



Frequently Asked Questions

Health Reimbursement Arrangement

HRA basics

Q1: What is an HRA?

A: An HRA is an employer-funded account that reimburses for employer-defined expenses.

Q2: How is HSA Bank involved with my HRA?

A: HSA Bank works with Blue Cross Blue Shield of Michigan to administer your HRA. However, HSA Bank is not involved in administering your health plan. Blue Cross will continue to process and pay your health care claims.

Q3: What are the benefits of an HRA?

A: An HRA provides two major benefits:

- Employer-sponsored funds can be used to pay for employer-defined expenses
- HRA funds are allocated on a pretax basis, so the funds are not taxable as income

Q4: How does HRA reimbursement work?

A: Options for reimbursement include:

- Submit claims through your Blue Cross member account at **bcbsm.com** or the Blue Cross mobile app.
- Use your HRA debit card for eligible pharmacy and medical services.

Q5: Who owns my HRA and who can contribute money?

A: Your HRA is fully-owned and funded by your employer.

Q6: Who is eligible to participate in an HRA?

A: Current employees are eligible to participate in an HRA and receive reimbursements. Your employer determines if expenses for spouses and dependents are eligible for reimbursement.

Q7: Are there limits on employer contributions?*

A: There are no limits on HRA employer contributions, however, the contribution amount is up to your employer.

Q8: Does the money in my HRA rollover from year to year?*

A: Your employer decides whether the money rolls over.

Q9: What is the maximum reimbursement amount from my HRA?

A: Your HRA benefit amount is determined by your employer. Most plans will reimburse eligible expenses up to the full available balance in your HRA. If your plan is based on an accrual, you'll only be reimbursed the amount that you've earned in the plan.

Q10: Is there a deadline for reimbursement of qualified medical expenses?

A: Yes. The following options are available at your employer's discretion:

1. **Run-out period:** Your employer may choose to allow an extended period after the end of the plan year for employees to file claims for expenses incurred in the prior plan year.
2. **Rollover:** Your employer may choose to offer a rollover option. The rollover amount is at your employer's discretion.
3. **Use it or lose it:** Money in your HRA not spent by the end of the plan year will be forfeited back to your employer.

Q11: What if I spend all the money in my HRA before my deductible is met?

A: You'll be responsible for paying 100 percent of your out-of-pocket medical expenses, if your HRA balance is depleted before your deductible is met. Once your deductible is met, your healthy plan pays for covered services, and you'll only need to pay your copayment or coinsurance.

Q12: What happens to the money in my HRA if I leave my job or retire?*

A: Your employer decides what happens to the HRA if you leave your job or retire.

Q13: Can I use the money in my HRA to pay for my children's medical expenses?

A: That depends.

- Your employer determines who is eligible to use HRA funds. Some HRAs don't reimburse for spouses and dependents.
- Your employer determines what expenses can be reimbursed. Your children's expenses can only be reimbursed if they are employer-defined expenses.

Managing HRA funds

Q1: Are my HRA funds available to me anytime?*

A: That depends.

- Many HRAs provide an annual benefit that is available to you in full at the beginning of the plan year.
- Some HRAs provide accrual options (For example, monthly, per pay period, etc.).

Q2: What is an HRA employer-defined expense?*

A: HRA employer-defined expenses are determined by your employer and must be incurred within the plan year. Generally, the following expenses are eligible with an HRA:

- Deductibles, coinsurance and copayments
- See *IRS Code 213(d) – Eligible Medical Expenses and IRS Publication 502 – Medical and Dental Expenses* for additional information.

Q3: Can I use the money in my HRA for nonmedical expenses?*

A: No. Funds can't be used for nonmedical expenses.

Q4: Does the money in my HRA earn interest?

A: No. An HRA is not an individually-owned bank account and doesn't earn interest.

Q5: How are employer-defined expenses paid?

A: That depends:

- If your employer offers a debit card, it can be used for eligible pharmacy and medical services.
- If your employer offers a reimbursement option, you can complete a form to request reimbursement.

If your plan is an accrual-type plan, you may only be reimbursed up to the accumulated HRA balance at the time of the claim and reimbursed for the balance once you've accrued more funds.

Tools and resources

Q1: How do I access my account information?

A: Your Blue Cross member account is a useful tool to help keep track of your HRA. Register or log in to your member account from the Blue mobile app or at **bcbsm.com** to check your account balance, access forms, pay health care providers and much more.

Don't have our mobile app? Search **BCBSM** in the App Store® or Google Play™ to download it.

Q2: What will I receive after I enroll?

A: Once enrolled, you will receive:

- A welcome brochure that lists HRA features
- Information on how to use and monitor your HRA funds
- A debit card that can be used to pay for eligible pharmacy and medical services.

Q3: Who do I contact if I have questions about my HRA?

A: Call HSA Bank Customer Contact Center at 1-877-848-0238 for questions specific to your HRA. If you have questions about your Blue Cross coverage, call the Customer Service number on the back of your Blue Cross ID Card

*HRA plan designs vary by employer. Contact your employer for specific information about your HRA option.

The information in this document is intended as an educational tool only, not as legal advice. Consult your legal advisor if you have questions about federal laws pertaining to HRAs.

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