VEBA/HRA FAQ

What is HRA?

HEALTH REIMBURSEMENT ARRANGEMENT - Allows reimbursement of your un-reimbursed health, dental and optical expenses and is funded by the School District.

How are the HRA rules determined?

The IRS determines the rules and regulations for the HRA. All HRA's must meet IRS Revenue Rulings 2002-41 and IRS Notice 2002-45 and be in accordance with Sections 105 and 106 of the Internal Revenue Code of 1986 and with Revenue Ruling 2002-41 (June 26, 2002).

How do I start an HRA account?

If you are a participant in the PreferredOne VEBA plan through Prior Lake Schools, the school district will automatically open an HRA account in your name.

You will receive an annual amount of $1200 for single coverage or $2400 for 2 party and family, based upon your bargaining unit, which is deposited into your account in July of each FY.

Any unused balances at the end of the year will roll over into the next plan year. Funds are available to you until they are used, even if you are no longer with the school district.

Please note! Per IRS regulations, you may not participate in an HRA if your spouse is on a qualifying high deductible plan and has a health savings account. Use the U.S. Treasury link below to learn more information.

Where are the funds held?

The funds are held in a VEBA 501(c) (a) trust account managed by Trust Point and invested in an interest earning money market account.

Are my HRA expenses coordinated with my Flexible Spending Health Care account?

Yes. If you participate in the Flexible Spending Health Care account, expenses must first be submitted and processed under the Flexible Spending Health Care account and those monies exhausted prior to reimbursement under the HRA account.

When are HRA funds available to me for reimbursement?

Once your Flexible Spending Health Care account is exhausted (if applicable), you can be reimbursed for money which the school district has already contributed to your HRA account.

How do I get information regarding my HRA Account?

Go to www.corphealthsys.com to view your account's claim history, account balance and payment history. Claim forms can also be printed from the website. Your user ID and PIN number are provided by CHS and will be mailed to your home. Your account information can only be accessed with these codes. You can also contact your Corporate Health Systems Benefit Administrator.

What happens to money I do not use by the end of the plan year?

If you do not have claims that equal or exceed the amount of the annual contribution, your remaining funds will be moved to the next plan year and will be available to you for reimbursement after the plan run-out period has been exhausted.

Is there an alternative way to be reimbursed?

Yes, the debit card is an alternative to traditional reimbursement methods.

The debit card is funded directly from your pre-tax Flexible Spending Account. While it does not completely eliminate reimbursement claim forms, it can significantly reduce them.

When the debit card used for expenses such as office visit and prescription co pays, a claim form will not be required. You may be asked to provide documentation of the expense, if the expense cannot be auto-adjudicated.

Simply swipe your card at an eligible location such as pharmacies, physician or dental offices and the funds are directly withdrawn from your pre-tax Flexible Spending Account and auto-adjudicated – eliminating all out of pocket expenses and reimbursement waiting periods.

Corporate Health Systems may request documentation for claims paid using the debit card that cannot be auto-adjudicated. Corporate Health Systems will request that you submit documentation to support your purchase via email. You then submit your receipt and a copy of the email to Corporate Health Systems and your claim will be processed without your completing a traditional reimbursement claim form. If you do not submit the required documentation, your debit card will be deactivated and the expense paid using the debit card will be deducted from your paycheck. ***It is important that you retain documentation for ALL claims, regardless of the reimbursement method.***

Where can I use my Debit Card?

The IRS now requires that the Debit Card can only be used at health care providers who have a health care-related merchant category code (such as physicians, dentists, vision care offices, hospitals, and other medical care providers) or at grocery stores, discount stores and pharmacies who utilize an Inventory Information Approval System (IIAS).

You may ***not*** *use the Debit Card at any merchant, including pharmacies, that does not have a health care related merchant category code unless that merchant or pharmacy utilizes an IIAS.*

- *When utilizing an IIAS, the Debit Card may be used to purchase only those items identified on a list of eligible medical expenses maintained by the merchant.*
- *When purchasing eligible health care-related items AND ineligible non-health care-related items, the merchant will only accept the Debit Card as payment for the health care-related items. You must pay for the ineligible items with another form of payment (cash, personal credit or debit card, etc).*
- *In rare circumstances, purchases made at merchants utilizing an IIAS may fail to process appropriately. In those cases, you will be required to submit substantiating documentation as described below. You must maintain proper documentation for purchases made with your Debit Card.*
- *A list of merchants utilizing an IIAS is available online at* ***www.corphealthsys.com/forms/IIAS****. Please note that some merchants, including Walgreens, have implemented a custom IIAS solution and do not appear on this list.*

Please remember to keep documentation for all purchases made with the Debit Card. Per IRS regulations, we may be required to request itemized receipts to verify the eligibility of purchases made with the card.

- *Valid documentation of a purchase must include the dollar amount, date of service, name of provider, and a description of the purchased service or product. For over-the-counter health care items, the name of the product must be listed on the receipt.*
- *Any receipt that does not contain the detailed information described above is not acceptable. Credit card receipts are not acceptable.*
- *If the requested receipt is lost or otherwise unavailable, most providers can provide a detailed statement documenting FSA eligible purchases.*

Important point to remember: *You cannot use your Debit Card at stores that do not participate in IIAS, even if you have used your Debit Card at these stores before. (Your transaction will be declined.)*

How do I submit a claim?

To be reimbursable, the Participant must have incurred an eligible expense after his/her entry date into the plan. An expense is "incurred" when the Participant is provided with the care giving rise to the expense, not when the service is billed or paid. Reimbursement shall not be made for future projected expenses.

Complete a Request for Reimbursement claim form and submit an ***ITEMIZED BILLINGS*** *for each line you have filled out. Receipts must include the following information:*

- *Nature of the expense – the specific service that was provided (not payment on accounts)*
- *Date of service – when the service happened (not when the service was paid for)*
- *Person receiving service (can be an eligible dependent)*
- *Amount of the service*
- *Name of the provider – clinic name and/or doctor's name and address*

If any of these requirements are not met, the line missing the documentation cannot be paid until the corrected portion is received. All other lines with correct documentation will be paid. The IRS regulates the requirements for documentation.

All claims must be incurred during the plan year. Claims incurred outside of the plan year, before your enrollment date or after your participation terminates, will not be reimbursed.

Claim forms and documentation must be mailed, faxed or emailed to:

Corporate Health Systems, Inc.
PO Box: 46390
Eden Prairie, MN 55344-6390
Fax: (952) 939-0990
Email: ajohnson@corphealthsys.com