



**2018 Health Reimbursement Arrangement (HRA)
Frequently Asked Questions**

Table of Contents

Health Reimbursement Arrangement (HRA) Plan

What is a Health Reimbursement Arrangement (HRA) Plan? pg. 1

How does an IU Health HRA work? pg. 1

What are the advantages of an HRA? pg. 1

How much can I contribute to an HRA?pg. 1

Do I have to meet my deductible before I only have to pay the copay/coinsurance amount for Medications and primary care/specialist office visits?pg. 2

Do primary care/specialist office visits and prescription copayments/coinsurance apply to my deductible?pg. 2

When will I receive the HRA credit?pg. 2

How much of an HRA credit will I receive?pg. 2

How do I get reimbursed for my expenses after I meet my deductible? pg. 2

What happens to the money in my HSA account if I switch to an HRA plan? pg. 2

Using Your HRA

If I am enrolled in the IU Health HRA plan and I see a doctor for treatment (not a preventive visit), am I charged the typical copayment for the visit, or am I responsible for paying the full charge?pg. 2

If I am enrolled in the IU Health HRA plan and I see a doctor for preventive care services, am I charged the typical copayment for the visit, or am I responsible for paying the full charge?pg. 2

If enrolled in HRA family coverage, do I have to meet the full family deductible before coinsurance begins?pg. 2

If enrolled in HRA and a traditional health care flexible spending account (FSA), can I use my FSA dollars to pay my claims?.....pg. 2

Are dental and vision care qualified expenses under an HRA?pg. 2

Managing Your HRA

What happens to the unused portion of my HRA credit at the end of the year?.....pg. 2

Rollovers/Transfers

Can I roll over or transfer funds from my HSA account to my IU Health HRA?.....pg. 3



Indiana University Health

2018 Health Reimbursement Arrangement (HRA) Frequently Asked Questions

What is a Health Reimbursement Arrangement Plan?

A Health Reimbursement Arrangement (HRA) is an IRS-approved, employer-sponsored account that helps plan participants pay for medical expenses incurred before the deductible is met. The IU Health HRA plan offers advantages similar to the HSA-based plans (deductible, coinsurance and out-of-pocket maximum amounts are the same), but is especially suitable for team members 65 and older on Medicare plans, military insurance plans and other types of coverage that precludes them from receiving IU Health HSA contributions or depositing pretax dollars to an HSA account. The HRA plan also has some aspects of the traditional PPO plan, in that it offers copays for pharmacy expenses and individual deductibles.

How does an IU Health HRA work?

Team members enrolled in the IU Health HRA Medical Plan are responsible for paying the **full** cost of services for themselves and their enrolled dependents prior to meeting the deductible – with the exception of primary care/specialist office visits and eligible pharmacy expenses and specific qualified preventive care services – but they will receive an IU Health HRA credit towards their deductible (the deductible is reduced – **to \$0 once the HRA credit is applied – for team members in salary tier 1 if the care is provided by an IU Health provider/facility**). *Note: The HRA credit does not apply toward primary care and specialist office visits or pharmacy expenses. The primary care/specialist office visits and pharmacy copay/coinsurance does not apply to the deductible, but does apply toward out-of-pocket maximums.*

Team members are responsible for meeting a specified portion of the deductible prior to accessing the HRA credit. The IU Health HRA credit will help cover the remaining portion. It will reimburse the deductible amount over:

- \$800 (Individual) / \$1,600 (Family) for care received from an IU Health provider or facility
- \$1,300 (Individual) / \$2,600 (Family) for care received from an Encore/PHCS provider or facility
- \$1,800 (Individual) / \$3,600 (Family) for care received from an out-of-network provider or facility

Once your claims reach the specified deductible amount, IU Health Plans will send a payment directly to your provider for eligible expenses above the adjusted deductible amount as described above (not to exceed \$700 per Individual, up to \$1,400 if enrolled in Family coverage).

What are the advantages of an HRA?

