***FAQ’s for the Health Reimbursement Arrangement***

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement (HRA) is an excellent benefit option more and more employers are offering every day.

With an HRA, employers fund a health account that you can access to get reimbursed for eligible medical expenses. An HRA can work as a standalone benefits account, or it can work in conjunction with a Healthcare Flexible Spending Account (FSA), although you can’t be reimbursed twice for the same expense. In addition, any remaining funds in an HRA may be rolled over to the next year.

How do I use my HRA?

Your HRA is governed by IRS Regulations that details who is eligible to use the account and what, where, and how the money in it is to be used.

Your HRA was designed to be simple. To keep it that way, it’s important to comply with the IRS Regulations that govern the program. The following guidelines will help you avoid any inconvenience.

1. Make sure account funds are only spent on those who are eligible. Typically, those eligible are you, your spouse and your eligible dependents.
2. Know what expenses are eligible. Log into your account at www.wageworks.com for a complete list of your employer’s eligible healthcare expenses. Generally, eligible healthcare expenses include services and products that are medically necessary to treat a specific condition.
3. Keep your receipts. Save receipts that describe exactly what you paid for and when, just like you would to deduct them on your taxes.
4. Watch where you shop. If using a Wage Works Healthcare Card (Card), shop only at general merchandise stores or pharmacies that have an IRS-approved inventory system in place. Visit www.sig-is.org for the most updated list of approved merchants.
5. Keep an eye on your HRA account. Watch your online statements to see if you need to verify any Card purchases with receipts, or check www.wageworks.com for the latest information.
6. Register for an online account at www.wageworks.com. When you register online and provide a current email address, you ensure that you will have 24/7 access to your account and funds. You’ll also receive important email updates, such as claims and status notifications.

How do I use my Healthcare Card with my HRA?

1. Your Wage Works® Healthcare Card (Card) is only for use at healthcare providers and pharmacies and general merchandise stores that have an IRS-approved system that can identify HRA eligible items at the register. In most instances, your Card transaction will be automatically verified at checkout, which means you will not have to submit a receipt to Wage Works after the transaction. You are, however, required to keep each receipt for tax purposes, and in the event it is needed for verification.
2. When you swipe your Card at the checkout, choose “credit” (even though it isn’t a credit card).
3. Go to www.sig-is.org to review a list of qualified merchants that accept the Card.
4. Pay for services or purchases on the same day you receive them. If your health plan covers a portion of the cost, make sure you know what amount you need to pay before using the Card, by presenting your health plan member ID card first, so the merchant can identify your co-pay or co-insurance amount and ensure the service is claimed to your healthcare, dental, or vision insurance plan.
5. Save your receipts. Even when your Card is approved, a detailed receipt may still be requested; your statement will have a Card Use Verification form at the front and will let you know what to do.
6. If you've lost or can't produce a receipt for an expense, your options may range from submitting a substitute receipt to paying back the plan for the amount of the transaction.

7. If you use your Card at a doctor's or dentist's office we will most likely ask you to submit a receipt for verification. Failure to do so may result in your Card being suspended.

8. If you lose your Card, please log into your account to report your card lost/stolen. Click on the "Card Center" tab at the top and then select "Order Replacement Card" from the tabs on the left. Follow the steps for issuing a new card. You will be responsible for any changes until you report the lost Card.

What are my other payment options?

You can pay many of your eligible healthcare expenses directly from your HRA account with Pay My Provider.

There's no need to fill out paper forms. It's quick, easy, secure and available online at any time. Review the Claim and Card Use Verification Checklist.

To pay a provider:

2. Click "Submit Receipt or Claim."
3. Request "Pay My Provider" for healthcare and follow the instructions
4. When you're done, WageWorks will send a check directly from your account. If you pay for eligible recurring expenses follow the online instructions to set up automatic monthly payments
   If you'd prefer to submit a paper claim form to request reimbursement for your eligible expenses, choose the 'Pay Me Back' option.

2. Fill in all the information requested on the form, attach your receipts, sign it, and follow the instructions to fax or mail it.
   (A receipt or an explanation of benefits from your insurance carrier outlining what the service was that you incurred, for whom the service was provided, and how much you paid for the service, will be required along with your claim form.)
3. To speed processing, remember to save receipts that show exactly what you paid for and when.
4. Most claims are processed within one to two days after they are received and payments are sent shortly thereafter.

What medical expenses are covered?

