

HRA - What Is It And How Do I Maximize My Benefit?

What is an HRA?

A Health Reimbursement Arrangement account (HRA) is an IRS-approved tax-free benefit that reimburses plan members for out-of-pocket expenses not paid by the insurance. If you enroll on the city's health insurance, the City will place a designated amount of money into an HRA. You can then use your HRA to request reimbursement for out-of-pocket expenses, or save the money for future expenses. HRA money can be used for all IRS Code Section 213(d) eligible medical expenses including:

- Co-insurance
- Prescription Drugs
- Out of pocket medical expense
- Eligible dental/vision expenses
- All other 213(d) eligible medical expenses (same as for flex spending)

How do I maximize my benefit?

Employees and spouses enrolled in the health plan are eligible to receive additional dollars in their Health Reimbursement Account (HRA) on an annual basis with completion of the **Health Assessment (HA)** and **preventative exams** (annual physical and age appropriate screenings with your primary care provider and dental exam and cleaning).

What do I need to do to get the full benefit?

If you enroll in health insurance when you begin employment, you will receive credit for the **current year** as though you and your spouse, if applicable, have completed the health assessment and preventative exams. Your HRA contribution during your first year of employment will be prorated based on your start date on the health plan. **Future years'** contribution will be determined by HA and preventative exam completion.

As a new employee, the requirement to participate in the HA and preventative exams during your first year of employment, to receive full credit for the following year, will be determined based on the date you enroll on the City's health plan.

- If you newly enroll in medical coverage **before September 1**, you and/or your spouse will need to complete the HA and preventative exams to receive the completion credit for the following year.
- If you newly enroll in coverage **on or after September 1**, HA participation and preventative exam completion is not required to receive the completion credit for the following year but is highly encouraged.

What is the timeline to get everything completed?

Health Assessments

Health assessments are held in the **fall** and will need to be completed by **Thanksgiving**. Separate communication is sent in the fall to all employees about health assessments and how to schedule.

Preventative Exams

Preventative exams include an annual dental exam and cleaning well as an annual routine physical and age appropriate screenings (see attached form for age appropriate screenings). Preventative/routine

physical exam screenings are at the discretion of the participant’s primary care provider, however the *Annual Preventative/Routine Physical Exam Form* must still be completed by the primary care provider and received by the deadline.

Preventative services forms will be accepted by Onsite Nurse Coach Sabrina **October 1 – Thanksgiving. Thanksgiving will be the same date open enrollment will close and Health Assessments must be completed by. Having one consistent deadline date will make it easier for members to remember the deadlines.** (If you are unable to turn your form in prior to Thanksgiving because you may have your physical scheduled after that date, it will still be accepted by Onsite Nurse Coach Sabrina until the end of the year, but you may see a delay in receiving your full HRA funds).

Current HRA Contributions

The HRA is not a use it or lose it benefit; funds remaining in the HRA at the end of the plan year will roll over from year to year.

| Health Reimbursement Account | City Contribution | Health Assessment and Preventative Exams Completion Credit (Employee) | Health Assessment and Preventative Exams Completion Credit (Spouse) | Total Credit |
|------------------------------|-------------------|---|---|--------------|
| Single | \$500 | \$500 | N/A | \$1,000 |
| Employee + One* | \$1,000 | \$500 | \$500 | \$2,000 |
| Family* | \$1,000 | \$500 | \$500 | \$2,000 |

** If an employee is on an employee +1 or family plan, but does not have a spouse, the employee will receive the full completion credit (\$1,000) if the employee completes the health assessment and preventative exams.*