



Health Reimbursement Arrangement Overview

Paying for health care is now easier *and* less expensive with Health Reimbursement Arrangement (HRA) from ConnectYourCare.

What is an HRA?

A Health Reimbursement Arrangement is a tax-advantaged account funded by your employer to cover your health care costs. The money contributed to this account is not taxed, and you can access these funds to pay for any qualified medical expense for you or your dependents.

- **Multiple uses.** There are hundreds of eligible expenses for your HRA funds, including prescriptions, some over-the-counter medications, doctor office copays, health insurance deductibles and coinsurance. HRA funds may even be used for eligible expenses for your spouse or federal tax dependents. See the list of Eligible Expenses in this guide for more details.
- **Easy to access.** Your account balance is available at any time online or over the phone.
- **Rapid reimbursements.** Paying for health care expenses is easy. You can quickly and easily create your claim online. Once you submit your receipts, we will reimburse you via check or direct deposit.
- **Out-of-pocket costs are covered.** You are responsible for any portion of your health care that is not covered by your medical, dental or vision plans, including the deductible, copays, coinsurance and other un-reimbursed amounts. The HRA can be used to cover these costs.
- **Tax advantages.** Contributions are not taxable to you, and distributions are not taxable as long as they are spent on eligible health care expenses.

Please complete the City of Laredo Wellness Program, So that you may enjoy the benefits of an HRA!

HRA Rules & Regulations

- Only your employer can contribute to an HRA; no employee contributions are allowed.
- The IRS requires that all HRA purchases be verified as eligible expenses. We will request itemized receipts.



- **Always save your itemized receipts!** We may request documentation to verify your purchase was eligible. It's a quick and easy process to submit receipts, but keeping your itemized receipts on file makes it easier when the time comes.

Using Your Health Reimbursement Arrangement

We make it easy to access and use your account funds.

Pay with Personal Funds and Request Reimbursement: Pay using your own personal credit card, cash, or check and keep your itemized receipt as documentation. Then, log on to your online account to file for reimbursement and upload documentation. You can receive reimbursement funds via check or direct deposit.

Tip: Set up direct deposit online to receive quicker reimbursements.



How to Pay at...

- **The Doctor, Dentist, Eye Doctor, or Hospital.** When you pay for health care at the doctor, dentist, eye doctor, or hospital, be sure to always present your health insurance ID card first to ensure proper processing of your charges.

If you are asked to pay a copay, you may pay using personal funds and request reimbursement online. Save your itemized receipt to submit as documentation.

If you're asked to pay for additional charges, do not pay your provider until the claim is processed by your health plan and you receive your Explanation of Benefits (EOB) in the mail. This helps avoid overpayment. Compare your EOB with the provider bill to verify the amount being charged by your provider is the same as the patient balance on the EOB. You may then pay using personal funds and request reimbursement online using your EOB or itemized provider bill as documentation.

- **The Pharmacy.** When purchasing prescriptions, be sure to always present your health insurance ID card first to ensure proper processing of your charges. You may pay using personal funds and request reimbursement from your account. Save your itemized receipts to submit as documentation, as you may be required to substantiate the expense.

Learn more about HRAs!

www.connectyourcare.com/hravideo



Using Your Online Account

Our online participant portal puts account information and health education tools at your fingertips.

Online Account Features

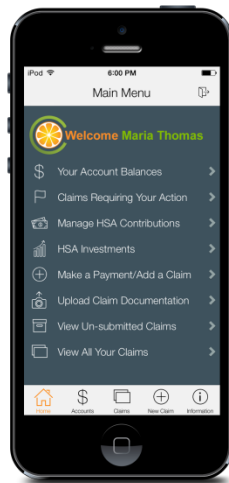
- Get account balance
- View payment charges
- Enter a request for reimbursement
- View reimbursement requests
- Read important messages
- View reimbursement schedule
- Use health education tools
- Find answers to frequently asked questions

Mobile Solutions

Mobile App

We offer a secure, interactive mobile application for Android, iOS and Windows devices.

- View account balance, account alerts and transaction history
- View all claims, claims requiring action, and claims details
- Submit a new claim
- Tap to call Customer Service
- Upload claim documentation – quick and easy way to submit receipts using your device's camera.

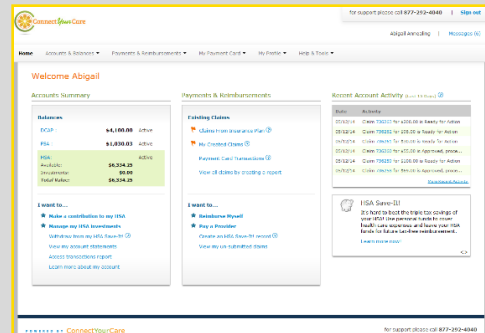


Mobile Browser

We also offer a streamlined version of your online account that allows you to access your most important account information including account balances, transaction history, claim summaries, claim details and FAQs, all on your smartphone without having to download our mobile app.

Where to Begin

- Go to www.connectyourcare.com.
- Select the log in link from the upper right hand corner.
- Sign in with your user name and password.
- If it is your first time visiting the site, choose New User Registration to select your name and password.



Enter a New Claim

If you pay for an expense using personal funds, you will need to enter a claim for reimbursement. Entering a new claim is easy.

