

Broker/consultant fact sheet

UnitedHealthcare Health Reimbursement Account (HRA)

General introduction

Combines a high-deductible health plan with an employer-funded account that helps members meet their deductible.

There are three types of HRAs:

- ▶ **Traditional HRA** — The HRA will pay claims immediately on day one of the plan year. Once exhausted, the member pays the remaining deductible out-of-pocket and then medical benefits apply.
- ▶ **Split-deductible HRA** — The HRA does not pay claims until a set amount has been paid by the member. Once the set amount, known as the access point, has been met, the HRA becomes active and will pay claims until it's exhausted. The employer can set the access point at any level.
- ▶ **Shared-deductible HRA** — A percentage of each claim is paid out of the HRA and the remainder is the member's responsibility. A Shared-deductible HRA can be paired with a Traditional or Split-deductible HRA.

Key features

- ▶ HRAs offer tax savings to both employers and employees
- ▶ Employer distributions through an HRA are tax-deductible — contributions can be added to health plan premiums to calculate total employer contributions
- ▶ Employee reimbursements through an HRA are tax-exempt
- ▶ Accounts work with all health plans, as well as flexible spending accounts (FSAs)
- ▶ Employer determines contribution amount, covered expenses, debit card access and carryover rules
- ▶ Accounts are unfunded until a claim is filed (also called "notional")
- ▶ Employees are automatically enrolled with their health plan

- ▶ UnitedHealthcare claims are paid to the provider and member automatically
- ▶ Monthly employer reports help monitor and track HRA balances

Product positioning

HRAs work with all health plans and offer tax advantages for the employer and employee. The notional account set up by the employer provides dollars for employees to use for eligible health expenses not paid for by insurance or any other benefit plan.

Competitive differences

UnitedHealthcare's integration of medical benefits and an HRA streamlines the installation process, claim administration, reporting and member access (via **myuhc.com**[®] or through Customer Care) to help create a positive health care experience.

Target audience

Customers select HRAs for varying reasons. A customer with a higher employee turnover rate may want the HRA plan because unused funds revert back to the employer when an employee leaves the company. Another consideration is the flexibility to determine the deductible and out-of-pocket levels or customizing the types of expenses the funds can be used for. Our HRA administration system allows us to design a customized allowable expense list, unlike an HSA where all 213d expenses are payable, and are not restricted to IRS regulated deductible and out-of-pocket maximum levels.

Employee/member value proposition

The employer funds tax-free dollars for the employee/member to use for qualified medical expenses. Preventive care is covered at 100% and does not get deducted from the HRA as an expense.

Employer value proposition

Consumer-driven health plans, like an HRA, drive behavior change by engaging members to become active in managing their health and health care costs.

Broker value proposition

Consumer-driven health has grown significantly over the years and is expected to continue. Our wide range of plan designs, innovation and tools for customers and members are features that you can leverage to attract new business.

Recommended plan design

UnitedHealthcare offers a full range of preferred medical plan options to pair with the HRA. We offer three types of HRA designs.

1st dollar HRA: The HRA pays out immediately

Split-deductible HRA: Members pay a set deductible up front and then the HRA begins paying

Shared-deductible HRA: Members share in the cost on a per HRA claim basis

We will consult with you, based on customer needs, to guide the best HRA administration experience.

Network considerations

Members can see any physician or other health care professional in the network without a referral.

Cost controls

Behavior is the principle factor that affects the health of members. When paired with a higher deductible health plan, members are encouraged to become more informed about their health care decisions. UnitedHealthcare provides messaging and tools to help educate members about how they can better their health by making more informed decisions. Ultimately, these behavior changes can result in lower health care costs.

Medical management

Standard UnitedHealthcare medical management applies.

Member support

Members have access to their information via **myuhc.com** or by calling Customer Care at the number on the back of their medical ID card.

Date first introduced

Early 2000s

Availability

States/markets:

All

Funding types:

ASO

Fully Insured

Group sizes:

Key Accounts and National Accounts 100+ administered on UNET



Not all products are available in all markets. Please discuss product options with your UnitedHealthcare representative.



Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by UnitedHealthcare Insurance Company, United HealthCare Services, Inc. or their affiliates.

Administrative services provided by UnitedHealthcare Insurance Company, UnitedHealthcare Service LLC, United HealthCare Services, Inc. or its affiliates.

UnitedHealthcare's Health Reimbursement Account, or HRA, combines the flexibility of a medical benefit plan with an employer-funded reimbursement account.

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