

NEW Benefit: Health Reimbursement Arrangement (HRA)
Frequently Asked Questions (FAQ)

Q	What is an HRA?
A	An HRA is an IRS-approved tax-favored benefit that reimburses employees for qualified medical care expenses not reimbursed by an employer's health plan. Benefits include but are not limited to: <ul style="list-style-type: none"> -Co-payments -Co-insurance -Dental/Vision expenses -Prescription drugs -Out of pocket medical expenses -OTC medicines (Over The Counter) Refer to www.asiflex.com
Q	How does the HRA work?
A	Employees will receive the HRA contribution based on their active participation in the University Health Plan. The University contributes a pre-determined amount to an account on your behalf. You have access to that account through the submission of reimbursement request for qualified medical expenses. Qualified medical expenses are defined in the benefit materials you received.
Q	Who is eligible to participate in the HRA?
A	Please refer to the eligibility information by referencing the benefit materials. See next few questions for further information.
Q	Are Retirees eligible for the HRA?
A	No
Q	How much will be contributed to my HRA?
A	The University will contribute \$120 if you are currently enrolled as a "single" and \$180 if you are currently enrolled with dependents. If you are enrolled as of 8/1 you will receive the contribution in Oct 2009; then again in Jan 2010 if enroll 12/1*. *With active participation in the 2010 plan year.
Q	Can an employee make contributions to an HRA?
A	No, only employers may make contributions to an HRA
Q	Who owns the HRA?
A	The University owns the arrangement and determines the scope of how it is set up and used – including the amount you and each employee will receive. The HRA is not portable. If you change jobs, the arrangement and any funds stay with the employer as per IRS rules.
Q	How long is the University going to operate and contribute to the HRA program?
A	At this time, the University is only committing to the 2009 and 2010 contribution amounts.
Q	What notice will the employees be given if the HRA plan is to renew or terminate in subsequent years?
A	The University will endeavor to provide at least 90 days notice (by October 1 of the plan year) if the plan will either continue or terminate. This will provide participants time to file for reimbursements prior to plan termination.
Q	What is needed for reimbursement?
A	In order for a reimbursement request to be processed, items needed for reimbursement are: <ul style="list-style-type: none"> -A completed HRA reimbursement request form -A copy of an explanation of benefits form (EOB), statement, bill or receipt showing the type of service, date of service and amount of service provided.
Q	Do I need to send original documentation with my reimbursement request form?
A	No. Copies of statements, bills, or receipts are sufficient.
Q	What happens to unused fund balances?
A	Unused fund balances may be rolled over to the next coverage period. Any unused funds will roll over on the last day of the plan year.
Q	What happens to unused monies if the employee terminates?
A	The terminating employees forfeit unused amounts when they leave. Individuals who terminate due to retirement may continue to use these funds for up to three additional months following termination date.

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Q	When can I start submitting requests for reimbursement?
A	Requests for reimbursement can be submitted for services received on or after October 1, 2009. However, money for reimbursement won't be available until 10/15/2009. For 2010 Plan year the money won't be available until 1/15/2010.
Q	What is the turnaround time for reimbursement requests processing?
A	The normal turnaround time for reimbursement requests processing is five business days from the date a reimbursement request is received. Funds will need to be available in the account prior to reimbursements being issued. See above.
Q	My claim was denied, what do I need to submit?
A	Not all services rendered are reimbursable under the HRA. A partial listing of eligible expenses can be located in your "Benefit Enrollment Material." If your service was an eligible expense listed, you can receive a detailed reason for the denial of your claim by checking your account online. A detailed explanation of what was denied is provided underneath the service rendered. All resubmissions require an HRA claim form along with the requested documentation.
Q	What is a Letter of Medical Need?
A	The IRS guidelines governing this plan require that expenses for medical procedures and services reimbursed through a HRA must be primarily for the diagnosis, treatment or prevention of disease or for treatment(s) affecting any part or function of the body. For example, some services that may be deemed cosmetic in nature but primarily treat a medical condition may require a letter detailing the type of service rendered and the treatment necessary.
Q	Can I be reimbursed for prescription drugs purchased from a foreign country such as Canada?
A	It is currently illegal to purchase prescriptions from another country for use while in the US, and therefore this is not a covered expense. However, if you are seeking medical treatment in another country and you obtain prescriptions to be used while in that country in conjunction with your treatment, these prescriptions are reimbursable through the HRA account. When you submit your claim, you must include English translations for any foreign receipts that are not in English. Also, you must convert the cost to the applicable U.S. dollar amount, using the currency exchange rate as of the date that the service was actually provided.
Q	May Long Term Care premiums be reimbursed from an HRA?
A	Long term care premiums may not be reimbursed through an HRA.
Q	Status of funds in your HRA account in case of death
A	Your surviving spouse or qualified dependents as defined by the Internal Revenue Code may continue to file claims for medical expense reimbursements until your account is exhausted or plan ends. If you are not survived by a spouse or qualified dependent, funds remaining in your account will be forfeited back to the University.
Q	How does a divorce/marriage/dependents effect an HRA?
A	The University funds the plan based on the enrollment on the effective date. Changes in the year do not cause the University's contribution amount to be lowered or increased for the year.
Q	Are individual health plan premiums (plans purchased outside UCM group coverage) eligible for reimbursement?
A	No.
Q	Can you claim expenses for family members not covered under our group policy?
A	Yes, as long as they are considered qualified unreimbursed medical expenses.
Q	If your spouse has an HRA with their employer, can you claim expenses on our plan and on the spouse's plan?
A	No - expenses may only be reimbursed ONCE.

