

Healthcare Reimbursement Arrangement (HRA)

What Are They?

An HRA is an arrangement that your employer sets up and completely funds to cover certain out of pocket, co-pays, co-insurance, and/or deductible expenses you may incur associated with your health insurance plan. It is an arrangement whereby your employer promises to pay certain expenses on your behalf to help reduce your cost of medical expenses for you, your spouse, and dependent children. This arrangement is 100% paid for, funded, and designed by your employer for your benefit.

How Do They Work?

HRA's are designed to work in conjunction with a high co-pay, high co-insurance, or high deductible plan offered by your employer. Traditional health insurance plans have low co-pays, low co-insurance, and/or low deductibles, but because the health insurance rates and medical expense continue to rise, employers are deciding to design and implement HRA's to reduce your cost. By increasing the co-pay, co-insurance, and/or deductible, the cost of your health insurance premiums will decrease, but your out of pocket costs may increase. This is why employers implement an HRA to help you reduce your potential out of pocket increase while still providing employees with a health insurance policy that offers complete coverage. HRA's are an effective way in managing your expenses, but you will be required to submit receipts or understand how to get reimbursed for an eligible expense covered by the HRA.

How Do I Get Reimbursed?

There are several ways you can get reimbursed from the HRA depending on the options your employer allows. Here are examples of how to get reimbursed:

1. You can submit a claim online, mail it, fax it, or drop the claim off to us along with the proper documentation necessary to prove you have incurred the expense.

How Do I Get Reimbursed (Continue)?

Proper documentation may consist of a letter that you will receive from the health insurance company. This letter is called a letter of explanation of benefits (EOB). In some cases, a receipt from the pharmacy may be all you need to submit. The proper documentation will be outlined by your employer.

2. Your employer may have authorized the use of claims submission through the use of a MasterCard. If your employer authorized this form of reimbursement, you will receive a MasterCard from HRCTS after you are enrolled. To use the MasterCard, simply present it at an eligible location for an eligible expense. Only use this card for eligible expenses and keep your receipts, you may be contacted to verify the expense.

What Is The Plan Design?

Every employer designs their HRA differently. Upon open enrollment for your health insurance plan, you will receive from your employer the outline of the HRA reimbursement schedule. This outline will explain what is covered by the employer, what your responsibility is, and how to get reimbursed.

Other Points To Consider!

- If you leave your employer, you will forfeit any amount not used.
- You will have up to 90 days after the end of your plan year or termination of employment to submit an eligible claim that was incurred during the plan year.
- Your plan may have a provision that allows a portion of the unused benefit to rollover to the next plan year. Check the benefit design provided by your employer.

Questions...

Please don't hesitate to contact HRCTS!