

## Health Reimbursement Arrangement (HRA)

### Q. What is an HRA?

A. Health Reimbursement Arrangement (HRA) is a tax-advantaged benefit that allows both employees and employers to save on the cost of healthcare. It must be funded solely by an employer. Employees are reimbursed tax free for qualified medical expenses up to a maximum dollar amount for a coverage period.

### Q. Who is eligible for the HRA?

A. Employees who are participants of either their employer or spouse's ACA qualified *group medical plan* are eligible to receive reimbursements from the HRA. Under health reform rules, coverage under other types of health plans such as Medicare, Medicaid, Medicare supplement plans, Tri-Care, VA, or individual or exchange policies, are *not* considered qualified employer group health plans and reimbursements are not permitted from the HRA.

### Q. Why does the HRA require the member to be covered under a qualified group employer plan?

A. Health Reform rules under ACA requires an HRA to be treated as a health plan, subject to ACA rules regarding preventive care and annual limits. However, the HRA is *excepted* from ACA rules if the HRA is directly linked to a qualified group health plan that follows ACA rules.

### Q. What expenses are eligible for reimbursement from my HRA?

A. You may claim reimbursement for eligible medical, dental and vision expenses which are not paid for or reimbursed by any other plan. These expenses may be for yourself, your spouse, and/or your dependents. Expenses which are cosmetic or for general well-being are normally not eligible. Refer to IRS publication 502 at [https://www.irs.gov/publications/p502#en\\_US\\_2018\\_publink1000178851](https://www.irs.gov/publications/p502#en_US_2018_publink1000178851)

Also, [www.fsastore.com](http://www.fsastore.com), for what is an eligible expense. The expense must be incurred on or after the date you are enrolled in the HRA.

### Q. What if my claim is more than what is in my account?

A. If your claim exceeds your account balance, you will be reimbursed your account balance and will continue to receive monthly reimbursements as contributions are made into your account until the claim is reimbursed fully or the plan-year ends.

### Q. How do I get reimbursed?

A. All requests for reimbursement under an HRA must be substantiated to show medical necessity. You may fax your Explanation of Benefits statement (the statement you receive after your medical plan processes a claim) and receipt for services paid with a claim form to DBI, or complete a reimbursement request online and attach documents that will substantiate the expense as qualified. Claim forms are available on the Employers Resource website. If you've enrolled in direct deposit; your reimbursement will be sent directly to your bank account. All current year claims must be filed within 90 days of the plan year ending to be eligible for reimbursement.

**Q. May I use a debit card to purchase a qualifying expense?**

A. DBI provides an HRA debit card to be used for qualifying purchases. If the use of the card is at a qualifying merchant (who participates in the IIAS Merchants System), substantiation may not be needed or required.

**Q. What if I don't use all my funds?**

A. Coverage runs continuously with the active qualified group health coverage you participate in. At the end of each plan year, any funds remaining in your account will rollover to the next plan year while you remain actively employed and a participant of your qualified group health plan (your employers or your spouse's employer group health plan).

**Q. What happens to my HRA funds if I terminate employment or become ineligible?**

A. Eligibility for coverage under the HRA ends on the last day of the month in which a termination event occurs or when you cease to be eligible. You have up to 90 days following the end of coverage to submit any unreimbursed expenses incurred during your period of eligibility. After the 90-day runout period ends, funds are forfeited back to the employer. However, coverage may be extended and continued if your event is eligible for COBRA, you elect COBRA coverage and pay the required premium timely.

**Q. What happens to my unused balance if I become ineligible to participate such as becoming covered under a medical plan that is not an eligible health plan?**

A. HRA funds are forfeited if the participant is not a participant of a qualified group health plan.

**Q. I still have questions. Who do I contact?**

Discovery Benefits, Inc. (DBI) is the third party administrator. If you are enrolled, you may set up a profile account to view claims activity and balance information.

DBI Contact: Toll-free phone 866-451-3399 (for login help, select 1 and then Option 5)

After you set up your new login, you'll be able to manage your account and submit claims through the DBI website. For convenient account information on the go, download the free Discovery Benefits Mobile App, available for Apple, Android, and Kindle devices.

Website: [www.Discoverybenefits.com](http://www.Discoverybenefits.com)

Customer Care can be reached at **1-866-451-3399** for assistance.