 2017. Bank of America and, later, Fidelity distinguished themselves by offering investment accounts at no additional cost. Other providers have also reduced fees. HSA Bank still levies a 0.25% annual fee on investment account assets, but it's waived for balances over USD 7,500, and its maintenance fee waiver has also helped lower costs. Underlying fund fees have dropped as well, from an average of 0.29% two years ago to 0.23% at the end of September 2025.

Nine of these 11 providers don't charge maintenance fees for participants with these balances. However, Fidelity and now HSA Bank (at the balance levels we use) are the only ones that don't charge a maintenance, investment, or custodial fee, giving them a substantial advantage over the competition. Exhibit 25 shows the maintenance and investment fees charged by each provider. It also shows the total fee in dollars and as a percentage, assuming a USD 20,000 investment account balance.

Exhibit 25 Maintenance and Investment Fees

HSA Provider	Annual Fees			Fees assuming a USD 2,500 balance in Spending Account and USD 20,000 in Investing Account	
	Maintenance Fees (USD)	Investment Fee (USD)	Custodial Fee (%)	Total Annual Fee (USD)	Equivalent Expense Ratio (%)
Fidelity	—	—	—	0.00	0.00
HSA Bank	—	—	0.00 ¹	0.00	0.00
Associated Bank	0.00 ²	24	—	24.00	0.11
Bank of America	30	—	—	30.00	0.13
UMB	—	36	—	36.00	0.16
Saturna	—	—	0.26 ³	52.00	0.23
First American Bank	—	—	0.30	60.00	0.27
HealthEquity	—	—	0.36 ⁴	72.00	0.32
Nuesynergy	—	—	0.40	80.00 ⁵	0.36
Lively	—	—	0.50	100.00	0.44
Optum	33	—	0.36	105.00	0.47
Average				50.82	0.23

Source: Morningstar, Inc. Data as of Aug. 31, 2025.

¹ HSA Bank has a 0.25% custodial fee, which is waived for balances over USD 7,500.

² Associated Bank's USD 36 maintenance fee is waived when spending account assets surpass USD 2,500. The maintenance fee is also waived after the first 12 months for all customers.

³ Saturna charges a 0.3% fee on non-Saturna managed mutual funds; the 0.26% figure is a result of weighting the non-Saturna funds in its menu.

⁴ HealthEquity's custodial fee is capped at USD 10 per investor per month. The custodial fee is charged only on the first USD 33,333 of invested assets.

⁵ NueSynergy charges a minimum of USD 0.99 and a maximum of USD 10 per month.

High Price Assessments

HSA Bank's investment fee waiver, combined with a modestly priced fund lineup, vaults it to the top of the list as the cheapest provider. Fidelity drops to second: Its menu of underlying funds charges, on average, the second-highest expense ratio, but its lack of additional fees gives it a leg up on most peers.

Above Average Price Assessments

HealthEquity's 0.36% custodial fee is one of the highest account-based charges. However, its lineup of passive underlying funds is the second cheapest of the group. Bank of America, NueSynergy, and UMB also scored well. Bank of America's lack of an investment fee pushed it up to this level after an Average assessment last year. NueSynergy doesn't charge a maintenance fee, either. It does levy a hefty 0.40% custodial fee, but its all-ETF lineup is the cheapest of the bunch, with a low average expense ratio of just 0.05%. UMB charges dollar-based fees that are modest for the combined spending and investment account balances used here, while the cost of its fund lineup is roughly average. It also earned an upgrade from Average last year.

Average Price Assessments

Associated Bank charges a modest investment fee and waives its maintenance fee when spending account assets hit USD 2,500. These features offset the cost of the most expensive menu of underlying funds, meriting an upgrade from Below Average.

