



**BlueCross BlueShield
of North Carolina**

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Health Reimbursement Accounts

Understanding 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.¹ Your new HRA also comes with access to helpful tools, professional guidance and support 24 hours every day.

Now, you have the control



Consumer-directed health care

Consumer-directed health care is a way to give you more control over how you receive and pay for medical care. Today, most consumer-directed health care plans are paired with a savings account, and you, the consumer, are responsible for spending your money the best way possible. 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 (BCBSNC) offers BlueConnectSM – your source for all tools and information about your health plan, accessible on any mobile device. Log in to BlueConnectNC.com and click on HealthNAV^{SM1}. From there, you can select Find a Doctor, Facility or Medical Costs – or Compare Drug Options & Costs.¹

What's more, BCBSNC offers you the convenience of a Health Reimbursement Account (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.²



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:

- + Deductibles and coinsurance
- + Copays for doctor's office visits³
- + Copays for pharmacy and other out-of-pocket expenses³

Your employer will then establish the method of reimbursement from your HRA funds from the following options: Pay the Provider; Pay the Member; Paper or Electronic Claim; and/or Debit Card. Please note that a paper check fee may apply for payments to members, so we encourage you to enroll in direct deposit.

Your employer also will determine when the fund will pay, whether it's from the first dollar of your expenses or last, a shared percentage, or a portion of the costs paid first, then a portion later. Your employer will let you know if any of your remaining funds will roll over into the next health plan year. And, if you're a new employee, be sure to ask if the funds are prorated based on your start date or if you will receive the entire amount.

Below is an example of using an HRA for the first medical cost of the year, where the HRA funds cover qualified expenses first, the provider is paid automatically, and the member uses an Rx-only debit card for paying an out-of-pocket, eligible expense.

The HRA Member Experience: An Example*

1	2	3	4
Simply present your BCBSNC ID card during your office visit so your provider knows to send the claim to BCBSNC. You pay nothing at the time of service.	BCBSNC processes the claim and applies the \$175 negotiated rate for the office visit towards your \$1,500 deductible.	BCBSNC sends the claim to your HRA fund administrator. From your available funds, \$175 is paid directly to your provider.	When you pick up your prescription at the pharmacy, you will pay the \$65 cost with your HRA debit card since you have not met your deductible.

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

24/7/365    

Expert support specialists are available for members every hour of every day

Get the most from your HRA

Helpful tools and support along the way

We make it easy for you to get the most from your HRA funds. Once enrolled, you'll receive a welcome kit in the mail from HealthEquity®, your HRA fund administrator. 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.

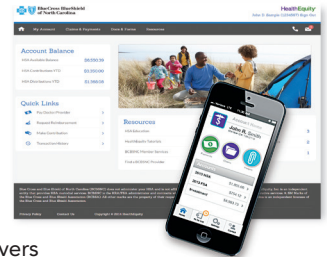
HealthEquity®
Building Health Savings™

Managing your HRA

You can manage both your BCBSNC health plan and your HRA account online and on-the-go. Visit BlueConnectNC.com to view your health benefits and claims and to check your HRA fund balance. Click on the Manage Your Account link 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® and Android™ 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, if applicable
- + Archive documents on our secure servers
- + And with the new mobile app, you can do all this on the go, plus use your device's camera to document and upload claims



Visit



BlueConnectNC.com

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 fund offered under separate terms and conditions as defined by your employer.
- + How does an HRA differ from an FSA?**
HRA accounts can pay the same qualified medical expenses as an IRS tax-code 125 Medical Reimbursement Flexible Spending Arrangement (FSA); however, unlike an FSA, only employers can contribute to the HRA.
- + 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 will be used first.
- + What are the tax advantages of an HRA?**
Reimbursements made from your employer for eligible medical expenses through the 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?**
If you leave the company, your HRA does not travel with you. 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: Pay the Provider, Pay the Member, Personalized Pay, Paper Claim, and Debit Card. Check with your benefits administrator to see which option applies to your plan. All reimbursements are processed by HealthEquity, the HRA fund administrator.
- + How long do I have to submit reimbursement requests?**
Generally, you have 90 days from: 1) the end of the plan year, or 2) the date you leave employment to submit requests for expenses incurred in a prior plan year. 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 may 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 www.irs.gov. For plan design questions, consult with your employer. For specific account information, call BCBSNC member services on your ID card or HealthEquity, the HRA fund administrator, at 877-713-7682. You can access your account information online at BlueConnectNC.com.

1 Blue Cross and Blue Shield of North Carolina offers several decision support tools, such as HealthNAVSM and Blue LinkSM, 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 legal counsel, tax advisor, or personal physician as applicable throughout your health care experience.

2 Withdrawals are tax-free only if used for qualified medical expenses. See www.irs.gov for a detailed description of qualified expenses.

3 The copay reimbursement option is not available to small employers with 50 or fewer employees.

Blue Cross and Blue Shield of North Carolina (BCBSNC) is the HRA/FSA administrator and contracts with HealthEquity, Inc., an independent entity, to perform certain HRA/FSA administrative services.

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WHO DO I CALL?

For specific information regarding your HRA plan, please contact your benefits administrator.



BlueCross BlueShield of North Carolina

HealthEquity
Building Health SavingsSM