



What is a health reimbursement arrangement (HRA)

How a health reimbursement arrangement (HRA) works

A health reimbursement arrangement (HRA) is a **reimbursement account set up and funded by your employer to cover eligible healthcare expenses**. HRAs can help you reduce your out-of-pocket healthcare expenses.

An HRA is part of your employee benefit plan that is 100% funded by your employer. You'll know in advance how much money you have to spend on eligible healthcare expenses. Eligible expenses will be outlined in the summary plan document provided by your employer.

How do I use my HRA to pay for my healthcare expenses?

You can use your **Lane Health Card with a Heart®** to pay your providers for eligible healthcare expenses, allowing you to avoid out-of-pocket expenses, cumbersome paperwork and reimbursement delays.

How will I benefit from my HRA?

Employers offer an HRA in conjunction with your health insurance plan in order to help offset your out-of-pocket responsibility. Your health insurance plan may require you to pay out of your own pocket in the form of copayments and/ or a deductible before your insurance plan starts paying for services. Also, once you meet your deductible, you may need to pay a percentage ('coinsurance') of services until you meet your out-of-pocket maximum.

An HRA helps offset your deductible and coinsurance responsibility by allowing you to pay for those costs from funds set aside by your employer. The funds your employer contributes are not included in your salary and are not considered taxable income.

Qualifying expenses: What Qualifies?

Eligible expenses will be outlined in the summary plan document provided by your employer and typically include:

- + Copays & deductibles
- + Prescriptions
- + Contacts & eyeglasses
- + Dental care & orthodontia

Advantages of an HRA

- + Your employer funds this account
- + You don't pay income tax on the money your employer has contributed to your HRA
- + Helps reduce your out-of-pocket healthcare expenses

How are HRAs and FSAs different?

An HRA is a reimbursement account set up and funded by your employer to cover eligible healthcare expenses. Unlike a healthcare FSA where the IRS defines the eligible services, the employer defines the services eligible for reimbursement from an HRA.