



Health Reimbursement Account (HRA)

Questions and Answers



On the following pages, you will find a list of answers to frequently asked questions regarding HRAs.

A complete list of can be found by going to www.MyKansasCDH.com.



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What is an HRA?

A: Health Reimbursement Account (HRA) is an employer sponsored account that only the employer can contribute to. The State Employee Health makes contributions to the HRA on a quarterly basis. If you are a non-state employee, you will receive a monthly HRA contribution.

The HRA can be used to help you pay for qualified medical, dental or vision expenses. These expenses include dental visits, prescription drugs, eyeglasses, contact lenses and chiropractor.

HRA contribution amounts are listed below:

Plan C Contributions:

- Employee Only Coverage- \$1000 per year, \$250 per quarter
- Employee+Spouse Coverage- \$1250 per year, \$312.50 per quarter
- Employee+Children Coverage- \$1750 per year- \$437.50 per quarter
- Employee+Family Coverage- \$1250 per year, \$312.50 per quarter

Plan N Contributions:

- Employee Only Coverage- \$500 per year, \$125 per quarter
- Employee+Spouse Coverage- \$625 per year, \$156.25 per quarter
- Employee+Children Coverage- \$875 per year- \$218.75 per quarter
- Employee+Family Coverage- \$625 per year, \$218.75 per quarter

Wellness dollars can be earned for HRA accounts.

Who owns the HRA?

Your employer 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 employers, the arrangement and any funds stay with the employer.

Who can contribute to an HRA?

Your employer owns the arrangement and determines the amount employees will receive.

How do participants benefit from an HRA plan?

The HRA plan benefits participants by allowing them to be reimbursed up to a specified amount each year for certain eligible health care expenses. Each dollar that goes into the plan is provided by the employer for the purpose of health care expenses, so the benefit is free from federal, state and Social Security taxes.



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Who is eligible to elect to the HRA?

Any employee enrolled in Plan C or N may elect to have an HRA. Employees who are not eligible to contribute to a Health Savings Account (HSA) because of one of the following reasons will need to elect the HRA option:

- Medicare enrollment
- TRICARE enrollment
- Concurrent enrollment in another health plan not considered a High Deductible Health Plan
- You are eligible to be claimed as a dependent under your parent's tax return
- You have dependent children between ages 23-26 (member may choose to enroll in either the HSA or an HRA in this situation)

Employees selecting Plans J or Q will also have an HRA for any HealthQuest Reward dollars they earn through completing eligible HealthQuest activities.

What are the tax advantages and benefits of an HRA?

Reimbursements made from your employer through the HRA are not considered part of your income and are not taxed. Contributions made to your HRA are 100 percent employer-funded, free of federal, state and FICA taxes. The distributions for medical expenses are also tax free. An HRA plan may save you money through lower premiums and tax-free medical reimbursements.

What types of eligible expenses can I use my HRA for?

The HRA can reimburse for eligible medical expenses just like with the HSA and FSA. Some examples of medical expenses that you can spend your HRA funds for include:

- Deductibles and Coinsurance
- Dental, Drug and Vision expenses
- Over the Counter medications, such as aspirin, cold medicines, antacids and cough supplements if you have a prescription from your doctor

What happens to my HRA if I terminate employment?

The HRA is not portable and should you terminate coverage with the SEHP prior to the end of the plan year, you will have sixty (60) days from your last date on SEHP coverage to file any claims incurred while you were covered that plan year.

Do I have to submit receipts with my HRA claims even if I use the debit card?

Yes, The IRS requires that all transactions be validated, including any debit card transactions. Throughout the year, you should submit copies of your receipts and documentation for prescriptions and health-related expenses (including debit card transactions), in order to receive reimbursement from your account or to verify a claim made with your debit card.



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Do I still need to keep my receipts and documentation for prescriptions and office visits, plus the Explanation of Benefits that are sent to me?

Yes. You should keep your original receipts and documentation for prescriptions and health-related expenses for all transactions (including payment card transactions), so you'll have them if needed to verify a claim. The IRS requires that all transactions be validated, including the payment card transactions. If we need additional documentation, we'll contact you and you'll be asked to provide documentation with receipts. Failure to respond promptly to a request can result in the expense being labeled as "ineligible," in which case, you would be obligated to reimburse your account through NueSynergy. In addition, your payment card could become deactivated.

How long will I have to submit claims for reimbursement after the plan year ends?

Participants will have sixty (60) days from the end of a plan year (December 31st) to file any claims incurred during that plan year.

Are over-the-counter items eligible for reimbursement under my HRA?

Over-the-counter medicines and drugs require a prescription from your doctor in order to be reimbursed through an HRA.

What web browsers can I use to access my account online?

www.MyKansasCDH.com requires the most recent versions of Internet Explorer, Firefox, and Chrome.

Further Questions?

NueSynergy is the administrator for your plan.

We can be reached at 855.750.9440 | Monday-Friday from 7:30AM – 5:00PM, CST.