



# Health Reimbursement Arrangements



**CARLISLE**  
INSURANCE  
— SINCE 1925 —

# HRA Legislative

- Established in 2002
- Section 105 of the IRS Code
  - Alleviate soaring costs of healthcare
  - Create tax advantages
- Medicare Secondary Payer Reporting Provisions
- SBCs
- Non-Discrimination Testing
- COBRA



# HRA Requirements

- Employer must create written plan document
  - Document must list benefits and terms available to employees
- Plan can't discriminate to 'highly compensated'
  - Can establish classes – salaried employees, hourly employees
- Funds only for non-reimbursed medical expenses
  - Listed in Section 213d of the IRS code
- HRA plan is subject to HIPAA and COBRA
- Requires third party substantiation
  - Recording and processing of receipts



# HRA Flexibility

- Employer controlled and funded
  - Providing maximum control to the employer
- Notational Account
  - Funds ONLY paid when claim is presented
- Plans can be used by entire family
  - Employee, spouse, dependents
- Funds are a business expense deduction to employer
- Funds are tax-exempt income to the employee
- No specific insurance plan required
  - Can be in place of insurance (restrictions may apply)
- Combination with a high deductible health plan, or stand alone benefit\*
- Lower employer costs and premiums
- Increased employee engagement



\*Restrictions may apply

# HRA Cost Savings

- Employer enjoys lower monthly premiums
- Employee pays less out-of-pocket expenses



- HRPro provides:
  - Dedicated Account Manager
  - Assistance in HRA plan design
  - HRA plan document, SPDs, and SBCs
  - Employee Communication Material
  - Enrollment Services
  - Perform required third party substantiation
    - Record and process medical receipts
  - 24/7/365 Account Access
    - Online Portal
    - Mobile App
  - Perform Non-Discrimination Testing (Sec. 105)
  - Manage Fiduciary Requirements
  - HIPAA Privacy



# Thank You!

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