Indiana University
Early Retirement Incentive Plan (ERIP-2013)

Health Reimbursement Account (HRA)
Information Booklet
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Updates

September 2014

Retroactively effective back to 2011 the HRA account can now be used to reimburse the premiums for any Medicare Supplement plans found in the marketplace. Prior to the ACA clarification, only group plans (such as the IU Blue Retiree Medicare Supplement Plan) were eligible to be reimbursed from an HRA. Any claims for reimbursement for Medicare Supplement plan premiums can be sent to Nyhart for processing. You can send retroactive claims for any of Medicare Supplement plan premiums that you had paid out-of-pocket that were incurred any time from the date that your HRA account was established.
HRA Plan Overview

A Health Reimbursement Arrangement (HRA) is an IRS regulated reimbursement account that allows you to pay for a variety of qualifying health expenses tax-free. Your HRA is funded through Indiana University’s contributions as a part of the ERIP-2013 incentive package.

Each ERIP-2013 participant who is enrolled as the employee (not as a dependent) in an IU-sponsored medical plan will be provided an HRA upon their separation from Indiana University. On an annual basis, for a period of up to 5 years, the University will credit an amount to an HRA on behalf of the ERIP-2013 participant based on the employee’s plan membership on the corresponding ‘As of’ date below:

- Separations on December 31, 2013 – ‘As of’ date of September 1, 2013
- Separations on May 31, 2014 – ‘As of’ date of February 1, 2014

If the ERIP-2013 participant is eligible for Medicare (age 65) at the time of the associated ‘as of’ dates (September 1 and February 1, 2014), then the first contribution to the HRA will equal $7,400.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Contribution Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$7,400</td>
</tr>
<tr>
<td>Employee with Child</td>
<td>$14,600</td>
</tr>
<tr>
<td>Employee with Spouse</td>
<td>$17,900</td>
</tr>
<tr>
<td>Family</td>
<td>$20,300</td>
</tr>
<tr>
<td>Medicare Age – Age 65+</td>
<td>$7,400</td>
</tr>
</tbody>
</table>

For each year that the ERIP-2013 participant is under age 65, the HRA account will be credited with the full coverage level contribution amount, regardless of whether the participant is still covering their spouse or children on their insurance coverage during the 5 years. Family status changes will not alter the amount being credited to the HRAs. Contribution amounts are based solely on the eligibility of the ERIP-2013 participant, not on their spouse’s or child(ren)’s age or coverage.

At the beginning of the annual benefit period after the ERIP-2013 Participant turns age 65 (eligibility for Medicare), the University will instead credit an amount to an HRA on behalf of an ERIP-2013 participant equal to $7,400 each year.

University contributions to the HRA will cease before the end of the five year period if the ERIP-2013 Participant:

- enrolls in medical coverage through another employer (as the employee),
- enrolls in an IU medical plan through a spouse/domestic partner that is employed by Indiana University, or
- dies.
Watch for the ERIP-2013 HRA Debit/Visa Card

An ERIP-2013 HRA Debit/Visa card will automatically be sent after participation in the HRA plan begins. It will be in a plain envelope and will not be identified as a Nyhart or Indiana University mailing. Participants will need to watch the mail carefully for the card.

Included in this mailing will be a Direct Deposit Authorization form (PDF). This form will need to be completed in order for claim reimbursements to be processed. Please complete this form and submit it to Nyhart by:

1. Fax: (888) 887-9961, or
2. Mail:

   Nyhart
   Attn: Flex Claim Reimbursement / Lindsay Douglas
   8415 Allison Pointe Boulevard, Suite 300
   Indianapolis, IN 46250-4201

Your Online Account

Take a minute to log into the Nyhart web site (HRA Plan Administrator). It's easy and it provides instant access to detailed information in the account. No telephone calls, no waiting, no records to sort through.

Visit http://iutsb.nyhart.com and do this:

   Employee ID: <enter 10-digit employee ID>
   Password: <enter the last four digits of Social Security Number>
   Tip: There is an opportunity to change to a more personal password after this first time.

Contact Nyhart customer service at 800-284-8412 for help logging on.

Start Using HRA funds

HRA Participants have two options for accessing funds:

- Pay for services out-of-pocket and submit claims to Nyhart for reimbursement by electronic funds transfer*, or
- Pay using the HRA Debit/Visa card.

* A completed Direct Deposit Authorization Form (PDF) will need to be submitted to Nyhart in order for reimbursement to be issued through electronic funds transfer.

Special Note

The Questions & Answers section of the ERIP-2013 website contains a section for the HRA account (http://www.hr.iu.edu/early_retire2013/index.html). If the question is not answered in the Q & A section of the ERIP-2013, email your question to erip2013@iu.edu.
Medical / Dental Expenses Incurred After Separation

If medical/dental expenses occur between the separation date and the date when coverage is reinstated (once the first premium payment is received), services or prescriptions may be paid out of pocket, then claims can be filed with the insurance carrier for reimbursement of those expenses according to plan guidelines after paying the first health care premium.

**Special Note**

When using the HRA debit/Visa card for expenses during this transition period, be sure to NOT use the card for expenses that insurance should/will be covering.

