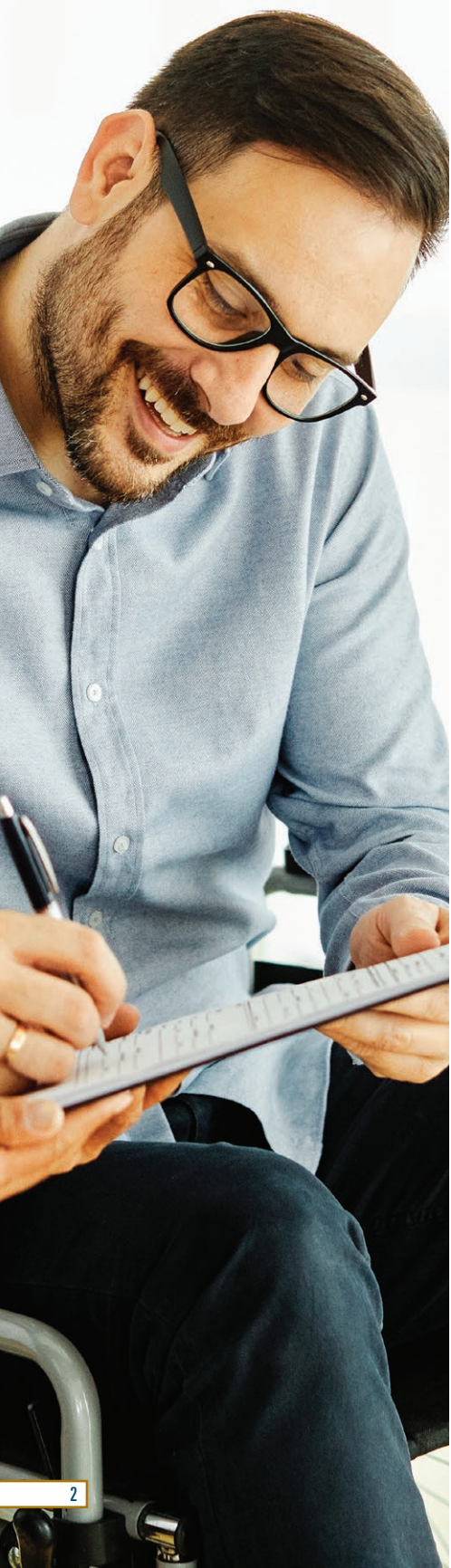


# UNDERSTANDING

## Health Reimbursement Accounts (HRAs)

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# YOU HAVE THE CONTROL to get the most from your HRA

Congratulations! Your employer has paired your medical plan with a Health Reimbursement Account (HRA) to help you pay for certain eligible medical expenses. A notable advantage of your HRA is that the account will be funded by your employer and your withdrawals will be tax-free.<sup>1</sup> Your new HRA also comes with access to helpful tools, professional guidance and support 24 hours every day.

## The power to choose

Consumer-directed health care is a way to give you more control over how you receive and pay for medical care. For most of us that means seeking the best quality medical provider, facility or drug at an affordable cost. So who you choose for services, and how much you spend, is up to you.

To help you with these decisions, Blue Cross and Blue Shield of North Carolina (Blue Cross NC) offers Blue Connect<sup>SM</sup> – your gateway to the tools you need to manage your health plan. Log in to [BlueConnectNC.com](https://BlueConnectNC.com). From there, you can search Find Care, Facility or Medical Costs – or Compare Drug Options & Costs.<sup>2</sup>

What's more, Blue Cross NC has partnered with HealthEquity, Inc. (HealthEquity) to offer you the convenience of an HRA, in which your employer contributes money to help you pay for your medical care. And since the money is used for eligible medical expenses, the amount given to you is tax-free.<sup>1</sup>

## How an HRA works

At the beginning of each health plan year, your employer determines the amount of money the company will contribute to your HRA and identifies which IRS-eligible medical expenses to cover. These may or may not include any or all of the following:

- Deductible and coinsurance
- Copay for doctor visits
- Copay for prescriptions
- Copay for other eligible medical expenses

Your employer will then establish the method of reimbursement from your HRA funds from the following options:

- Pay the provider
- Pay the member
- Paper check
- Debit card

Your employer will also determine when the HRA will pay, whether it's from the first dollar of your expenses or the last. During your enrollment, your employer will go over all the details of the plan, such as if unused funds roll over at the end of the year and more.



Below is an example of a First Dollar HRA benefit where the member incurs \$175 in office visit charges. First Dollar HRA benefits use the HRA dollars to cover qualified expenses first with no exposure to the member.

### The HRA member experience: An example of a First Dollar HRA benefit\*

- 1 When you visit an in-network doctor, simply present your Blue Cross NC member ID card<sup>3</sup> during your office visit so your provider knows to send the claim to Blue Cross NC. You pay nothing at the time of service.
- 2 Blue Cross NC processes the claim and applies the \$175 negotiated rate for the office visit toward your \$1,500 deductible.
- 3 Blue Cross NC sends the claim to HealthEquity, your HRA fund administrator, who then pays \$175 directly to your provider.

