



For Office Use Only:
SelectAccount Group Number
Enrollment Specialist

HEALTH REIMBURSEMENT ARRANGEMENT (HRA)
PLAN DESIGN GUIDE

Please fill out this form in its entirety and return to SelectAccount 45 days prior to your effective date in order for us to properly administer your plan. If you have any questions on how to complete the form, please call our Group Leader Line at 1-888-460-4013 or our Agent Service Line at 1-888-460-4015. If you are a 51+ group, please contact your account manager. When complete, either fax form to 651-662-1180 or toll-free at 1-866-231-0214, or mail to SelectAccount, PO Box 64193, Saint Paul, MN 55164. Incomplete forms will result in delays setting up your plan.

I. EMPLOYER INFORMATION

Employer's Name

Employer's Street Address

City State Zip Code

Employer's Tax I.D. Number (required) Nature of Business

Type of Corporation: S Corporation*, Political Subdivision/Church, C Corporation, LLC*, Partnership*, Other, Sole Proprietor*

*2% or more shareholders of an S Corporation, along with partners in a partnership, sole proprietors and participants of an LLC or PLLP do not have access to an HRA.

Number of Employees Eligible for Plan:

Person Responsible For Authorization of Plan Design:

Name Title

Phone Number () Fax Number ()

Email Address

Main Contact Person Title

Phone Number () Fax Number ()

Email Address

Additional Contact Person Title

Phone Number () Fax Number ()

Email Address To add more contacts, include on separate piece of paper and attach to plan design guide.

II. TAKEOVER INFORMATION

Is SelectAccount taking over administrative services from another HRA administrator?

Yes No (If yes, continue below. If no, continue to section III.)

Please indicate the current plan year start date end date

Please select one:

Takeover at renewal date:

Will the prior administrator handle the runout period for the prior plan year?

Yes (recommended if group has rollover) No (If the SelectAccount plan design is different than the previous administrator's plan design, attach the plan document.)

Takeover mid plan year:

Will the prior administrator continue processing claims? Yes No (recommend if group has rollover)

If SelectAccount is taking over administrative services, please provide us with enrollment data. This information should include the effective date, current available balance and any pending claim amount for each participant.

If the prior administrator is continuing to process claims, please provide us with the prior administrator's name, address and phone number below so we can forward any appropriate information to them.

Name

Address

Phone Number ()

III. HEALTH PLAN ADMINISTRATIVE INFORMATION

Health Plan Administrator

Health plan carrier (Required) Blue Cross and Blue Shield of Kansas

Health plan group/subgroup #(s)(or attach the group account structure to the PDG) _____

Are health plan accumulations calendar year or plan year? Calendar Year Plan Year

IV. HEALTH REIMBURSEMENT ARRANGEMENT FUNDING OPTIONS

Plan Year

Is HRA funded calendar year or plan year?

- Calendar Year - start date: _____ (calendar year end date is always the last day of the calendar year)
- Plan Year - start date: _____ end date: _____

Choose one of the funding options below:

Option #1 – HRA Pays First

With this option, you, the employer, fund the HRA as expenses are reimbursed up to a predetermined amount. The HRA pays until the funds are exhausted. After that, the employee pays for medical services out of pocket until the health plan deductible is met. Once the deductible is met, the health plan starts to pay subject to any coinsurance amounts.

Indicate the annual funding amounts for the HRA Pays First Option:

- 1 - Participant/Single = \$ _____ (required)
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Eligible Expenses

HRA dollars may be used to reimburse: (Please check **all** that apply)

- Health Plan eligible medical expenses
- Health Plan eligible drug expenses
- All IRC section 213(d) eligible expenses
- COBRA premiums and insurance premiums

Reimbursement Level – 100% of eligible expenses

Option #2 – Shared Payments HRA

With this option, you, the employer, and your employee share in the medical costs until the account is exhausted. As expenses are incurred, the HRA reimburses the employee according to the cost-sharing level (e.g. 50/50, 80/20) until the HRA is exhausted. You, the employer, fund the HRA as expenses are reimbursed up to a predetermined amount. After that, the employee pays out of pocket until the health plan deductible is met. Once the deductible is met, the health plan starts to pay subject to any coinsurance amounts.

Indicate the annual funding levels for the Shared Payments HRA Option:

- 1 - Participant/Single = \$ _____ (required)
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

IV. HEALTH REIMBURSEMENT ARRANGEMENT FUNDING OPTIONS (continued)

Eligible Expenses

HRA dollars may be used to reimburse: *(Please check **all** that apply)*

- Health Plan eligible medical expenses
- Health Plan eligible drug expenses
- All IRC section 213(d) eligible expenses
- COBRA premiums and insurance premiums

Reimbursement Level

Indicate the reimbursement level percentage that will be provided for claims paid by the HRA: *(select **only one**)*

- 80% of eligible expenses 50% of eligible expenses Other _____

Option #3 – Employee Pays First HRA (only available for plans effective on or after 1/1/2010)

With this option, the employee pays out of pocket until a preset amount has been paid. When this “threshold” has been reached, the HRA pays until exhausted. You, the employer, fund the HRA as expenses are reimbursed up to a predetermined amount. After that the employee pays out of pocket until the health plan deductible is reached. Once the deductible is met, the health plan starts to pay subject to any coinsurance amounts. Additional fee applies to all participants. Please refer to the fee schedule.