Below Average Price Assessments

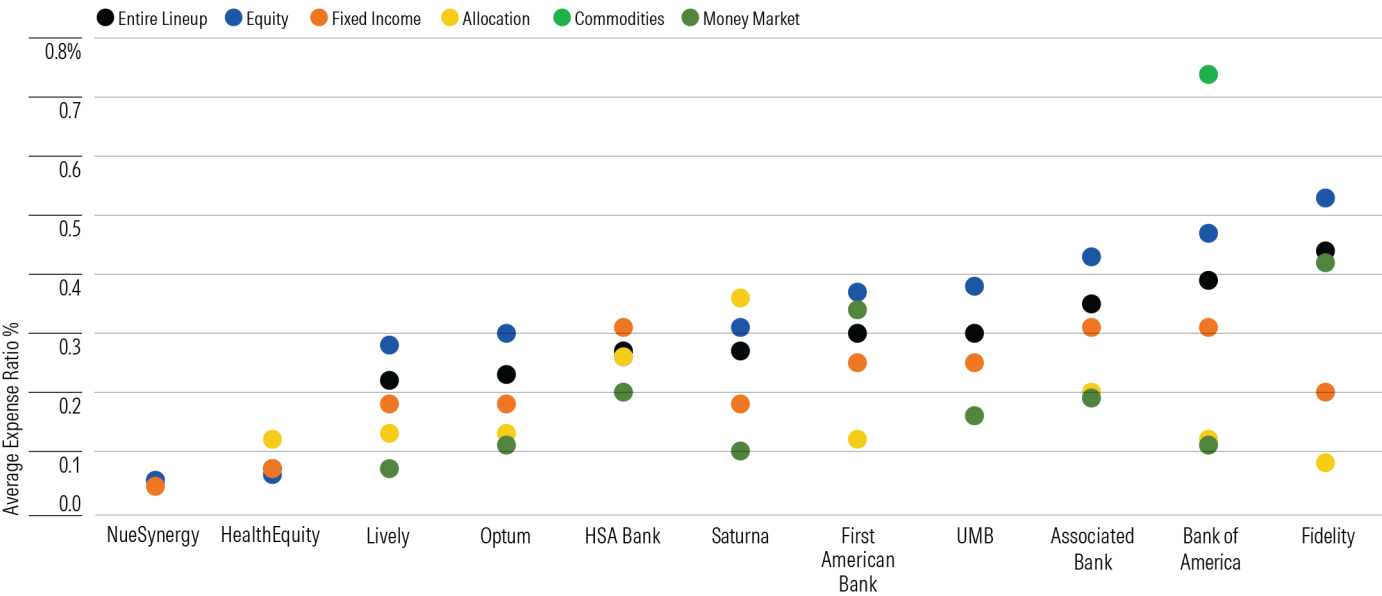
First American does not charge a maintenance fee, but its 0.30% custodial fee hurts its score and its fund menu isn't cheap. Saturna's investment fee and above-average fund expense ratios keep it at Below Average. The firm doesn't charge the investment fee on the two Saturna-managed options in its lineup, but those two funds' expense ratios are among the three priciest on that menu.

Low Price Assessment

Lively's 0.50% custodial fee, the highest in the group, more than offsets a fund lineup that charges an otherwise average-level fee. Optum charges a USD 33 maintenance fee as well as a 0.36% investment fee, resulting in a downgrade from Average despite a fund menu that charges a below-average expense ratio.

Exhibit 26 illustrates where HSA participants can best cut costs within these providers' fund menus.

Exhibit 26 All Providers Surveyed Offer Relatively Cheap, Broadly Diversified Allocation Strategies



Source: Morningstar, Inc. Data as of Aug. 31, 2025. Assumes a USD 20,000 investment account balance and a USD 2,500 spending account balance. Total Fee numbers may appear slightly larger or smaller than the sum of the two components because of rounding. Lineups with target-date funds included only the prospectus expense ratio of the 2040 target-date portfolio for the calculation of the average expense reflected in the Entire Lineup value.