### Helpful tools and support along the way

We make it easy for you to get the most from your HRA. Once enrolled, you'll receive a Welcome Kit in the mail from HealthEquity. This kit contains information and instructions for accessing your account. With HealthEquity, you'll have convenient and comprehensive tools and resources to manage your account, including expert specialists who are available every hour of every day to share advice and answer your questions.

### Managing your HRA

You can manage both your Blue Cross NC health plan and your HRA account online and on-the-go. Visit [BlueConnectNC.com](https://BlueConnectNC.com) to view your health benefits and claims and to check your HRA fund balance. Click on the Manage Funds button for direct access to comprehensive online services. You also have on-the-go access to your HRA on your mobile device with the HealthEquity mobile application available for iPhone<sup>®</sup> and Android<sup>™</sup> devices.

### Here's what you can do

- View account balance and history
- Create new claims and view status
- Send payments and reimbursements
- Manage debit card transactions\*\*
- Save your receipts and other documents
- And with the mobile app, you can do all of this on-the-go

\*Payment methods, deductibles and costs shown here are for illustrative purposes only.

\*\*Not all plans have debit cards.

HealthEquity support  
specialists are available  
to members 24/7/365.

# FREQUENTLY asked questions

## Is the HRA part of my medical plan?

No. The HRA is not insurance and not part of your medical plan. It is a separate account offered under separate terms and conditions as defined by your employer.

## How does an HRA differ from a Flexible Spending Account (FSA)?

HRA accounts are designed by the employer by choosing what type of expenses are covered. An FSA covers expenses set by the IRS tax code.

## Can I have both an HRA and an FSA?

Yes. If you participate in both the HRA and medical FSA, your employer will determine which fund will be used first to pay for covered expenses.

## What are the tax advantages of an HRA?

Reimbursements made from an HRA are not considered part of your income and are not taxed.

## When can HRA funds be used?

HRA funds can be used for eligible medical expenses as long as the expenses were incurred by those covered by the HRA (as determined by your employer) and covered under your health plan during the period of HRA eligibility.

## Do HRA funds roll over?

Your employer may allow your unused HRA funds to roll over into the next year, building up your HRA fund even more. Consult with your benefits administrator regarding your HRA plan design.

## What happens to the HRA account if I leave the company?

Since your employer funds the HRA, your employer owns any amount that remains after you leave. Please consult with your benefits administrator for any exceptions.

## How does the HRA reimburse me for my eligible medical expenses?

There are several reimbursement options through an HRA:<sup>4</sup> Pay the provider, pay the member, paper check and debit card. Check with your benefits administrator to see which option applies to your plan.

## How long do I have to submit reimbursement requests?

Generally, you have 90 days from the end of the plan year or the date you leave employment to submit your expenses for reimbursement. Check with your employer as the number of days may vary by plan.

## Will I have to pay any account service fees?

For electronic payments and statements, there are no fees. Service fees do apply for paper check reimbursements and paper statements. To avoid these fees, you may go online to sign up for direct deposit and/or electronic statements.

## What if my reimbursement request is larger than my fund balance?

Reimbursement requests will be paid only up to the amount available in the account.

## Where can I go for questions or assistance with my HRA?

For general HRA information, visit [irs.gov](http://irs.gov). For plan design questions, consult with your benefits administrator. For specific account information, call the number for Blue Cross NC Customer Service on your member ID card or HealthEquity at 1-877-713-7682. You can access your account information online at [BlueConnectNC.com](http://BlueConnectNC.com).

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) provides free aids to service people with disabilities as well as free language services for people whose primary language is not English. Please contact the Customer Service number on the back of your ID card for assistance.

*Blue Cross and Blue Shield of North Carolina (Blue Cross NC) proporciona asistencia gratuita a las personas con discapacidades, así como servicios lingüísticos gratuitos para las personas cuyo idioma principal no es el inglés. Comuníquese con el número para servicio al cliente que aparece en el reverso de su tarjeta del seguro para obtener ayuda.*

<sup>1</sup> Withdrawals are tax-free only if used for qualified medical expenses. See [irs.gov](http://irs.gov) for a detailed description of qualified expenses. Consult your own legal counsel/tax advisor for any legal/tax questions.

<sup>2</sup> Blue Cross and Blue Shield of North Carolina offers several decision support tools to aid you in making decisions around your health care experience. These tools are offered for your convenience and should be used only as reference tools. You should consult your own personal physician, as applicable, throughout your health care experience.

<sup>3</sup> ID cards are for identification purposes only. They do not guarantee eligibility or payment of your claim.

<sup>4</sup> Direct deposit is available at no added cost. A paper check fee may apply for payments to members.

This document is merely a summary and is not intended to be legal or tax advice. If you have legal or tax questions, please consult an attorney or tax advisor. If you have questions about your plan, please consult your plan administrator.

Blue Cross NC is the HRA administrator and contracts with HealthEquity, Inc., an independent entity, to perform certain HRA administrative services.

HealthEquity, Inc. is an independent company that is solely responsible for the services it is providing. HealthEquity, Inc. does not offer Blue Cross or Blue Shield products or services.

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