Requirements

- HRA plan year must match the health plan deductible accumulation period (calendar vs. plan year)
- Automatic enrollment in medical crossover
- Only eligible expenses are Health Plan eligible Medical and/or Health Plan eligible Drug - all IRC Section 213(d) expenses are not allowed
- HRA claim reimbursement level is 100%

Indicate your **health plan deductible amounts** by coverage tier:

- 1 - Participant/Single = \$ _____
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Indicate the **Employee Responsibility Amount***: (This is the amount that the employee will pay out of pocket prior to reimbursement from the Employer Funding Amount.)

- 1 - Participant/Single = \$ _____
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Indicate the **Employer Funding Amount***: (This is the amount that the employer will pay for each coverage tier after the employee has satisfied their Employee Responsibility Amount.)

- 1 - Participant/Single = \$ _____
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

***The combination of both the employee responsibility amount and the employer funding amount must be less than or equal to the deductible amount for that coverage tier.**

Eligible Expenses

HRA dollars may be used to reimburse: *(Please check **all** that apply)*

- Health Plan eligible medical expenses
- Health Plan eligible drug expenses

V. HEALTH REIMBURSEMENT ARRANGEMENT ADMINISTRATIVE REQUIREMENTS

Mid-Year Enrollees / Contract Changes

Indicate how mid-year enrollees and contract changes will be administered: (*select **only one***)

- HRA funding is 100% regardless of date of enrollment/contract change.
- HRA funding is prorated in monthly increments back to the first of the month of the date of enrollment/contract change.
- HRA funding is a specified amount if the enrollment/contract change occurs in the last 6 months of the plan year.

If this option is selected, please enter the amounts below: (*not recommended if your plan year is less than 6 months*)

- 1 - Participant/Single = \$ _____ (*required*)
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Rollover

Indicate what happens to unused balances at the end of the plan year. If funding option #3 is selected, rollover dollars can only be used AFTER the annual employee pays first pre-set threshold amount has been paid. (Select **only one**)

- Entire balance rolls over to subsequent plan year
- No balance rolls over
- A percentage of the balance rolls over to subsequent plan year _____%
- A dollar limit on the amount that can roll over to the subsequent plan year. Rollover amount cannot be the same as funding amount. Indicate limits below:

- 1 - Participant/Single = \$ _____
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Cap on Health Reimbursement Arrangement Balance

Is there a cap on the overall balance (including Rollover) that can accumulate in the account? Yes No
If yes, the recommended cap is the annual deductible amount or total annual out-of-pocket amount.

Please indicate amounts below:

- 1 - Participant/Single = \$ _____ (*required*)
- 2 - Participant + Child = \$ _____
- 3 - Participant + Spouse = \$ _____
- 4 - Participant + Children = \$ _____
- 5 - Family = \$ _____

Runout Period

Participants have _____ months after the end of the plan year to submit claims incurred during that plan year. (The standard runout period is 12 months.)

Terminations

Indicate what happens to the HRA balance when a participant terminates: (*Please check **all that apply.***)

- Account balance stays with terminated participant if COBRA has been elected (**mandatory.**)
- Account balance returns to employer if terminated participant or eligible dependent does not elect COBRA.
- Account balance remains with terminated participant or eligible dependent to spend-down until funds are depleted. If spend-down is selected, eligible expenses for terminated participants remain the same as for active participants. Spend-down is subject to any applicable rollover and runout period provisions and fees. (Only available for funding options #1 & #2 - not available for funding option #3.)

VI. HEALTH REIMBURSEMENT ARRANGEMENT OPTIONAL FEATURES

You may select any of the features listed below that best meet your needs and those of your participants. Crossover applies to all products offered to your employees.

Crossover

Offering crossover eliminates the need for participants to complete and file a claim form to be reimbursed for eligible health plan expenses.

The crossover election applies across all spending accounts (i.e. medical FSA, HRA, or HSA).

Medical Crossover

Eligible health plan expenses (i.e. deductible and/or coinsurance) as indicated on the Explanation of Benefits will be electronically transferred to SelectAccount. Claims will be processed and reimbursed according to the participant's available balance.

Please note: Crossover is not appropriate for any participants who have secondary health coverage with Blue Cross or another carrier. *(This feature is only available if health plan is with Blue Cross and Blue Shield of Kansas.)*

- Select one: Automatically enroll all participants in medical crossover. *(Participants may opt out by requesting online or completing the medical crossover form F7856.)*
- Offer medical crossover to participants. Not available with funding option #3. *(Participants may elect crossover by requesting online or completing the medical crossover form F7856. Highest participant fee applies. Please refer to the fee schedule.)*
- Do not offer medical crossover to participants. Highest participant fee applies. Please refer to the fee schedule. Not available with funding option #3.

