

KNOW YOUR BENEFITS.

From

HRA

Case Study – Single Person with Low Medical Expenses

Ana is a healthy 26-year-old single woman who is physically active and financially stable. Her employer contributes \$500 each year to her HRA, and her plan's annual deductible is \$1,500 for individual coverage. If Ana uses her HRA to pay for covered services, this will reduce the out-of-pocket amount needed to meet her deductible before traditional health coverage begins.

Here is a look at the first two years of Ana's HRA plan, assuming the use of in-network providers:

Year 1

HRA - \$500 contribution	\$500
Total Expenses: Prescription drugs - \$150 Routine Physical/Lab tests - \$350	\$500
Paid by preventive care benefit*	\$350
Amount reimbursed from HRA (Ana's choice)	\$150
HRA Rollover to Year 2	\$350
<i>Since Ana did not spend all of her HRA dollars, she did not need to pay any additional amounts out-of-pocket this year.</i>	

Year 2

HRA Balance: \$350 from Year 1, plus \$500 contribution from employer for Year 2	\$850
Total Expenses: Office visits - \$100 Blood work - \$150 Prescription drugs - \$200	\$450
Paid by preventive care benefit*	\$150
Amount reimbursed from HRA (Ana's choice)	\$300
HRA Rollover to Year 3	\$550
<i>Once again, since Ana did not spend all of her HRA dollars, she did not need to pay any additional amounts out-of-pocket this year.</i>	

*If preventive care is covered by the health plan



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