



Wespath

BENEFITS | INVESTMENTS



A FRESH APPROACH
TO HEALTH CARE COVERAGE

HealthFlex Health Reimbursement Account (HRA) Plans

a general agency of The United Methodist Church



What Is an HRA Plan?



An HRA Plan is a type of health coverage that allows your employer to fund a health reimbursement arrangement (HRA, also called a “health reimbursement account”) that you may use to pay out-of-pocket health care expenses, with health coverage that protects you from very high medical expenses, with an out of pocket maximum.

HRA Funding

An HRA is an Internal Revenue Service (IRS)-approved program that allows employers to reimburse eligible medical expenses incurred by participating employees as tax-free medical benefits to offset health care costs. HealthFlex allows credit balances in your HRA account to roll over from year to year somewhat like a savings account, with no limit to the amount rolled over. A HealthFlex HRA reimburses all eligible items covered by a medical flexible spending account (FSA) that are not covered by the HRA Plan benefit design, including dental and vision expenses.

HRA Plan—A Different Type of Plan

Use of the HRA makes the HRA Plan truly different from health coverage you may have had in the past. The HRA is similar to a savings account designated specifically for eligible health-related expenses, such as deductibles, co-payments, prescription medications and/or medical expenses that are not covered by your health plan or prescription drug plan.

The HealthFlex HRA Plans have a deductible per individual (combined medical and behavioral health) that you must meet before the plan pays for any medical benefits. The HRA can assist you in paying this deductible (and other eligible expenses). You have the choice to use your HRA or not, which means you can roll over any unspent HRA funds from one year to the next, so your HRA account can grow for future needs.

HRA Plan: A “Consumer” Health Plan

An HRA Plan is a type of health coverage that encourages covered individuals to be informed and thoughtful consumers of health care services, much like they would be informed and thoughtful when purchasing other goods and services. The HRA Plan structure motivates participants to take a more active role in selecting their health care providers, managing their health expenses, and improving their overall health through good nutrition, exercise and other factors that they can control.

For example, you might fill a prescription by choosing a generic therapeutic equivalent medication or a generic alternative medication (when available) instead of a more expensive name-brand drug, or you might go to an urgent care center rather than a hospital emergency room for a non-life-threatening medical concern.

Important: Always seek the appropriate level of care for your or your family’s medical needs. While the HealthFlex HRA Plan fosters consumerism by encouraging participants to seek cost-saving measures when appropriate, it in no way expects participants to choose inappropriate or insufficient levels of care as a way to save money.

Comparing your HRA plan to the traditional B1000 plan

	 HRA Plans	 B1000
Includes employer HRA contributions	●	
Preventive Services (in-network covered at 100%)	●	●
Out-of-Pocket Maximum (includes deductible, co-payments, and co-insurance for medical, behavioral health and pharmacy; does not include dental/vision)	●	●
Inpatient/Outpatient Medical Services After you pay deductible, then plan co-insurance helps pay costs	●	●
Broad, Nationwide Networks and drug formularies	●	●
Doctor, Urgent Care, and ER Visits Fixed co-payment		●
Doctor, Urgent Care, and ER Visits Co-insurance <i>after</i> deductible is met	●	
Pharmacy Co-payment or co-insurance <i>before</i> deductible is met	●	●
Mental Health Outpatient Counseling Fixed co-payment		●
Mental Health Counseling Co-insurance <i>before</i> deductible is met	●	

Another Way to Look at It

	 HRA Plans	 B1000
Medical office visits	Deductible and co-insurance	
Urgent care		Copay
ER visits		
Hospitalization		Deductible and co-insurance
Other medical services		
Behavioral health office visits	Co-insurance, no deductible	Copay
Prescription drugs	Copay/co-insurance	Copay/co-insurance

