

Optima Design: A Higher Deductible Health Plan (HDHP) Coupled with a Health Reimbursement Arrangement (HRA)

1. What is a Higher Deductible Health Plan (HDHP)?

Typically, with an HDHP, the member is responsible for fully satisfying a deductible and paying for initial healthcare expenses. A deductible means that amount of money a member or family pays each year out of pocket before the Plan benefits begin. With the Optima Design plans that are coupled with an HRA, the HRA funds offered by the employer can be used to help cover the deductible expenses.

2. What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement, or sometimes called a Health Reimbursement Account, is a fund available to you to use in conjunction with your health insurance plan. The funds are promised by your employer to help you pay for certain out-of-pocket healthcare expenses, such as deductible or coinsurance. HRAs are commonly linked to a higher deductible health plan.

3. Who is eligible to open an HRA?

HRAs are established by the employer for their eligible employees and dependents who are enrolled in the HRA-linked plan. It is not a separate fund or savings account that is opened independently by you.

4. Who can contribute to an HRA?

Your employer is the only one who can contribute to an HRA. The HRA's are not actually funded, meaning the pledged dollars are not pre-funded into an account waiting to be used. Rather they are a promise to pay arrangement, meaning funds are provided when eligible healthcare expenses are incurred up to a specific amount designated by your employer.

5. Are my employer's HRA contributions taxable to me?

No. Employer contributions to an HRA are not included in your income. Any payments made from the HRA to pay for qualified health care expenses are tax free to you.

6. Who owns the HRA?

No one actually owns an HRA. Since it is a promise to pay arrangement, any funds not used by the employee can remain with the employer. HRA funds are not portable. That means if you leave your employer you may not have access to HRA funds to pay for your medical expenses.

7. What can an HRA be used to pay for?

An HRA can be used to pay for qualified medical expenses. With most Optima Design plans, HRA funds are used to help members pay for deductible expenses.

8. What are the benefits of using Optima Design, coupled with an integrated HRA that Optima Health is offering with their partner Choice Care Card™?

An integrated HRA program offers a number of benefits for members. By enrolling in Optima Design, there is a single enrollment process into the health plan and into the HRA. You don't have to submit claim forms in order to have claims paid out of your HRA fund. Claims processed by Optima are sent to Choice Care Card™, our administrative partner for automatic payment to providers or to you for HRA eligible expenses.

You will have online access to HRA payment and fund activity to monitor claims and fund balances. Also, the optimahealth.com website has resources available with health and cost information that may help you make healthcare decisions for you and your family.

9. Who is Choice Care Card™?

Optima Health selected Choice Care Card™ as our administrative partner because of their established HRA experience and their operational strengths and flexibility. Choice Care Card™ is an eight year veteran in the field of HRA administration with technology platforms to support HRA account management and superior customer support. The Choice Care Card™ platform enables members to manage their HRA information all in one location.

10. How does Optima Design work?

You will have group coverage under one of Optima's high deductible health plans. It is important that you read your plan benefits to understand what is covered. Some plans may require that you use Optima Plan providers in order to get services. After you receive care, the provider will submit a claim for payment to Optima. Optima will process the claim according to your plan benefits and pay providers a negotiated amount based on our fee schedule. In most cases, you will receive a bill from your provider after they have received applicable payments from Optima, with the remaining balance billed to you as an out-of-pocket expense.

If any of these out-of-pocket expenses are eligible for HRA payment, the provider will be paid separately for the portion pledged by your employer from the HRA. There is no paperwork to file for you to receive HRA funds. If additional out-of-pocket expenses are owed by you to the provider, you will be responsible for the balance after applicable Optima and HRA payments. Through a secure online member portal you can monitor your HRA activity at any time.

11. What happens to HRA funds if the company owner changes jobs or retires?

HRA funds are not portable. You do not take HRA funds with you if you decide to leave the company because any unused funds belong to the employer.

12. Can an HRA ever be used to pay for non-qualified expenses?

No, HRA funds are for out-of-pocket expenses established by the employer as eligible for payment.

13. Can HRA funds be used at any time in the plan year?

Yes, as long as they're used to pay for qualified out-of-pocket medical expenses designated by your employer.

14. Does a HRA earn interest?

No, they are promise to pay funds from your employer; therefore they are not in an account that earns interest.

15. Can HRA funds be invested?

No, they are not your funds to invest.

16. Which individuals benefit most from HRAs?

HRAs and qualified high deductible health plans can work for anyone. They are a commitment by your employer to help you pay for out-of-pocket healthcare expenses.

17. Do I have to pay any additional out-of-pocket costs for wellness and/or preventive benefits?

Some wellness or preventive benefits are covered before the general deductible. A copay may apply.

Preventive care generally includes routine check-ups, well baby care, annual GYN exam and preventive screenings such as mammography and colonoscopy screenings.

18. What information will I receive after I join Optima Design?

Once you select Optima Design, you are automatically enrolled in the integrated HRA program and will receive the following items:

- Member Welcome Letter, which lists the features of the HRA and member service contact number for Choice Care Card™. Your Optima member service number will be on your Optima ID card.
- Information on how to navigate your health plan and monitor your HRA funds.

19. How do I access my HRA account with Choice Care Card™?

Throughout the year, when you have questions about your benefit plan coverage, would like to view claims information, or check your available HRA balance, you can find the information online at optimahealth.com. From the optimahealth.com home page, select "Members", then select "View, Manage Your Optima Design HRA".

In addition, the optimahealth.com Web site has a variety of resources available to help you manage other healthcare related tasks, request an ID card, search for network providers, research healthcare topics, view required notices related to your healthcare benefits, and much more.

20. Can I continue my HRA through COBRA?

Yes. You may continue your health insurance and/or the HRA through COBRA. Please speak directly with your employer about the details.

21. How soon can I begin to use my HRA?

The employer determines how the HRA funds are used and when they are available to the employee.

22. Will a HRA be established for the eligible dependents on my health plan or only for me, the employee?

The HRA is available to all eligible members. Your employer may choose to provide different amounts for individual versus family enrollment.

These FAQs are intended to be an overview of Optima Design high deductible health plans integrated with Choice Care Card™ HRA arrangements offered to employer groups. Optima Health is the trade name of Optima Health Plan, Optima Health Insurance Company, and Sentara Health Plans, Inc. Optima Design HDHP PPO plans are underwritten by Optima Health Insurance Company. Optima Design HDHP HMO and mandated point of service plans are underwritten by Optima Health Plan.

All Optima Health plans have benefits exclusions and limitations and terms under which the policy may be continued in force or discontinued. For costs and complete details of coverage please call your broker or Optima Health or log on to Optimahealth.com.

Optima Health recommends that employers and employees consult with a tax advisor when setting up or using an HRA account.