

Checklist for Evaluating HRA Administration Systems

DataPath has developed this checklist for evaluating HRA Administration Systems, derived from our development team's criteria for creating the DataPath 105-HRA system. DataPath offers all the features discussed below (and more). Does the system you are evaluating have these features?

Documents:

- Comprehensive Plan Document and Summary Plan Description fully integrated with system.
- One Document establishing a Health Reimbursement Arrangement with one or more underlying HRAs for an employer
- Accommodates both Linked and Non-Linked HRAs under a single document
- Includes nondiscrimination rules
- Compliant with ERISA, COBRA, HIPAA, FMLA, USERRA, and other pertinent regulations
- Sets method of handling ex-participants using the Spend-Down Option who are rehired or regain eligibility
- Provides legal basis for features and variables in system

System Features:

- Proposal System
 - Allows you to experiment with various deductibles, co-pays, and co-insurance while, at the same time, maintaining the employer's stated budget
- Administers multiple HRAs, both linked and unlinked HRAs, under one Plan
- Carry-Over Option (Option allows, at the employer's discretion, unused amounts of the employer annual contribution to be carried forward)
 - Ability to set the amount or percentage to be carried forward, and track the funds after they have been carried forward
 - Ability to set cap on the carry-over funds
- Spend-Down Option (Option allows participants who lose coverage under the HRA to use their carry-over funds for future medical expenses)
 - Choice of allowing the Spend-Down Option for one or more of the following events: termination, death, retirement, employee loss of eligibility, and USERRA leave
 - Ability to set, for each event, the percentage of carry-over funds that can be converted to spend-down funds and the number of months during which the participant can submit claims.
- Group Coverage Administration
- Tracks medical expenses by dependent for each HRA
- Ability to search for claims or reimbursement for multiple conditions
- Comprehensive Cash Management System
 - Bank Reconciliation
 - ACH or check reimbursements
 - MICR check system
 - Handles partial return of reimbursements
 - Ability to set minimum reimbursement amounts
- Ability to handle EOB adjustments
- Integrated with DataPath 125 (Section 125 Cafeteria Plans), DataPath 132 (Section 132(f) Tax-Free Transportation Plans), and DataPath COBRA

Plan Variables

- Choice of (a) allowing or (b) not allowing reimbursements for expenses incurred in previous years
- Availability of Spend-Down Option
- Minimum Reimbursement Amount
- Overall eligibility and participation requirements
- Reimbursement Cap (Maximum amount employee can be reimbursed from current year's employer contributions and previously carried over funds.)

Linked/Unlinked HRA Variables

- Ordering of FSA/HRA as payer of last resort
- Time Limits for submitting claims after end of Plan Year and after termination

HRA Variables

- Accrue Employer Contributions either on a monthly or annual basis
- Annual accrual either on a level coverage method or a pro-rated method
- Additional eligibility and participation requirements, if needed
- Carve-outs of separate options, if needed
- Deductibles, copays, coinsurance, and tiers for each option
- Eligible medical expenses for each option
- Additional Eligible Dependents requirements, if needed
- Carry-Over Option