Health Reimbursement Arrangement (HRA)

Frequently Asked Questions for Teachers, Food Service, Clerical, and Custodians

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement is an interest-bearing, employer-funded account created in your name to reimburse you tax-free in retirement for eligible medical expenses and premiums.

Do I have to enroll?

You were automatically enrolled by your employer. No action is necessary on your part.

What are the benefits of an HRA?

- Employer deposits are tax-free (not subject to FICA, Federal, or State income taxes), so you receive 100% of the value of each benefit dollar.
- Deposits earn interest tax-free.
- Reimbursements from the plan are tax-free for eligible medical expenses and premiums for you, your spouse, and any qualifying dependents, if applicable.
- Account balance rolls over each year and there is no time frame by when you must submit expenses for reimbursement.
- You have the flexibility to choose which eligible expenses and when to submit for reimbursement.

Who is eligible to receive the benefits of my HRA?

You, your spouse, and any qualifying dependents are able to seek reimbursement for eligible medical expenses and premiums from the HRA. Qualifying dependents include children under the age of 27 at the end of the tax year and any tax dependents.

How often will my employer contribute to my account?

Your employer will contribute to your account on an annual basis for five years following retirement. For detailed information regarding contribution amounts and timing, please contact your employer.

Where are funds invested?

Funds are invested in a fixed annuity with a guaranteed rate of return. Investments are provided by American United Life Insurance Company®, a OneAmerica® Company (AUL). For more information on your investments, please visit www.oneamerica.com.

How often will I receive account statements?

You will receive paper statements on an annual basis. However, you may access your account activity anytime by logging in to your account on our secure website, www.MyMidAmerica.com. Your temporary login is your Social Security number and your temporary password is the last four digits of your Social Security number. You will then be asked to change your user name and password.

Can I make contributions to my HRA?

Only an employer can fund an HRA. You cannot contribute.

Can I move HRA funds to another plan?

The funds deposited in your account must stay within your employer-sponsored HRA plan.

Can I name a beneficiary?

No. However, a surviving spouse or qualifying dependent will still be able to access funds for eligible medical expenses and premiums. If you do not have a surviving spouse or qualifying dependent, the executor of your estate or trustee can use your remaining funds to reimburse eligible medical expenses and premiums not previously submitted on your behalf, including expenses related to your death. If an account balance still remains, the balance will forfeit back to the employer.

What happens if I go back to work part-time for my employer?

Special rules may apply if you return to work for your former employer. Please consult your employer.

Am I still eligible for a Premium Tax Credit (subsidy) if I have an HRA?

Yes. If you qualify for a Premium Tax Credit under the Affordable Care Act (ACA), you must suspend your HRA account balance to receive the credit. You will not be able to submit or incur expenses for reimbursement during the time your HRA is suspended; however, your employer is still able to contribute to your account during the suspension and your account continues to earn interest. The suspension must remain in effect until the end of the year. To suspend your HRA, check this option under the Authorization section of the Claim Form.

Submitting Claims

What is considered an eligible medical expense?

Most common eligible medical expenses:

- Insurance plan deductibles
- Insurance plan coinsurance
- Office visit copays
- Physician service copays
- Prescription copays
- Over-the-counter drugs*

*IRS requires a doctor's note or prescription for over-the-counter drugs

Eligible medical expenses are defined under Section 213(d) of the Internal Revenue Code. A Partial Listing of 213(d) Eligible Medical Expenses has been provided for you online by logging in to your secure account on www.MyMidAmerica.com. IRS Publication 502 can also be used as a guide. However, there may be instances where the information in IRS Publication 502 does not apply to Health Reimbursement Arrangements.

What is considered an eligible premium expense?

Most common eligible premium expenses:

- Health insurance premiums
- Dental and vision premiums
- Long-term care premiums subject to IRS limitations
- Medicare Part B, Part C, Part D, and Medicare supplement plans
- Individual policies both on and off the exchange
- Employer-sponsored group coverage premiums as long as they are not paid for on a pre-tax basis

Can I be reimbursed for medical expenses I haven't paid yet?

Yes. You can submit a claim prior to paying the bill as long as you have incurred the expense.

Can I be reimbursed for premium expenses I haven't incurred yet?

No. Premium expenses must be incurred and paid prior to being reimbursed. You are not able to submit a reimbursement request for an entire year's worth of premiums in advance.

How do I submit a claim?

- To submit a claim, you can set up reimbursements online at https://www.MyMidAmerica.com/forms/hra-reimbursement-submissions/ or fill out the Claim Form, which can be obtained online or by calling (855) 329-0095.
- Recurring premium claims are valid for 12 months. After 12 months, a new claim form and updated policy documentation must be submitted. If at any time during the 12 months, your premium amount changes or the policy terminates, you must notify MidAmerica immediately. If you do not supply adequate supporting documentation, MidAmerica will hold your funds until they receive the necessary information.
- If you are enrolled in an individual insurance policy, you are required to provide monthly attestation, per IRS guidelines. The Attestation Form can be obtained online or by calling (855) 329-0095. If you set up the recurring premium reimbursements online, you will receive an email monthly allowing you to attest via the email.
- All claims will be processed in approximately 7-10 business days.
- Direct deposit is available by checking this option on the Claim Form or when submitting a claim online.

What type of documentation should I include with my eligible medical expense reimbursements?

You can substantiate your claim with one of the following:

- The Explanation of Benefits (EOB) statement returned to you from the insurance carrier indicating the amount you are responsible for
- Copay receipts if you are covered under a managed care or prescription drug plan
- If there is no insurance for the health care expenses, submit an itemized bill with the following:
    - Name of the provider and patient
    - Service cost, date, and description
    - Notation when there is no coverage

What type of documentation should I include with my premium reimbursement?

You can substantiate your claim with a Premium Notice, such as a bill or acceptance letter from the insurance company, which includes the following:

- The premium amount
- The effective date of coverage
- Name of the person insured - this will be you, your spouse or a qualifying dependent

Are there any fees?

There is a $5.00 reimbursement fee assessed per hard copy claim form or $2.50 fee per online claim capped, at six fees per year. To minimize fees and maximize interest, you may submit multiple claims at the same time and only pay one fee. Expenses do not expire and can be submitted at any time.

Accessing your MySpokeskids Page

MySpokeskids is a website designed to help you better understand your retirement and wellness benefit options. From your MySpokeskids page, you can access pertinent plan details, educational videos and plan forms.

1. Go to www.myspokeskids.com
2. Select “Your Plan” from the link list located at the top of the page
3. Search for your employer
4. Select your employer from the dropdown list that will appear

Questions?

If you have questions regarding your plan, please contact MidAmerica Administrative & Retirement Solutions (MidAmerica), the plan administrator, at (855) 329-0095 or email us at healthaccountservices@MyMidAmerica.com.

If submitting paper forms, send to:

MidAmerica Administrative & Retirement Solutions
Attn: HRA Department
P.O. Box 24927
Lakeland, Florida 33802
Fax: (863) 577-4460
claims@MyMidAmerica.com

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