- Log into your online account or mobile app.
- Click to add a new request for payment or reimbursement.
- Enter the required information about your expense.
- Follow the instructions to submit your documentation via upload, fax, or postal mail.

Use your Health Reimbursement Arrangement for hundreds of qualified expenses.

Eligible Health Reimbursement Arrangement Expense Examples

There are hundreds of eligible expenses for your HRA funds, including prescriptions, some over-the-counter items, doctor's office copays, health insurance deductibles, and coinsurance. HRA funds may even be used for eligible expenses for your spouse or tax dependents.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Automobile modifications for a physically handicapped person
- Birth control pills
- Blood pressure monitoring device
- Braille books & magazines (above the cost of regular printed material)
- Chiropractic care
- Christian Science practitioner
- COBRA premiums (post tax)
- Contact lenses & related materials
- Crutches
- Dental treatment

- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination
- Eye glasses & related materials
- Fertility treatment
- Flu shot
- Guide dog or other animal aide
- Hearing aids
- Hospital services
- Immunization
- Insulin
- Insurance premiums (post tax)
- Laboratory fees
- Laser eye surgery
- Long-term care premiums or expenses (post tax)
- Medical testing device

- Nursing services
- Obstetrical expenses
- Organ transplant
- Orthodontia (not for cosmetic reasons)
- Oxygen
- Physical exam
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program
- Surgery
- Transportation for medical care
- Weight loss program to necessary to treat obesity
- Wheelchair



Ineligible HRA Expense Examples

These items are never eligible for tax-free purchase with HRA funds.

- Concierge service fees (billed for future services; no treatment actually provided)
- Cosmetic surgery
- Exercise equipment
- Fitness programs
- Funeral expenses
- Hair transplants
- Household help
- Illegal operations and treatments
- Maternity clothes
- Retiree medical insurance premiums
- Teeth whitening

Eligible Over-the-Counter HRA Expense Examples

Many over-the-counter (OTC) items are eligible for purchase with your account funds.

Eligible without a Prescription – Insulin, testing, and other non-medicinal health items are available without a prescription, letter of medical necessity, or doctor’s directive.

Examples include:

- Band aids
- Braces & supports
- Catheters
- Contact lens supplies & solutions
- Denture adhesives
- Diagnostic tests & monitors
- Family planning items
- First aid supplies
- Insulin & diabetic supplies
- Ostomy products
- Reading glasses
- Sunscreen & sun block (SPF 15+, broad spectrum)
- Wheelchairs, walkers, canes

Dual Purpose Items – Items that can be used for a medical purpose or for general health and well-being are considered “dual purpose” and are eligible only with a prescription, doctor’s directive or letter of medical necessity. Examples include:

- Dietary and weight loss supplements
- Fiber supplements
- Orthopedic shoes and inserts
- Snoring cessation aids
- Vitamins and herbal supplements

Eligible with a Prescription* – OTC items that contain a drug or medication require a prescription in order to be reimbursed.

Examples include:

- Acid controllers
- Allergy & sinus medicine
- Antibiotics
- Anti-diarrheals
- Anti-gas products
- Anti-itch & insect bite
- Anti-parasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold & flu treatments
- Digestive aids
- Feminine anti-fungal/anti-itch
- Hemorrhoidal preps
- Laxatives
- Motion sickness
- Pain relievers
- Respiratory treatments
- Sleep aids & sedatives
- Stomach remedies

Expenses that are NOT Eligible – OTC items merely beneficial to general health or for cosmetic reasons are not eligible. Examples include:

- Cosmetics
- Deodorant
- Exercise equipment
- Fitness programs
- Moisturizers and wrinkle creams
- Toothpaste, toothbrushes and mouth wash
- Tooth whitening products

*A “prescription” means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

Frequently Asked Questions

How can I find out my account balance and review transactions?

Account Balance and Claims Status information is available 24 hours a day, seven days a week:

- Visit www.connectyourcare.com to log into your online account. If it is your first time visiting the site, click on the “Register” button to select your user name and password.

When can I request reimbursement from my HRA?

You will have access to the funds once you have completed the wellness program (verify completion with Employee Health & Wellness Division).

How will I receive my reimbursements?

You are eligible to receive funds by check or direct deposit. For quicker reimbursements, sign up for direct deposit in your online account.

How do I set up direct deposit?

- Log into your online account and select Direct Deposit under My Profile.
- Complete the short, secure form. Be sure to have your bank account and routing numbers on hand.
- Choose Direct Deposit as your preferred method of Claim Reimbursement and click the Confirm button.

What happens if I use my account for a non-eligible expense?

When you file a manual request for reimbursement, the request will be denied.

How will I know if I need to submit a receipt?

You can review if your claim requires receipts online by logging into your account. You need to submit receipts if you see a notice. You should always save your receipts even if you have not received such a notice.

What if I don't submit my receipts?

You must provide the receipts within the time requested, or the transaction will be deemed ineligible, and you will be required to refund the amount of the transaction. If you fail to reimburse the account, the amount of the ineligible expenses may be added to your W-2.

Non-itemized cash register tapes, credit card receipts and cancelled checks alone do not provide proper substantiation.

This guide does not constitute tax advice. For more assistance, please contact your tax advisor. You can also find more information in IRS Publication 969 at <http://www.irs.gov/pub/irs-pdf/p969.pdf>. Please keep in mind that your state might have different tax rules. Always refer to your state's tax guidance regarding HRA taxation.