



Building Your Strategy: HEALTH REIMBURSEMENT ACCOUNT (HRA)

tip

1

DECIDE YOUR EXPENSE CATEGORIES

21% of HRAs are designed to pay all Publication 213(d) expenses. This is your most expensive plan option. However, the most common option is for the HRA to cover deductible (or deductible RX) expenses, which is utilized by 67% of HRAs.

tip

2

CHOOSE YOUR ENDING WISELY

Most employers (90%) structure the HRA to forfeit at the end of the plan year. This is often done to align with the medical plan. Just 10% of plans allow funds to roll over into the next plan year. While not utilized very often, allowing the funds to roll over can prevent overutilization of healthcare at the end of the plan year.

tip

3

PICK YOUR FUNDING STRATEGY

Employers set the amount that will be available to employees. Employers can set the same amount for all eligible employees or set different amounts based on health plan coverage level. The average funding when all employees receive the same amount is \$3800. The average funding for single and family coverage is \$2350 and \$2750, respectively.

tip

4

CUSTOMIZE YOUR PLAN

20% of plans include a rate table or deductible threshold before expenses are paid. A threshold can be an effective option when looking to share employee responsibility. It can also be effective if looking to layer a post-deductible HRA with an HSA. 5% of plans utilize "other" features such as percent of expense payments, fixed dollar payments, and varied reimbursement rates for in-network and out-of-network.

Unless otherwise stated, all data points are based on plan trends and usage statistics from plans administered by Benefit Resource, LLC.