

# HRA

## SuperMed HRA

Health Reimbursement Account



+1,200
\$2,800.00
-800.00
\$2,000.00
Med 500 Job Expenses
\$1,500.00
Med 500 Reimbursement Account
\$2,000.00
+200.00
\$2,200.00
-127.35
\$2,072.65



MEDICAL MUTUAL OF OHIO®  
Your healthcare partner since 1934

SUPERMED HRA



SuperMed



## Employer Checkpoints

# Checkpoints



### Employee Account Use

SuperMed HRAs are designed to apply to medical services that are subject to the deductible. You can design a plan that has copays and coinsurance, which would remain the employee's responsibility. To help control costs, Medical Mutual recommends setting up an HRA that only covers in-network claims to encourage the use of these services.

### Account Balances

Employees can access their HRA account balances from their EOBs, at MedMutual.com or by contacting Customer Service.

### Direct Provider Payments

All HRA-eligible payments are made directly to the healthcare provider. Employees will not have to wait to be reimbursed. (Major medical drug payments currently go to the employee.) Medical Mutual will work with employers to make sure only covered services are paid by the HRA.

### Account Use After Employee Departure

Accounts will need to be maintained even after an employee leaves the company. This is especially true if the employee elects benefits through the Consolidated Omnibus Budget Reconciliation Act (COBRA) or if he or she has a plan balance upon retirement.

## SuperMed Employee Tools

All SuperMed programs offer decision support tools for members to learn about health coverage and manage their care.

### ■ My Health Plan

Allows employees to check on claims, review costs, compare hospitals, use a plan comparison tool in Healthcare 101 or complete a Health Risk Assessment online.

### ■ WebMD®

Access health information through a variety of interactive activities.

### ■ SuperWell®

Take advantage of programs to manage specific medical conditions and find tips on how to lead a healthier life.

Employee Tools



# Discover SuperMed HRA

## Health Reimbursement Account

Medical Mutual of Ohio® offers an innovative healthcare option that may reduce costs for both the employer and the employee. SuperMed HRA® is a consumer-driven plan that gives employees the power to manage their healthcare dollars more wisely through the use of a Health Reimbursement Account (HRA). SuperMed HRA increases deductible levels substantially, but combines this increase with a user-friendly, tax-advantaged, employer-funded account (IRC Section 105), to offer protection and the potential for added savings.

### SuperMed HRA Advantages

- Raise employee awareness of healthcare costs
- Encourage employees to take an active role in their healthcare
- Potentially reduce healthcare costs or rates of increase for the employer and employees
- Fund a portion of a high-deductible health plan either before or after employees contribute

### Enabling Your Employees

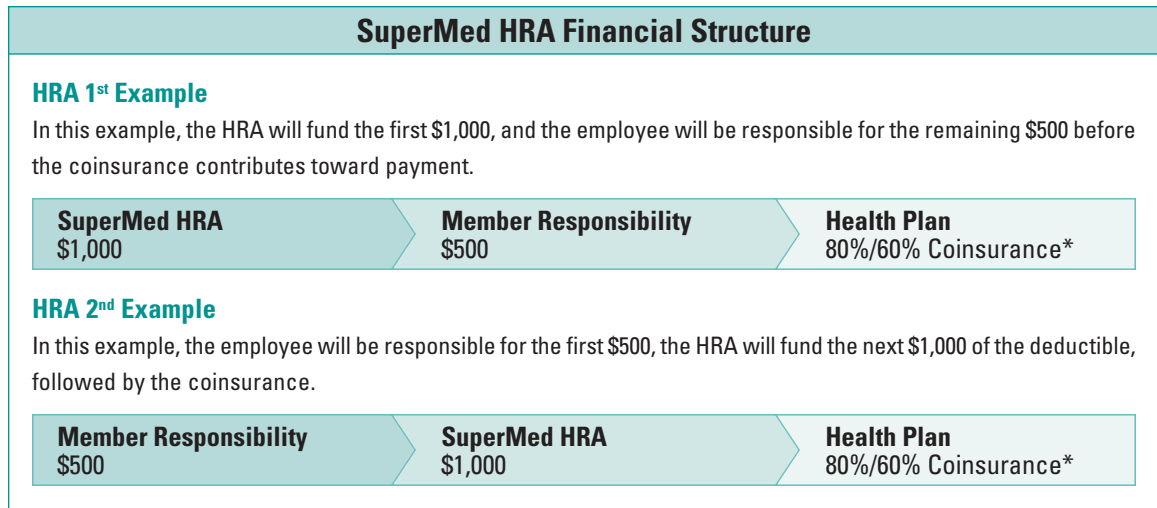
SuperMed HRA encourages employees to take a more active role in deciding how to spend their funds. When employees select this plan, they receive a predetermined amount of money in an HRA to spend annually on their healthcare costs. It is up to them to manage this money wisely.