VII. HEALTH REIMBURSEMENT ARRANGEMENT ACCOUNT FEE

For participants who have an HRA stacked with a SelectAccount FSA, only one monthly participant fee will apply.

Participant fees are billed monthly via mail and are payable by check only. You will receive one bill for the entire group including the billed amount for each location (if applicable).

Account Statements

Account statements are sent **annually** to participants following the plan year end. For an additional monthly participant fee, you can elect to have account statements sent quarterly. **Please refer to fee schedule.** Do you want account statements sent quarterly?

- No
- Yes

VIII. FLEXIBLE SPENDING ACCOUNT INFORMATION

Does this HRA plan interact with a SelectAccount HSA? Yes - You will be contacted by a SelectAccount representative
 No

Does this plan interact with a Flexible Spending Account (FSA) administered by SelectAccount? Yes No

If yes, and funding option #1 or# 2 was selected, choose the order between the HRA and FSA:

- HRA pays first, FSA pays second
- FSA pays first, HRA pays second

Standard primacy recommendations:

If the HRA allows reimbursement for health plan eligible expenses only, it is recommended to have the HRA as primary and the FSA as secondary.

If the HRA allows all 213 (d) eligible expenses to be reimbursed from the HRA, the FSA is primary and the HRA is secondary because unused FSA funds are forfeited if not used for the applicable plan year.

If yes and funding option #3 was selected - if the employee has not met their Employee Responsibility amount and they have an FSA, the FSA will pay eligible expenses.

Note that the HRA and FSA pay only after all other insurance has paid.

If SelectAccount is administering the FSA please submit a completed Flexible Benefit Plan Design Guide (Form F3987), if not previously completed.

IX. CLAIM REIMBURSEMENT PROCESSING

Please indicate the contact person for reimbursement payments, if different from main contact person:

Name _____ Title _____
Phone Number () _____ Email Address _____

Please indicate your preferred claim reimbursement report format: (select **only one**)

- Standard Report (lists each employee, by location)
- Total Only Report (lists totals only, by location)

Automated Clearinghouse Information (completion of this section is mandatory)

I hereby authorize SelectAccount to charge our bank account through Automated Clearinghouse for **claim reimbursements** made to our employees. The following bank account information is provided to SelectAccount for initiation of this procedure.

Bank Name: _____

Type of Account: Checking Savings

Bank ABA Number: _____

(The ABA number is the nine-digit number located in the lower left corner of your check or savings deposit slip)

Bank Account Number: _____

Attach a void check - mandatory.

If checking account, attach a voided check.
If savings account, attach a savings account deposit slip

PAY _____ \$ _____ Dollars

John Doe

X. ADDITIONAL LOCATIONS

Multiple SelectAccount locations are available for 51+ groups only. If you want multiple SelectAccount locations, please complete and attach the Location Addendum (F8928). Locations must be the same across all products administered by SelectAccount. If you wish to have different ACH accounts by location, please complete the Group ACH Authorization Agreement form (F9055).

XI. ADDITIONAL REQUIRED INFORMATION

Agent Name (if applicable) _____ Email _____

Agent Code _____ Agent Phone () _____

Agency Name (if applicable) _____ Email _____

Agency Code _____ Agency Phone () _____

Internal:

Sales Representative _____

Sales Representative Number _____ Phone () _____

Health Plan Account Coordinator _____ (internal use only)

SelectAccount Account Coordinator _____ (internal use only)

Marketing ID Number / MID (if applicable) _____

Special Instructions: _____

XIII. Selectaccount.com

Additional forms and enrollment materials are also available at **www.selectaccount.com**. Our website, **selectaccount.com**, is a powerful tool for your participants in managing their personal spending accounts.

Here's what they can do:

- Enroll in direct deposit
- View when claims are received and processed
- Create and view a customized online statement
- Get help with financial planning
- Download forms and brochures

XIII. SIGNATURES

It is agreed that necessary information concerning participants or participants and their dependents participating in or subsequent to the effective date of the Plan and participants whose participation is to be changed or discontinued shall be furnished to SelectAccount on a timely basis.

I HAVE READ AND UNDERSTAND THE CHOICES WITHIN THIS PLAN DESIGN GUIDE. INFORMATION ON THE PLAN DESIGN GUIDE AND ANY ANCILLARY INFORMATION PROVIDED FOR THE PURPOSE OF ENROLLING IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, CORRECT AND COMPLETE.

Signature _____ Date _____

Printed Name _____ Title _____

* Blue Cross and Blue Shield of Kansas is an independent licensee of the Blue Cross and Blue Shield Association. BLUE CROSS®, BLUE SHIELD® and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans. SelectAccount provides account administration services for HRA, HSA and FSA plans and is not affiliated with Blue Cross and Blue Shield of Kansas.