Investment Threshold

Best Practice

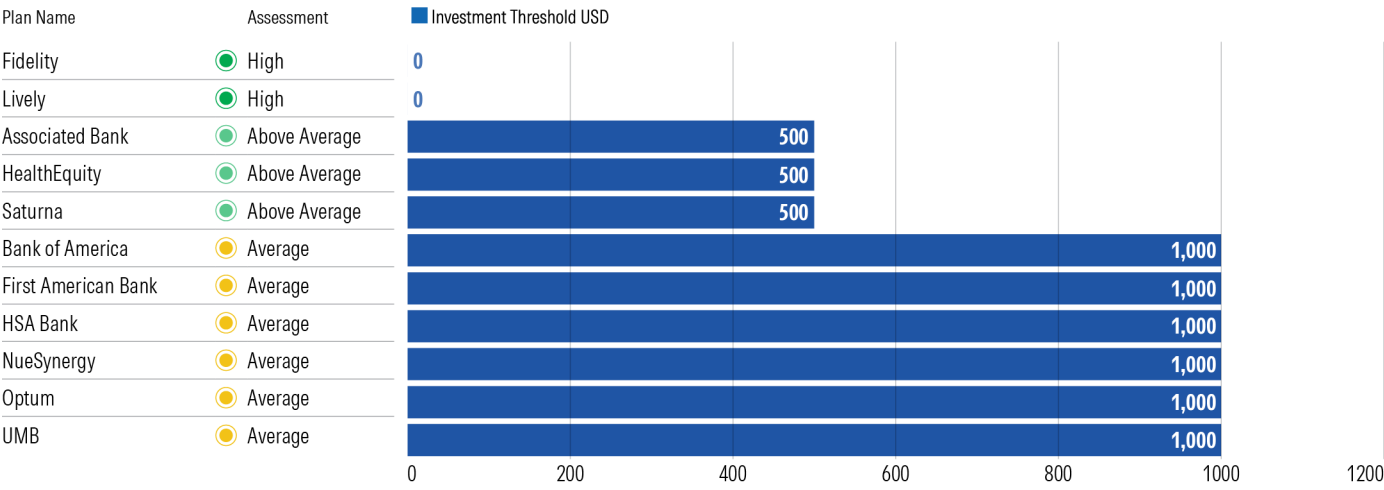
HSA providers should allow participants to invest without having to meet an account balance minimum.

Consider the opportunity costs imposed by such investment thresholds. While higher interest rates reduce the gap between what participants earn in their HSA spending accounts and what they could have earned in their investment accounts, they still can be forgoing a lot. Assume the average HSA investor has USD 22,500 in their account, can earn 6% annually, and garners an interest rate of 0.45%.

The annual opportunity cost of parking USD 1,000 in the checking account is USD 55.50. These opportunity costs can weigh on long-term results. HSA investors are better off selecting providers with a low or no investment threshold.

Fidelity and Lively each earn a High assessment for not requiring an investment threshold. Associated Bank, HealthEquity, and Saturna earn an Above Average assessment for their USD 500 minimums. Bank of America, First American Bank, HSA Bank, NueSynergy, Optum, and UMB each require a USD 1,000 balance and thus earn an Average assessment. Optum previously required a USD 2,000 threshold that merited a Low assessment. ||||

Exhibit 27 Investment Threshold Assessments



Source: Morningstar, Inc. Data as of Aug. 31, 2025.

Appendix

HSA Terms, Definitions, and Tax Advantages

High-Deductible Health Plan: A health insurance plan with lower premiums and higher deductibles than other plan types, such as a PPO.

Health Savings Account: A tax-privileged medical savings account available to HDHP enrollees.

Health Savings Provider: A firm that offers HSAs.

Deductible: As of 2025, to qualify for an HSA, an HDHP must have a deductible of at least USD 1,600 for self-only coverage or USD 3,200 for family coverage. The HDHP's annual out-of-pocket expenses, including deductibles but not premiums, cannot exceed USD 8,050 for self-coverage and USD 16,100 for family coverage. For 2025, an HDHP must have a deductible of at least USD 1,650 for self-only coverage or USD 3,300 for family coverage; annual out-of-pocket expenses, including deductibles but not premiums, cannot exceed USD 8,300 for self-coverage and USD 16,600 for family coverage.

Contributions: HSA participants have annual contribution limits. In 2025, those covered by an individual plan can contribute up to USD 4,300 annually, while those covered by a family plan can contribute up to USD 8,550. If offered, employer contributions count toward these maximums. Individuals aged 55 and older can save an additional USD 1,000 each year. All contributions are deductible from taxable income. Unlike an FSA, there is no limit to how much money may be rolled over from year to year in an HSA, providing the opportunity for accountholders to accumulate significant HSA assets.

Withdrawals: Funds withdrawn for non-healthcare expenses are taxed at the accountholder's marginal tax rate. If the funds are withdrawn before age 65, the funds are subject to an additional 20% penalty.

Portability: Much like an IRA, HSAs are tied to the accountholder and are independent of the workplace, though workers must be currently enrolled in an HDHP to contribute to one. Thus, workers can open and maintain an HSA outside of their employer-provided one that fits best with their financial goals.

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