

Understanding your HRA

Health Reimbursement Accounts

Your HRA helps you save



The basics

Your employer has paired your health plan with a Health Reimbursement Account (HRA) to help you pay for your health care expenses. This means that your employer has contributed a specific amount of money to an HRA. The funds in your HRA are not considered part of your income and are tax-free as long as the money is used for IRS-eligible medical expenses.

Also, your employer determines which IRS-eligible medical expenses your HRA will cover. Allowable expenses may or may not include any or all of the following:

- + Deductibles and Coinsurance
- + Copays for doctor's office visits¹
- + Copays for pharmacy¹
- + Other out-of-pocket expenses

Contact your benefits administrator for a list of allowed eligible expenses that can be reimbursed from your HRA².

How to access your HRA funds

When you, or any of your dependents³ covered under your health plan, incur an eligible medical expense, generally, payment is made either to your provider or to you depending on the method of reimbursement established by your employer. Reimbursement methods may include:

- + Pay the Provider with autopay
- + Pay the Member with autopay
- + Debit card payment
- + Paper or electronic claim

Please note that a service fee may apply for paper check reimbursements to members. For your convenience, direct deposit is available at no added cost.

For information regarding your specific HRA plan, please contact your benefits administrator².

How your HRA works with your medical plan

First dollar funding arrangement

1

Your employer contributes to your HRA, and you are reimbursed for eligible medical expenses up to that amount.

2

After you use all of the HRA funds, you then pay out-of-pocket for eligible medical expenses, until your deductible is met.

3

When your deductible is met, you pay coinsurance for eligible medical expenses, and the medical plan pays

4

You continue to pay coinsurance for eligible medical expenses until your out-of-pocket limit of is reached. Then the medical plan pays of eligible medical expenses until the end of the benefit year.

HAVE QUESTIONS?

More information is available in the *Understanding Your HRA* brochure. Ask your benefits manager or find a copy at:

¹ The copay reimbursement option is not available to small employers with 50 or fewer employees.

² Your benefits are dependent on the options available to your employer, and their selection from these options. See www.irs.gov for a detailed description of qualified expenses.

³ Your HRA plan may or may not cover dependents. For more information, please consult with your benefits administrator.

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