

Health reimbursement arrangement

Frequently asked questions



What is a health reimbursement arrangement (HRA)?

An HRA is an employer-sponsored plan that can be used to reimburse a portion of out-of-pocket medical expenses, such as deductibles, coinsurance or copays for you and your eligible family members. It's funded entirely by your employer.



What are the tax benefits of an HRA?

Contributions made to your HRA are not considered part of your income and are not subject to federal, state or FICA taxes. The distributions for medical expenses are also tax-free.



How can HRA funds be used?

Your employer may decide what types of medical expenses can be reimbursed through the HRA. Typically, reimbursable expenses can include deductibles, copays, coinsurance costs, prescription drugs or other types of out-of-pocket costs. Contact your employer or check your plan materials for details about your specific HRA.



How can I be reimbursed for out-of-pocket expenses?

Most HRA programs include a payment card, which is a smart and easy way to pay. If you can't use your payment card for a purchase, you can also pay for eligible health care expenses with a personal credit card or check. Just submit a claims request online or on the mobile app, along with the right documents, and receive your reimbursement directly in your bank account.



Do I still need to keep my receipts and documentation for prescriptions and office visits, plus the explanations of benefits that are sent to me?

Yes. Throughout the year, you should keep your original receipts and documentation for prescriptions and health-related expenses for all transactions (including payment card transactions) so you'll have them if needed to verify a claim. The IRS requires that all transactions be validated, including payment card transactions.

In most cases, we will automatically validate your purchases. If we need additional documentation, we will contact you. You can easily upload your documentation using the mobile app or your online account.



Is there a daily transaction limit on my card?

There is no daily transaction limit on your card.



If I change employers, what happens to my HRA?

If you leave the company or move to a different employer, your HRA does not go with you. Since your employer funds the HRA, your employer owns any amount that remains after you leave. An exception may be if you elect COBRA continuation coverage.

Check your plan details for more information.



Ready to enroll?

Enrolling in an HRA is quick and easy because it's built into your employer's benefit options. Review your materials today so you don't miss your chance to sign up.



Still feeling unsure about HRAs?

Scan the QR code, or go to to optum.com/HRA to discover why an HRA is right for you.

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