

DefinitySM Health Reimbursement Account (HRA)

The UnitedHealthcare DefinitySM HRA helps you and your employees manage your health care and related expenses by:

- Covering expenses that are considered eligible under your medical plan (follows “Rule B”)
- Starting with the member’s first dollar of liability, the HRA pays first. Once depleted, any remaining deductible/coinsurance applies.
- Covering 100% of eligible expenses until depleted
- Being available on any medical plan (exceptions: HSA-compatible High-Deductible Health Plans (HDHPs), and traditional medical plans with deductibles less than \$100)
- Offering optional carryover of unused funds (available when the medical plan deductible is greater than \$1,000)

What is an HRA and how does UnitedHealthcare’s Definity HRA work?

A Health Reimbursement Account (HRA) is an employer-funded instrument that is paired with a medical insurance plan in order to provide some funding for member health care liabilities. Ultimately, the goal of consumer-driven products like the UnitedHealthcare DefinitySM HRA is to engage consumers in their medical care decisions to let them manage how health care dollars are used. In addition, an HRA is a way for employers to better manage expenses associated with their health care benefit offerings. UnitedHealthcare’s Definity HRA maximizes flexibility while removing unnecessary complexity. Choose the amount of HRA funding with just a few guidelines:

When individual, in-network deductible is...	Available HRA contributions per employee are...
\$100* - \$1,000	Minimum \$50, to a maximum of 50% of the deductible amount
\$1,001 - \$5,000	Minimum \$50, to a maximum equal to the deductible amount
Greater than \$5,000	Minimum \$50, to a maximum of \$5,000

* HRAs are not available on medical plans with deductibles lower than \$100.

Why is it a good thing to buy?

The Definity HRA can be offered on a single or dual option basis. Because the Definity HRA acts as a financial buffer for increasing member liabilities, it may be sold in a variety of ways, including becoming the “low” plan in a dual option, or as a full replacement plan. To illustrate how this might work, here is an example.

Cost Savings Illustrative Example

The following dual option example is for illustrative purposes only to help employers consider the value of an HRA compared with a traditional medical plan (please review your proposed plan design for your specific coverage options):

Medical Plan	Deductible / Coinsurance	HRA	Rx
“High” Option (buy-up)	\$250 / 90%	none	\$10/30/50
“Low” Option with HRA	\$2,000 / 90%	\$500	\$10/35/60

Offering a higher deductible medical plan paired with an HRA alongside a low deductible medical plan can result in significant premium expense reduction - potentially 30%.

(Note: Example is not an actual quote. Prices vary by state. See your broker or UnitedHealthcare representative for actual pricing.)

It just makes sense.®

How do I buy it?

To select a UnitedHealthcare Definity HRA, you have just a few steps to take, and UnitedHealthcare will coordinate the rest:

1. Make just a few straightforward decisions, such as:
 - What is your per-employee HRA contribution amount?
 - The per-employee amount will be automatically calculated for each subscriber based on his or her medical plan family status. If, for example, two employees have single coverage, and three employees have family coverage, a \$500 HRA would equate to $2 \times \$500 + 3 \times \$1,500 = \$5,500$ in HRA annual commitment. (Note: For family coverage, the HRA increases at the same proportion as the medical deductible, so employees don't get short-changed when they have different coverage levels)
 - What bank account will be used for HRA funding?
 - Will mid-year hires have full or prorated HRA contributions?
2. Obtain copies of the HRA Administrative Service Agreement, HRA Benefit Form, and Summary Plan Description from your broker or UnitedHealthcare Representative or Employer eServices.
3. Document these decisions on the HRA Benefit Form.
4. Submit the HRA Benefit Form to UnitedHealthcare along with your application/renewal documents.
5. Finally, once the policy is active, 1/24 of the total HRA commitment for the year will be pulled from your designated bank account to serve as a balance to help fund HRA claims. Thereafter, on a weekly basis as claims come in, you will be notified one day in advance prior to funds being withdrawn from the bank account in order to replenish the 1/24 balance (until the HRA is depleted).
6. That's it - your HRA is ready to go.

A strategic, long-term financial solution to health care cost management

With UnitedHealthcare's Definity HRA, consumers are empowered to make health care choices that best fit their personal needs. Our goal is to dramatically improve the value and performance of health benefits by allowing and encouraging consumers to become more involved with their health care, and to help improve your bottom line.

