

HDHP (High-Deductible Health Plan), HRA (Health Reimbursement Arrangement), and HSA (Health Savings Account) FAQs

This information is a brief and general overview of how HDHPs, HRAs, and HSAs work together and what employees should be aware of when enrolling in an HDHP. For full eligibility requirements and rules, employees should contact their applicable HRA and HSA providers. Note: Benton County does not offer an HSA to benefit eligible employees.

Can an employee enrolled in an HDHP be enrolled in another medical plan (double coverage) if they have an HRA VEBA account?

Yes, with the following exceptions:

- If an employee or spouse has an HSA or opens an HSA, they must elect limited HRA VEBA plan coverage. If the spouse has an HSA with another employer, the County employee must elect the limited HRA VEBA plan coverage. Limited HRA VEBA plan coverage limits the coverage of benefits to the employee; it does not stop the contributions into the employee's HRA VEBA account.
- NOTE: If an employee or spouse is enrolled in any part of Medicare and are considering enrolling in an HDHP, please contact Personnel Resources for further information on Medicare Coordination of Benefits.

What expenses can be reimbursed if an employee elects limited HRA VEBA plan coverage?

Only the following expenses can be reimbursed under limited HRA VEBA plan coverage:

- Standard dental care services (not related to a medical condition or accident), including dentures
- Orthodontia
- Routine eye exams, contact lenses, and eyeglasses (excluding initial lenses and standard frames after cataract surgery)

If an employee stops participating in an HDHP and chooses a non-HDHP plan at their next open enrollment, must they keep their HRA VEBA account limited?

No, an employee does not have to keep their account limited if they are no longer enrolled in an HDHP and are not making or receiving contributions to an HSA. Employees can make one limited coverage election per calendar year. However, more than one change during a calendar year may be allowed for certain life events that permit a special enrollment.

How does an employee elect limited HRA VEBA plan coverage?

Employees can elect limited coverage by completing and submitting an Election of Limited HRA VEBA Plan coverage form. **This form is available online at www.hraveba.org** or by request from the third-party administrator, Meritain Health, by calling 1-888-659-8828.

What happens if an employee who has an HRA account makes or receives ineligible contributions to an HSA?

Ineligible HSA contributions, including those that exceed the annual maximum, are considered "excess contributions." Such contributions are taxable to the employee and subject to a 6% federal excise tax, which is imposed on the employee for not following IRS rules.