How the HealthFlex HRA Plan Works



- **HRA Funds**—Each year, your plan sponsor contributes to your HRA. The amount depends on which plan is selected.
- **Preventive services**—Such as annual checkups and age-appropriate diagnostic tests (such as screening mammograms or colonoscopies) are covered by HealthFlex at no cost to you when in-network providers are used.
- **Other medical services**—You must first meet the deductible before the plan pays for services.
- **After the deductible is satisfied**—HealthFlex will pay a percentage of all remaining eligible expenses for in-network providers and you (the participant) will pay a percentage (your co-insurance)—up to the annual out-of-pocket maximum.
- **Out-of-network doctors**—If you chose these hospitals or other providers, your out-of-pocket costs may be higher, including a higher deductible, co-insurance and out-of-pocket maximum.
- **Using HRA Funds**—You may use funds available to pay your out-of-pocket expenses, including deductibles and co-payments. In addition, you can use the HRA to pay for dental and vision expenses. A detailed list of eligible expenses is available online from WageWorks (after you log in to HealthFlex/WebMD, select “**HealthFlex Partners**” then “**WageWorks Reimbursement Accounts**”).
- **Unused HRA Funds**—At the end of the plan year, unused funds roll over for the next plan year. There is no limit to the amount that can accumulate in your HRA *as long as you remain employed in or appointed to* The United Methodist Church.

HRA balances remaining at the time of retirement may be used for any eligible health care-related expenses, including retirement medical products and plans outside of HealthFlex.

- **With FSA**—You may contribute to a health care FSA when you have an HRA. Electing an FSA is optional for the HRA or other HealthFlex plans. If you want to set aside money into an FSA, you must do so during the Annual Election period.

If you elect an FSA, the FSA always pays first; then the HRA pays. This is because FSA dollars are subject to the “use it or lose it” rule for balances over \$500, so you risk losing your unspent FSA dollars at the end of a plan year. In contrast, unlimited unspent HRA dollars roll over to the next year as long as you remain in the plan.

Steps You Can Take to Manage Your Health Expenses

You have more control over your health care expenditures than you may realize. Here are a few steps you can take to spend less on health care—without compromising the quality of care you receive:

- Fill prescriptions with generic medications instead of name-brand medications. Ask your doctor if a generic is available and appropriate.
- Fill maintenance (long-term) prescriptions by mail order, instead of using a retail pharmacy.
- Go to the doctor's office or urgent care center—instead of a hospital emergency room—when you feel sick, or have symptoms or an injury that is not life-threatening or limb-threatening.
- Practice healthy habits to improve your overall well-being, including getting preventive screenings, managing chronic conditions, eating well and being active.

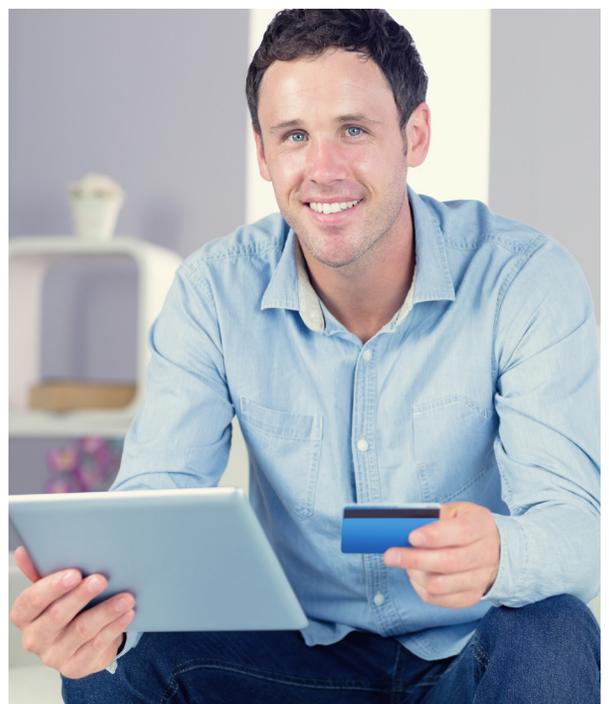
Important: Always seek the appropriate level of care for your or your family's medical needs. While the HealthFlex HRA Plans foster consumerism by encouraging participants to seek cost-saving measures when appropriate, it in no way expects participants to choose inappropriate or insufficient levels of care as a way to save money.

Preventive and Wellness Services Are Covered

We are committed to your good health. The HRA Plans—like all HealthFlex plans—cover preventive and wellness services at 100%. When in-network providers are used, you have no out-of-pocket costs (no co-insurance or deductible) for eligible preventive and wellness services, including checkups and age-appropriate preventive testing (such as routine blood tests, mammograms or colonoscopies).

WageWorks Visa® Healthcare Card

WageWorks will administer the HRA. WageWorks also administers the health care FSA for HealthFlex. Using WageWorks allows for a seamless transition and allows a single HealthFlex debit card (the "WageWorks Visa® Healthcare Card") to be used for both HRA and health care FSA funds. You can contact WageWorks at **1-877-924-3967** (1-877-WageWorks).



