

Using a Health Reimbursement Account (HRA) to improve your benefits package?



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HRA's have been around for a long time to assist employers with overall benefits package. Based on changing plans and laws, employers might want to improve their benefits package but do not want the budget to get out of control.

HRA's allow you to accomplish this pre-tax. Please see below a list of popular HRA's that allow employers to save costs and improve benefits.

Medical Insurance Limited or No Service HRA – Medical insurance will sometimes cover a benefit, but that benefit has limited or no services available to your employees. Depending on the procedure, the best provider might be in a different state or entirely across the country.

- Travel HRA – can reimburse employees for their cost to travel to a provider. The cost can be for mileage or a ticket price on a bus, train, or airplane. Costs can also include Hotel and rental car.
- Out of Network HRA – some services are just not covered by a provider, or the service is deemed out of network because there is no provider in the area. HRA's can be used to reimburse these services pre-tax and to enhance their benefit.

Dental and/or Vision HRA – Dental and/or Vision plans are limited and sometimes become pricy. Employers have been either adding an HRA to an already existing policy or just getting rid of insurance and giving their employees pre-tax dollars through an HRA to pay on dental or vision or both without the headache of insurance plans.

- Can be offered with or without insurance.
- Can be offered as just dental, just vision, or both.
- Can be offered with a discount plan for dental and vision without the full cost of insurance premiums.

Medical Insurance Out of Pocket HRA – Medical plan premiums are becoming increasingly more expensive. Employers are purchasing larger out-of-pocket plans and supplementing those plans with HRA programs because they are cheaper than Gap plans, and the HRA is pre-tax.

- Pay any out-of-pocket cost co-pay, deductible, co-insurance.
- Any reimbursement formula can be used from % or flat dollar reimbursement.
- The employer decides on the total amount per person to get reimbursed yearly.

Medical Insurance Limited or No Benefit HRA – Medical plans are sometimes set up with limited benefits for particular services, or some services might not be available. HRA's are a great way to reimburse participants pre-tax to improve the overall plan for employees.

- Therapy HRA (Chiropractic, Physical, Mental) are often limited by how many visits or a set dollar amount that can be used yearly. HRA's can be used to offer more services.
- No Service HRA (In-Vitro, Acupuncture, etc.) are often not even allowed under medical plans. These are referred to as no service benefits and become 100% out of pocket to employees.