There are many advantages to establishing an HRA, including:

- Copays for primary care and specialist office visits (new for 2018).
- Eligible pharmacy expenses and preventive services are covered at no cost when care is provided within the IU Health/Community or Encore/First Health provider networks or in-network pharmacies.
- Premiums are deducted on a pre-tax basis, saving you money on taxes.
- Premiums are lower than the traditional PPO Plan.
- It is suitable for team members enrolled in Medicare plans, military insurance or any other medical plans.
- Deductibles are individual; you do not have to meet the full family deductible to access the credit.
- Pharmacy charges are copays, not the full cost of the medication.
- You can participate in a traditional health care flexible spending account (HCFSAs) plan (up to \$2,600 annually) to pay for eligible medical, dental and vision expenses.
- You will be automatically enrolled in Accident and Critical Illness plans, paid for by IU Health.

How much can I contribute to an HRA?

HRA plan participants are not eligible to contribute pretax dollars to their HRA. However, you are eligible to enroll in a traditional health care flexible spending account to set aside pretax dollars to pay for eligible medical, dental and/or vision expenses.

Do I have to meet my deductible before I can pay the copay/coinsurance amount for medications and primary care/specialist office visits?

No. HRA plans have copayments/coinsurance for prescriptions and primary care/specialist office visits; therefore, you do not have to meet your annual deductible prior to only paying the applicable copayment/coinsurance costs.

Do primary care/specialist office visits and prescription copayments/coinsurance apply to my deductible?

No. Your primary care/specialist office visits and prescription copayments/coinsurance do not apply toward your deductible, but do apply to the out-of-pocket maximum.

When will I receive an HRA credit?

Once you have met a specified portion (see “How does an IU Health HRA work?” above for amount) of your deductible, the IU Health HRA credit will help cover the remaining portion.

How much of an HRA credit will I receive?

The amount of your HRA credit will depend on whether you select the “Employee Only” coverage option or one of the family options (Employee and Spouse, Employee and Child(ren) or Family):

- \$700* (Employee-only coverage)
- \$1,400* (Family coverage)

**Amount will be prorated on a quarterly basis depending on when coverage begins.*

Unused “credits” roll over from year to year (up to a maximum of \$5,000) and may be accessed as long as you continue to be enrolled in the IU Health HRA Medical Plan.

How do I get reimbursed for my expenses after I meet my deductible?

Once your claims reach the specified deductible amount IU Health Plans will issue your provider a reimbursement check for eligible expenses above the adjusted deductible amount. The IU Health reimbursement check sent should be reflected on the bill from your provider.

What happens to the money in my HSA account if I switch to the HRA plan?

Your money will remain in your HSA and may be used to pay for eligible medical, dental and vision claims.

Using Your HRA

If I am enrolled in IU Health HRA plan and I see a doctor for treatment (not a preventive visit), am I charged the typical copayment for the visit, or am I responsible for paying the full charge?

New for 2018, you will be charged the typical copayment for visits to your primary care physician or specialist in an IU Health/Community or Encore/First Health facility.

If I am enrolled in the IU Health HRA plan and I see a doctor for preventive care services, am I charged the typical copayment for the visit, or am I responsible for paying the full charge?

Preventive services are covered at 100 percent if care is provided by an IU Health or Encore/Frist Health provider/facility

If enrolled in HRA family coverage, do I have to meet the full family deductible before coinsurance begins?

No. You do not need to meet any more than an individual deductible before coinsurance begins for a covered member.

If enrolled in HRA and a traditional health care flexible spending account (FSA), can I use my FSA dollars to pay my claims ?

Team members enrolled in the HRA medical plan and the traditional health care FSA cannot request to be reimbursed for expenses already covered under the HRA credit through their FSA. For example: Your IU Health deductible is \$1,500 and your procedure was \$1,000. You would be responsible for \$800 of those charges and IU Health Plans will issue a \$200 HRA reimbursement check to directly to your provider to pay the remaining balance. You could use your FSA dollars to pay for the amount not reimbursed by IU Health Plans.

Are dental and vision care qualified expenses under an HRA?

No. The HRA credit only applies toward your deductible for eligible medical expenses.

Managing Your HRA

What happens to the unused portion of my HRA credit at the end of the year?

The unused portion of your HRA credit carries over year to year (up to a maximum of \$5,000).

Rollovers/Transfers

Can I roll over or transfer funds from my HSA account to my IU Health HRA?

No. The HRA is an employer-funded account. Members are not eligible to contribute to their HRA.