Comparing HRA vs. FSA

Health reimbursement accounts (HRAs) and health care flexible spending accounts (FSAs) are both offered by HealthFlex. They share some similar traits, but have important differences. Learn more below.

	HealthFlex HRA	HealthFlex Health Care FSA
Which plans?	C2000 with HRA, C3000 with HRA	H1500 with HSA, H2000 with HSA, H3000 with HSA, C2000 with HRA, C3000 with HRA, B1000
How funded?	<ul style="list-style-type: none"> Funded by plan sponsor You are not permitted to add money May include extra premium credit (if applicable) 	<ul style="list-style-type: none"> You fund your FSA
Earnings/ Interest	No interest	No interest
Tax Implications¹	<ul style="list-style-type: none"> Plan sponsor contributions are excluded from your gross income and are not subject to federal income tax 	<ul style="list-style-type: none"> Your contributions are excluded from gross income and are not subject to federal income tax
Annual Funding Limit (2019)	<ul style="list-style-type: none"> No annual limit Amount determined by plan sponsor 	<ul style="list-style-type: none"> \$300 minimum—\$2,650 maximum
Funds Availability	<ul style="list-style-type: none"> Available for use at beginning of plan year 	<ul style="list-style-type: none"> Available for use at beginning of plan year
Eligible Expenses/ Usage	<ul style="list-style-type: none"> Use only for eligible health care expenses for those covered in the medical plan (not premiums, except after retirement) After retirement: may use for premiums (medical, dental, vision and long-term care)—primary participant only 	<ul style="list-style-type: none"> Use for eligible health care expenses for tax dependents May not use for premiums or long-term care
Substantiation/ Documentation (“proof” of claim)	<ul style="list-style-type: none"> Required* * <i>May not be required with debit card use</i> 	<ul style="list-style-type: none"> Required* * <i>May not be required with debit card use</i>
Carry-Over at Year-End	<ul style="list-style-type: none"> Unused balance carries over year to year <i>as long as you remain in HealthFlex</i> and through retirement No dollar limit on accumulated balance 	<p><i>IRS “use it or lose it” rules apply</i></p> <ul style="list-style-type: none"> \$500 carryover permitted to the following plan year. Remainder forfeited if not spent by December 31 (runout period to file claims: through April 30 of the following year)

Comparing HRA vs. FSA (continued)

	 HealthFlex HRA	 HealthFlex Health Care FSA
Compatibility with Other Reimbursement Accounts	<ul style="list-style-type: none"> Compatible with FSA 	<ul style="list-style-type: none"> Compatible with HRA. FSA pays first—HRA pays only after FSA funds are exhausted <i>If contributing to HSA, FSA is limited to dental and vision expenses only²</i>
If You Retire	<ul style="list-style-type: none"> Unused balance remains until exhausted 	<ul style="list-style-type: none"> Eligible expenses can only be <i>incurred</i> through your last date of HealthFlex coverage pre-retirement Deadline to <i>file claims</i>: 90 days after leaving HealthFlex
If You Terminate UMC Employment or Waive HealthFlex	<ul style="list-style-type: none"> Unused balance can be used for eligible expenses for up to 90 days after termination or waiver 	<ul style="list-style-type: none"> Eligible expenses can only be <i>incurred</i> through your last date of HealthFlex coverage Deadline to <i>file claims</i>: 90 days after leaving HealthFlex

More information is available through the HealthFlex/WebMD website at wspath.org (scroll down to select “HealthFlex/WebMD”; then log in).

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¹There may be additional tax implications for individuals approaching Medicare eligibility within the plan year. Please consult your tax adviser if you will soon be Medicare eligible.

²Limited use until participant notifies WageWorks that the IRS-defined deductible has been met; then can be used for all eligible health care expenses. (2019 IRS-defined deductible: \$1,350 individual, \$2,700 family)

Learn More About the HRA Plans and Your HealthFlex Benefits

Start at the HealthFlex/WebMD website:

wespath.org

Click on “**HealthFlex/WebMD**”

Log in by entering your **username** and **password**.

Call WebMD Customer Service at **1-866-302-5742**

if you are unable to obtain your username/password online.

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