Employees often choose to become more informed about the cost of medical procedures and ask their providers more questions. Medical Mutual® offers employees decision support tools under *My Health Plan* at [MedMutual.com](http://MedMutual.com) that enable them to make the best choice for their specific situations. Employees have direct control over a certain amount of the healthcare funding and can closely monitor their own out-of-pocket expenses.

# How it Works

A typical SuperMed HRA plan design puts an HRA first in the order of expenditures. Employees may not want to use the healthcare account for regular medical expenses, so they will carefully monitor their care. The example below shows a \$1,500/\$3,000 deductible.

In both examples, preventive care is covered 100 percent without being subject to the deductible. This benefit is usually included in most standard benefit designs to promote preventive care to your employees with no out-of-pocket costs. It is recommended to use in-network claims only toward your HRA to keep costs low.



\* Optional In-Network/Out-of-Network Coinsurance

# An Integrated Plan

SuperMed HRA is integrated with the employee's health insurance plan, which allows Medical Mutual to pay providers directly from the employee's HRA account for eligible claims.

## Step 1: Employee Visits Provider

The employee visits a provider and presents his or her identification card as proof of insurance.

## Step 2: Provider Submits Claim to Medical Mutual

The provider submits a claim priced according to their contracted agreement with Medical Mutual.

## Step 3: Medical Mutual Processes the Claim

Medical Mutual will process the claim based on where the employee stands within the HRA plan design. If HRA funds are available, Medical Mutual will deduct the cost of the treatment and pay the provider. If no HRA funds are available, the provider is notified that the employee owes the network discounted rate. If no HRA is available and the employee has paid the remaining balance, the health plan will pay the provider. If the employee owes coinsurance, the provider will bill the employee for that portion.

## Step 4: Medical Mutual Issues Explanation of Benefits (EOB) to Employee and Provider

Medical Mutual prices the claim and sends EOBs to the employee and the provider. The EOB indicates the employee's responsibility, payments made from the HRA and benefits covered by Medical Mutual.

# Flexible Features



## Plan Design

An HRA can be administered in several combinations with the high-deductible health plan. As the examples to the left show, the HRA can pay for expenses first, with year-end rollover as an option, or second, where the employee pays first. A third option, which consists of an HRA 1st design with an additional level of HRA funding after the member pays, can also be chosen.

The deductible can be administered in any payout percentage, and you decide how much to fund into the account. Medical Mutual suggests having single and family levels that amount to half of the overall total deductibles. The HRA does not need to be entirely pre-funded, to minimize the impact on your cash flow. Contact your Medical Mutual representative to help determine the design of the health plan. Specific options depend on the group size. Please review IRS Revenue Ruling 2002-41 and Notice 2002-45 before making final decisions.

## Rollover Amounts

You will also decide whether a set amount will be added to the HRA for each employee, which means employees with rollover balances will begin the year with larger accounts than those who did not have funds left to roll over. Or, you can opt to give all employees funds up to the same set amount, which means employees who have accrued balances will need to receive less funding to bring their account up to the set amount. You may want to cap the balance accumulation. Rollover is only allowed on HRA 1st plan designs.

## Preventive Care

Implementing SuperMed HRA will cause deductibles to rise. However, you can still emphasize the importance of preventive care by establishing a separate preventive care portion of the benefit design that is covered in full.

## Incentive-Based Deposits

On HRA 1st designs, you can choose to make incentive-based deposits when employees participate in wellness activities to encourage healthy behaviors.

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Visit [MedMutual.com](http://MedMutual.com).