

Health Reimbursement Account (HRA)

Key questions for customers



Group name: _____

Date: _____

Determine your customer's requirements by obtaining responses to the following questions:

1. Medical option: Which Deductible Series option (HMO, Direct POS, PPO) will group offer? _____

2. Eligible expenses: What will the HRA reimburse?

Unreimbursed eligible medical expenses (IBC Standard)

Prescription drug expenses

Dental expenses

Vision expenses

All IRS Code Section 213(d) expenses

Other (explain): _____

3. Automatic claims rollover:

Will unreimbursed eligible medical/prescription drug (if eligible) be automatically transmitted for processing against HRA funds?

Yes

Unreimbursed eligible expenses automatically transmitted from IBC claims systems for processing against HRA

No

Paper claims submission required

4. Debit card: Will members receive a debit card for use in paying copayments at point of service?

Yes

No (IBC Standard)

When debit card and automatic claims rollover are both included, copayments will not be automatically transmitted for processing against the HRA. This is a safeguard against duplicate disbursements. The participant must use the debit card at point of service for paying copayments, or may submit a claim for reimbursement.

5. Contribution amount: What percentage of in-network deductible will be funded by employer?

Fifty percent (50%) of deductible (IBC Standard) Recommend a maximum funding of 50% of deductible. This creates member cost-sharing through a corridor deductible and encourages prudent use of HRA funds.

Other (explain): _____

Amounts in excess of 50% of deductible will only be available to self-funded medical customers.

6. Ordering rules: Does group also offer a Flexible Spending Account (FSA)?

Yes

No

If yes, group must determine which account is drawn from first. Group's Plan Document must outline order; if not specified, HRA funds will be used before FSA funds.

Which account should be drawn from first?

FSA

HRA

7. Fund rollover: How will unused HRA funds be rolled over?

All unused funds rollover at end of Plan year (IBC Standard)

Other (explain): _____

Reminders:

Premium and administrative fee billing

IBC will bill the group customer for premiums or administrative fees for medical plan and monthly HRA administrative fees.

Fund account setup and monitoring

Customers will need to set up a bank account, or use an existing bank account, to fund reimbursements of Health Reimbursement Account claims. Customers will be notified on a monthly basis of additional funding required.

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