

HRA Account
Frequently Asked Questions ("FAQs")
Updated: December 13, 2024

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

An HRA is an IRS-approved tax-free benefit that reimburses plan members for out-of-pocket expenses not paid by the insurance.

2. How does an HRA work?

The City will place a designated amount of money per employee/ per Plan Year into an HRA. You can then use your HRA to request reimbursement for out-of-pocket expenses, or save the money for future expenses.

3. Who is eligible to participate?

Enrollment is automatic for actively working medical plan members.

4. Do I need to enroll in the HRA every year?

No, your enrollment will continue as long as you are an active medical plan member.

5. Why did the City move to an HRA?

The Employee Medical Plan is self-funded. This means that the premiums paid by plan members are used to pay the insurance claims of its plan members. With healthcare costs continuing to rise each year, rather than continuing to raise premiums, employers are trying to regain control of expenses by offering high deductible health plans. HRAs are designed to engage plan members in their healthcare choices and spending. A high deductible plan can result in stabilization and, or a reduction in insurance premiums by shifting from first dollar coverage. An HRA can also control rising employee out-of-pocket expenses without restricting coverage.

6. What are the benefits of an HRA?

Benefits include controlling healthcare costs by making plan members accountable for their decisions, purchases, and behaviors. For example, shopping around for services such as an MRI—did you know that the cost of an MRI can vary from \$325 to \$7,300? The cost of a colonoscopy can vary from \$950-\$8,500.

7. Who can help me with my medical plan and HRA?

UMR can assist you in searching for services based on cost and quality. UMR can be reached at 1-877-233-1800. EBC can answer questions regarding claim submission and eligible expenses. EBC can be reached at 1-800-346-2126.

8. What expenses can I receive reimbursement for with my HRA?

All IRS Code Section 213(d) eligible medical expenses.

9. Can I put my own money in my HRA?

No

10. Will the HRA earn interest?

No

11. Can my HRA be paid out in cash or lump sum or rolled over into another account?

No

12. If I cancel my coverage through the City's medical plan, can I cash out my HRA?

No

13. Is there a cap as to how much money can be in my HRA?

No

14. Is there a tax benefit to the HRA?

Yes; the City's contribution will not be reported as income to you; therefore, you are receiving tax-free money to use for expenses.

15. What amount will the City contribute to the HRA in 2025?

Health Reimbursement Account	City Contribution	Preventative Exams Completion Credit (Employee)	Preventative Exams Completion Credit (Spouse)	Total Credit
Single	\$500	\$500		\$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 full credit (\$1,000).*

- If you add your spouse mid-year, you will receive credit for the current year as though your spouse has completed the preventative exams.
- If you enroll in medical insurance mid-year (either because you began your employment with the City or you had a qualifying event), you will receive credit for the current year as though you and your spouse, if applicable, have completed the preventative exams. Your HRA contribution will be prorated based on your start date on the medical plan.
- If you enroll in medical coverage or add your spouse **before September 1**, you and/or your spouse will need to complete the preventative exams to receive credit for the following year.

- If you newly enroll in coverage or add your spouse **on or after September 1**, preventative exam completion is not required to receive the full contribution for the following year but is highly encouraged.
- If you add medical coverage at open enrollment, you and your spouse, if applicable, will be credited as having completed the preventative exams.

16. When will the money be placed in my HRA?

Funds will be placed into the employee's account in January.

17. If I'm enrolled in the Flex Plan will this affect the City's contribution to my HRA?

No; these two benefits are maintained separately, and do NOT affect each other.

18. Can I use my HRA to pay for eligible medical expenses incurred by my spouse or dependents, if they are not covered under the City's Employee Medical Plan?

No. Effective January 1, 2017, the IRS changed the regulations governing HRAs. If dependents are not enrolled in the City's group health plan, they will not be eligible for coverage with HRA dollars.

19. What happens if I do not spend all of the money in my HRA?

It will roll over to the next year.

20. If I have money in my HRA and Medical Flexible Spending Account (FSA), what money do I use first?

Most people will use the money in their FSA Account first as only statutory maximum (\$640 as of plan year beginning January 1, 2024) of that money will roll over to the next year. If you use your Benefits Card, claims will first be paid from your FSA account, then your HRA account. If you would like claims paid from your HRA account first, you will need to submit your claims via paper, EBC's website, or mobile app.

21. As an active employee, can I use my HRA to claim reimbursement for the insurance premiums taken from my payroll deductions?

No

22. Where can I submit claims for reimbursement from my HRA Account?

By regular U.S. mail: Employee Benefits Corporation, PO Box 44347, Madison WI 53744-4347

By fax: 608-831-4790

Online: www.ebcflex.com

23. How do I submit claims for reimbursement from my HRA Account?

The claim is submitted by your provider to UMR so that the appropriate discount, deductible, and co-pays can be applied, and UMR pays their portion. UMR will then send you an explanation of benefits (EOB), which shows the portion you are responsible for (this is your out-of-pocket expense).

You have two options on how you can pay for your out-of-pocket expense.

1. You can submit payment to your provider or clinic. You can then request reimbursement from your HRA Account by submitting a completed claim form (either a paper form or you can complete an online form at www.ebcflex.com) and proof of the eligible expense, such as copies of receipts, EOB, or bills, and include a description of the service, date of service and amount.
2. You can pay using your Benefits Card. Please save your receipts. If the transaction cannot be auto substantiated, paper follow-up will be required. Please note that your Benefits Card is set up to first pay claims from your flexible spending account (if applicable) then from your HRA account.

24. How often are claims for reimbursement paid from my HRA?

Claim are paid on a daily basis.

25. How long does direct deposit take to be posted to my bank account?

It typically takes 5 business days once a claim is submitted to be processed and funds deposited into your account.