Eligible expenses under an HRA plan are determined by your employer and might include:

- Health insurance premiums
- Health insurance deductibles
- Co-insurance and co-pays
- Other expenses included in IRS Publication 502—Medical and Dental Expenses as eligible or qualified expenses

Eligible expenses must be incurred by the employee and/or eligible members of the employee's family, and take place within the benefit plan year.

Qualified medical expenses include those expenses defined by your employer that comply with the Internal Revenue Code. These expenses may include deductibles, co-insurance, prescription drugs, vision care, and dental care. To determine if an expense is eligible for reimbursement under your employer's plan, please refer to your employer's summary plan description or contact WageWorks customer service.
You can find a general list of IRS-approved health-related reimbursements in Publication 502, which is accessible online at www.irs.gov. Please remember that eligible medical expenses may vary by employer.

**What expenses are not covered?**

1. Medical expenses that are not defined as eligible expenses by your employer
2. Medical expenses that do not meet IRS Section 213(d) requirements
3. Medical expenses incurred by you or your spouse or eligible dependents before your participation in the program was effective
4. Medical expenses that can be reimbursed to you through any other source, such as group health insurance or a self-funded group health plan
5. Examples of expenses that are not eligible for reimbursement include nutritional supplements, illegal operations and treatment, health club dues and cosmetic surgery (unless medically necessary)

You can find a general list of IRS non-eligible health-related expenses in Publication 502, which is accessible online at www.irs.gov.

If I have an HRA and an FSA through WageWorks, which account will be used first?

If you have both accounts, expenses eligible under both plans are first reimbursed through the account determined by your plan. To confirm which account will pay first – either HRA or FSA - in your case, please review your company plan.

The HRA and Healthcare FSA, while separate accounts, provide reimbursement of qualified medical expenses as defined by your employer and the IRS (i.e., deductibles, co-insurance, and prescription expenses.)

Can I be reimbursed for my dependents’ medical expenses?

Yes, as long as your dependent meets the definition of a dependent as defined by the IRS and is included in your employer’s plan.

Is the HRA part of my health benefits plan?

The HRA is not insurance, nor part of the health benefit plan. It is a separate program offered under separate terms and conditions as defined by your employer.

Do I have to have health insurance to have an HRA?

HRAs are usually provided by employers to complement a higher-deductible health plan (HDHP), but can be paired with any type of health plan or offered alone. There is no rule requiring you to have health insurance in order to have an HRA.

Who owns the HRA?

According to the IRS, your employer owns your account.

Who can put money in my HRA?

According to IRS rules, HRAs are fully owned and funded by the employer. Your Employer is putting in $2,000 for family and $1,000 for individual per year.

Does the money in my HRA earn interest?

Typically, no. Under most HRA plan rules, the accounts aren’t individually owned bank accounts that are eligible to earn interest.

How much can I contribute?

The amount contributed to your HRA is up to your employer.
What is the maximum reimbursement amount from my HRA?

The health reimbursement account contribution rules are 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.

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

This health reimbursement account rule is up to your employer. Most often, the unused money stays with the company when you terminate employment. However, your employer has decided to let you keep the money in the HRA when you retire or terminate. You can continue to use it for eligible expenses.

Does the money i have in my HRA roll over from year to year?

This health reimbursement account rule is up to your employer. Your employer has decided to have the money roll over from year to year.

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

Yes. The money in your HRA can be used to pay for eligible medical expenses of any family member who qualifies as a dependent on your tax return. However, the dependent must be covered by your HRA.

What is a letter of medical need or a doctor's statement?

The IRS requires that medical expenses reimbursed through an HRA must be primarily for the diagnosis, treatment or prevention of disease.

For example, your doctor may prescribe a vitamin to treat your medical condition. Because vitamins are generally considered an ineligible expense, you will need a letter from your medical provider detailing the type of service rendered and the treatment necessary.

View the list of eligible expenses for more information at www.wageworks.com.

How do I submit a mileage claim?

The IRS has changed mileage reimbursement rates for medical care effective based on the date the service is incurred. Mileage for travel to/from eligible health care – On or after January 1, 2014 $.24 per documented mile.

Please include the following information with your mileage claim:

- Date of Service
- Type of Service (Doctor Visit, trip to pharmacy, etc.)
- Actual Mileage and rate (16 miles round trip @ $23.5¢/mile)
- Total amount being requested (16 x $ .24 = $3.76).
- Submit the claim for mileage along with a Pay Me Back claim or with the Explanation of Benefits (EOB). Claims will need to match the mileage reimbursement to a service and its date.
- Many online mapping services will detail your route and mileage from home to service provider. This is helpful (but not required) in submitting mileage reimbursement claims.