Frequently Asked Questions

What is a Health Reimbursement Arrangement (HRA)?

In 2002, the IRS approved provisions that allow employers to offer a health benefit that reimburses employees through accounts called HRAs. An HRA is an employer-funded benefit plan. It allows employers to receive payment for a defined set of costs that are not covered by health insurance. HRAs are funded solely by the employer and do not require any type of employee contribution.

What types of services can be reimbursed through an HRA?

An employer determines the defined set of eligible expenses with any HRA. Please refer to the HRA plan documents for the list of eligible expenses.

What is my HRA amount?

Your employer also decides the amounts to be provided through the HRAs to eligible employees. You will need to review your HRA plan documents to determine the amount of funding in your HRA.

Is Coventry FlexChoice an HRA?

No. It is a strategy to combine high deductible insurance plans with a separate HRA, administered by a third party administrator. You may use your HRA to pay for covered health care costs, including those subject to the medical plan deductible.

How might Coventry FlexChoice work?

For this example, we use a deductible amount of $1,000 and an employer-funded HRA amount of $500 for a single employee for the plan year.

The individual employee’s first $500 in covered medical expenses are applied to the $1,000 deductible and to the balance in the HRA. For each claim that is sent to the HRA administrator for reimbursement from the HRA, a check will be sent to the member from the HRA, as long as there are funds available. The member is responsible for making payment directly to the provider. The member will continue to be responsible for the second $500 in covered medical expenses that are subject to the deductible.

An employer may elect to have HRA amounts unused during the current plan year rolled over for use in the next plan year’s HRA.

Can I use my HRA to cover services other than the plan’s deductible?

Your employer determines the medical expenses that are eligible for reimbursement from the HRA. Please review your HRA plan documents provided by your employer to determine which expenses are reimbursed by your employer’s HRA.

How much money will be in my HRA at the beginning of the year?

Each Coventry FlexChoice arrangement (including funding levels in the HRA) is unique to each employer. To find out the initial HRA amount funded by your employer, consult your HRA plan documents.

What happens to any money that is left in my HRA at the end of the year?

A unique feature of any HRA is the ability to roll over the unused amount at year-end. However, not all employers offer the rollover option in their HRA program. For those employers that elect to rollover all or part of the remaining balance, those rollover dollars may be used in subsequent years while enrolled in the plan. This rollover feature permits you to accumulate money for future health care needs and is further defined in the employer HRA plan documents.

If I leave my company, can I take the balance of my HRA?

No. Because your employer funds the account, your employer retains any balance in the HRA if your employment terminates.

Are preventive services, such as annual physicals, mammograms, and well child care, subject to the annual deductible or deducted from the HRA?

The types of plan features (including services that can be covered) are different for each employer. To learn what options are offered by your employer’s plan, please consult your HRA plan documents or contact your Plan Administrator.

Is a Health Reimbursement Arrangement (HRA) the same as a Flexible Spending Account (FSA)?

No. One of the main differences between the HRA and the FSA is the funding. HRAs are funded solely through employer contributions. FSAs are typically funded by the employee, usually through pre-tax, payroll deductions.

Can I use a Flexible Spending Account (FSA) to supplement my Coventry FlexChoice program?

Yes. Flexible Spending Accounts allow employees to direct how funds dedicated for health care benefits are to be allocated. Typically, participants in an FSA are able to use their account balances in the FSA for the payment of health insurance premiums or as reimbursement for medical care expenses that are not covered by health insurance, including insurance deductibles, coinsurance, and copayment amounts. Amounts that you allocate to an FSA can be used to cover services that are not paid by the HRA.

How do I get reimbursed?

For most services, you will be reimbursed without the need for a claim reimbursement form. Your employer has made arrangements for Southern Health to send most claims and eligibility data to the HRA Administrator, so most claims are reimbursed automatically.
Questions?
As always, if you have any questions or need assistance with your HRA account, you may contact Southern Health Plan Services at (800) 627-4872
Monday - Friday, 8:00 a.m. to 5:30 p.m.