26. How will I be reimbursed from my HRA?

By check, or direct deposit if you signed up for direct deposit.

27. Can I enroll in direct deposit for my HRA?

Yes. If you are not currently enrolled in direct deposit, forms are available online at www.ebcflex.com or you may log into your HRA account and update your profile with your new direct deposit information. If you are already enrolled, your information will roll over every year until you change it.

28. What is the HRA Plan Year?

January 1 - December 31

29. How often should I submit my claims for reimbursement?

As they occur, or all at once; the decision is yours to make.

30. Is there a grace period to submit expenses?

Yes, if you did not submit your expenses by the end of the Plan Year (December 31), you will have a 90-day run- out period after the end of the Plan Year (December 31). For example, claims with a 2024 date of service must be submitted on or before March 31, 2025. Claims with a 2025date of service must be submitted on or before March 31, 2026, etc. Please see question 42, What happens to my HRA when I am no longer actively employed, for information regarding the run-out period when you are no longer actively employed.

31. What if I am having problems with the insurance company in resolving a claim, should I still submit a claim if the explanation of benefits (EOB) is incorrect?

No. You should wait until you have the corrected EOB or invoice from the provider. If you submit incorrect information this can cause problems with over payment, recollection, etc. If you want to submit a claim and there are issues and you are near the end of the 90 day run-out period, please call EBC at 800-346-2126.

32. What if my claim is denied?

You will receive an e-mail or letter if your claim is denied. The letter will state the reason it was denied and if further documentation is needed. The letter will also include information on the appeal process.

33. How can I track my balance?

Online at www.ebcflex.com, on the EBC app, or by calling EBC at 800-346-2126. You will receive an email notification each time a claim is processed; notifications of claim processing are not mailed out.

34. What if my medical expense is more than what I have in my HRA?

You will be responsible for the difference. If you are enrolled in FSA, you can also submit reimbursement using your FSA dollars.

35. Is there an HRA administrative fee, and who pays the fee?

Yes; the City pays the monthly administrative fee, as long as you are actively working.

36. Who is responsible for the administrative fee when I am no longer actively working?

You will be responsible for the monthly fee. At the end of each plan year, the City will submit the fees due to EBC to be deducted from your account. If you do not have enough funds in your HRA to pay for the administrative fees, your account balance will be zeroed out.

37. Can I transfer my HRA fund balance to another account to avoid the administrative fee?

No

38. What happens if the City discontinues the HRA?

The HRA fund shall vest with the employee, subject to the vesting parameters set forth later in this document.

39. Will the City prorate my HRA if I have a status change?

If you change coverage (i.e., go from single to family or vice versa) your contribution amount available will be based on your status (i.e. single, employee+1, family) at the time the claims were incurred. If you change from employee + one or family to single and have already used more than the single contribution amount, you are not required to refund the difference.

Employees are responsible for timely notifying the Human Resources Department of any change in status—such as marriage, birth, divorce, mailing address, etc.

40. When I retire, can I use my HRA to pay insurance premiums?

When you retire you are not able to use HRA dollars to pay for individual health plans. You are able to use the dollars to pay for Medicare supplements.

41. When I retire, can I use my sick leave escrow account to pay for premiums?

Yes. If you have a sick leave balance when you retire, you will have two accounts. You will have your sick leave account, which can be used to pay post-retirement insurance premiums*. You will also have your HRA account, which can be used to pay for Medicare Supplements.

**Represented employees will follow the provisions of their collective bargaining agreement (CBA) regarding the type(s) of insurance they can use sick leave conversion funds for. Non-represented employees can use sick leave conversion funds for medical insurance, dental insurance, vision insurance, and/or long-term care insurance.*

42. What happens to my HRA when I am no longer actively employed?

- Retirement/Disability/Layoff/Reduction in Workforce: You will keep 100% of the City's contribution.
- Voluntary Separation/Pass Away: You get to keep 100% after 10 years (10%/year vested). After 10 years of being employed, 100% of the fund stays with you. If you are employed for less than 10 years, that amount is pro-rated per year; 10% of the fund will stay in the account for each year of being on the plan (Example: 5 years = 50% of the funds). If you pass away, your HRA may continue to be used by your beneficiary for reimbursement of your medical expenses or, the medical expenses of your beneficiary, even if your beneficiary is not enrolled in the City's health insurance plan.
- Involuntary Termination: You get to keep 50% after 10 years (5%/year vested). After 10 years of being on the HRA, 50% of the fund stays with the employee. If the employee is on the HRA for less than 10 years, the amount is pro-rated per year. 5% of the fund will stay in the account for each year of being on the plan (Example: 5 years = 25%).

Please note: If you end employment mid-year, you have a 90-day run-out period from your last day worked to submit claims from January 1st until your last day worked. After the 90-day run-out period has expired, your remaining funds, based on the calculation above, will be placed into a Post-Employment Benefit (PEB) account. (If you retire, your funds **may** be available in your PEB account sooner than 90 days following your last day.) You can then submit claims for the entire year. There will continue to be the annual run-out period for subsequent years (see question 30 for annual run-out period).

This document is only a summary of your HRA benefits; please refer to the plan books for more comprehensive information.

Contact Numbers		
Agency	Main Responsibility	Phone Number
Employee Benefits Corporation PO Box 44347 Madison WI 53744-4347 www.ebcflex.com	Plan Administrator for the Employee's Flex Spending and HRA Accounts	800-346-2126
UMR www.umar.com	Third-Party Plan Administrator and claims processor for the medical and dental plans	800-826-978
De Pere Human Resources Department deperehr@deperewi.gov	Plan Supervisor for all employee benefits including medical, dental, Flex Spending, HRA, etc.	920-339-4045