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Q	Will the employee be responsible for any taxes on the HRA?
A	HRA contributions are not reported on your W-2, neither do you report HRA contributions, earnings or benefit reimbursement payments on your individual 1040 federal income tax form.
Q	Are HRA Plan Administration expenses paid from the employee's HRA?
A	This is allowed, but the University has chosen to pay all plan administration expenses so this would not impact the HRA amounts provided for employees.
Q	Will my employer be able to see my personal health information?
A	No, absolutely not.
Q	If you have a Health Care Flexible Spending Account (FSA) and a Health Reimbursement Arrangement (HRA), which account will be used first?
A	The Health Care FSA and HRA, while separate accounts, provide reimbursement of qualified medical expenses as defined by your employer and the IRS (i.e., deductibles, coinsurance, prescription expenses). Should you have both accounts, expenses eligible under both plans will be reimbursed through the FSA first, then default to the HRA. One reason the University chose to have the FSA pay first is because unused FSA money does not carry over.
Q	Are there fees associated with using the direct deposit?
A	No.
Q	Is there a time frame for using the money?
A	Yes and No. If you want the money to be reimbursed in this calendar year, the expenses must have been incurred between 10/01/09 - 12/31/09. If you don't use the HRA funds this year, the money will roll over and you can use it for expenses incurred between 01/01/10 - 12/31/10. You have until April 15th of the following year to request reimbursement for the current year.
Q	Can I asked to be reimbursed for my health, dental and vision premiums?
A	No.
Q	What if my drug/treatment isn't "normally" covered as a medical expense?
A	Under IRS rules, some health care services and products are only eligible for reimbursement when your doctor or other licensed health care provider certifies that they are medically necessary. You can find more information and a Letter of Medical Necessity on the www.asiflex.com under Forms, Letter of Medical Necessity
Q	Where can I find my account information?
A	Your account information will be available after October 15th on www.asiflex.com , click on Account Detail. To get your PIN number contact ASI at 800-659-3035.
Q	If I have a medial flex spending account and request a reimbursement that is more than is in that account, will ASI automatically refund the rest from my HRA?
A	Yes.
Q	What is the turn around time for getting the refund?
A	If you fax or email your request, the direct deposit is usually completed within 1-2 days. If you mail in your request or request reimbursement by paper check, the refund can take longer.
Q	How will we be notified of the direct deposit refund?
A	If you put your email address on the claim form, ASI will sent you an email notifying you of the deposit.
Q	I cover my spouse/children/family on the dental and/or vision. Why is my HRA amount not \$180?
A	Since the money to fund the HRA amount came from BCBS the HRA amount was determined by the coverage level you have on health insurance.
Q	If I receive an HRA reimbursement can I also claim that same expense on my taxes?
A	No.

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Q	What over-the-counter drugs are eligible for reimbursement?
A	Eligible items include medicines or products that alleviate or treat injuries or illness for you and your dependents. These drugs and products are not cosmetic in nature, or merely beneficial to your general health. There is a good reference guide at www.asiflex.com . Just click on Useful Links and then Over-the-counter drugs/medications.
Q	Can I use the HRA for reimbursement of payment plans?
A	Orthodontic plans only.
Q	How soon can I send in my reimbursement form?
A	The program started as of October 1, 2009, however ASI will not have our enrollment file until on or about October 15, 2009 so we recommend you fax/email/mail your claim after October 15th.
Q	Can I use HRA dollars when my family has an HSA program available?
A	There are tax implications for which you should seek advice from your tax professional.