



HEALTH REIMBURSEMENT ARRANGEMENT

FAQ's



Q. What is a Health Reimbursement Arrangement (HRA)?

A. An employer makes contributions to a Health Reimbursement Account (HRA) for each benefits eligible employee who is on the employer HRA designated health plan. This money is used to reimburse the employee's out-of-pocket medical expenses such as deductibles and coinsurance.

Q. Can HRA funds be used to pay for health care premiums?

A. No. Employee premiums for the School Board of Polk County Health Plan are paid by the School Board of Polk County. Premiums for dependents are made through pre-tax deductions from the employee's payroll check.

Q. Can I use my HRA account to pay for my prescription drug copays?

A. Yes. Out of pocket amounts for covered prescription drugs are considered qualified medical expenses and can be reimbursed by the HRA account. Your HRA can be used to cover out of pocket expenses incurred for covered medical and prescription drug costs only.

Q. Will I have funds in my HRA account on October 1, 2009?

A. Yes, the District will contribute \$500 to each employee that enrolls in the 3160/3161 (HRA) Plan for the October 1, 2009 Plan Year. Employees who take a Personal Health Assessment (PHA) and a few simple health screening tests for blood pressure, glucose, cholesterol and height and weight will be eligible to receive an additional HRA contribution from the District. For the 2009/2010 period, employees are eligible to receive up to \$1,000 HRA contribution.

Q. If I don't complete the Personal Health Assessment (PHA) and screenings before October 1, when will I receive my HRA contribution from the District?

A. The District will contribute the funds into your account the first of the month following completion of the PHA and screenings.

Q. I've already had my physical this year; do I need to participate in the health screening?

A. No, all you will need to do to qualify for the additional HRA contribution is to complete the on-line PHA and provide your health screening results to BCBS. The required screening test information is your blood pressure, glucose, cholesterol and height and weight. BCBS will notify the District that you have met the requirements and your HRA contribution will be processed the first of the month following receipt of this confirmation.

Q. Can employees fund the HRA account?

A. No. HRAs are employer-funded only. Employees are not able to make contributions to an HRA. However employees may continue to participate in a FSA.

Q. Are there any tax benefits with an HRA?

A. Contributions to the HRA made by the employer are tax deductible and the employees are not taxed on the HRA contributions made on their behalf.

Q. What happens if employees do not use all of their HRA dollars?

A. Any unused amounts in an employee's HRA account will roll over for use at a later time.

Note: The participant must be enrolled in the HRA designated plan in the *next* plan year in order to roll over funds.

Q. What happens to HRA funds if an employee separates from service?

A. There is no cash-out option for employees. Employers keep any HRA balances once an employee is no longer employed. Employees whose employment terminates are entitled to submit eligible claims incurred between the beginning of the plan year and the termination date. These claims must be submitted by the end of the plan year's run-out period.