Reimbursements

To receive a reimbursement a Direct Deposit Authorization form (PDF) needs to be completed and sent to Nyhart. This will allow Nyhart to send all the claim reimbursements directly to a bank account through an electronic funds transfer.

Participants may use the HRA debit/VISA card for point-of-service expenses; however, there will likely be times when expenses are paid by personal check, cash or directly from a personal account or a social security check. When this occurs, a claim must be submitted to Nyhart in order to receive a reimbursement from the account. Each expense claim must be accompanied by substantiation of that expense.

Reimbursements will only be paid from the HRA account up to the amount accumulated in the account at the time the claim is submitted. If there are more expenses in one year than is available in the HRA account, the Participant can get reimbursed for the remaining expenses in the following year once Indiana University credits the account again. Nyhart will automatically issue reimbursement payments, once there are additional funds in the HRA account, for prior claims that could not be fully reimbursed.

Nyhart will provide the reimbursement for the claim as soon as administratively possible after the claim has been submitted.

**Special Note**

Claims cannot be reimbursed if the expense was incurred prior to the date participation began (June 1, 2014). Claims for expenses incurred while participating in the plan can be submitted for reimbursement at any time while still participating in the plan. However, claims will only be paid from the HRA account up to the amount accumulated in the account at the time the claim is submitted.

At the close of the five year term for the ERIP-2013 HRA plan there will be an additional 90 days to submit final claims for reimbursement for services incurred during the five year term. At the close of the 90 days (claim deadline) any remaining balance in the HRA is forfeited.
Whose Health Expenses Can Be Included?

Reimbursements under an HRA can be made to the following persons.

1. ERIP-2013 Participants
2. Spouses* and dependents of Participants.
3. Any person the Participant could have claimed as a dependent on their return except that:
   a. The person filed a joint return,
   b. The person had gross income of $3,800 or more, or
   c. The Participant and spouse if filing jointly could be claimed as a dependent on someone else's 2012 return.
4. The Participant's child under age 27 at the end of the tax year.
5. Spouses and dependents of deceased Participant.

Additional resources and information can be found in IRS Publication 502, Medical and Dental Expenses.

* The IRS does not allow the use of HRA funds for expenses associated with a domestic partner, unless the partner qualifies as a tax dependent or spouse under IRS regulations.

Eligible Expenses

Examples of IRS-allowed expenses*

- COBRA premiums
- Other After-Tax Health Insurance premiums
- PPO $900 Retiree plan premiums
- Medicare part B and D premiums
- *Update* Medicare Supplement (“Medigap”) plan premiums
- IU Blue Retiree plan premiums
- Medicare Advantage Plan (part C) premiums
- Deductibles and co-payments
- Routine care/physical exams
- Transportation for medical services
- Lab fees
- Stop-smoking programs
- Hearing aids and related expenses
- Prescriptions
- Dental care and orthodontia
- Eye Glasses and Contacts
- Acupuncture
- Nursing Home or Services

*For HDHP PPO & Health Savings Account participants, reimbursements are limited to HDHP COBRA premiums, Medicare premiums, Medicare Advantage Plan premiums, IU Blue Retiree Medicare Complement plan premiums, COBRA dental premiums, Dental services, Vision premiums and Vision services, until after the HDHP deductible is met. The HRA cannot be used for medical care costs or prescriptions until the HDHP deductible is met for the year.
Ineligible Expenses

Examples of expenses not allowed by the IRS:

- Individual or group pre-tax health premiums
- Expenses covered by an insurance or government program
- Cosmetic procedures
- Retin-A (unless for medical diagnosis), Rogaine and any other medicines prescribed for cosmetic purposes
- Non-Prescription Drugs and Medicines

**Special Note**

A complete list of IRS eligible health expenses is available at [http://iutsb.nyhart.com](http://iutsb.nyhart.com)

Supporting Documentation for Expense Claims

According to IRS Guidelines, all claims submitted through the HRA must be substantiated to verify the eligibility of the expense. All expenses must be substantiated by information from an independent third party. Supporting Documents (claim substantiation) can be in the form of:

- A copy of a receipt for service or purchase
- A copy of a confirmed online bill payment
- A copy of a Social Security pay stub that lists the insurance payment (see details below)
- A letter from Social Security detailing the monthly Medicare payment
- A copy of health claim summaries from an insurer

Each supporting document must include the following:

- Name and address of provider
- Date of service/purchase
- Type of service/purchase
- Charge (Amount) for each service/purchase
- Patient responsibility
- Patient Name

Be sure to retain a copy of the Claim and the supporting documentation for your records.
Unsubstantiated Expenses

If supporting documentation is required, you will receive a letter from Nyhart requesting the information through U.S. mail or E-mail. If documentation is not received, you may receive up to 3 notices regarding a debit card transaction.

If proper documentation is still not received, or if the charge is not considered an eligible expense; the following correction procedures are in place:

- **Card deactivation** – The ERIP HRA Benefits card will temporarily deactivate until substantiation has been received. You will still have access to your funds through claim reimbursement only.
- **Account repayment** – If a charge is considered ineligible or if you cannot substantiate the charge; you will be asked to payback your HRA. The payback will be placed into your HRA and will become available for future eligible expenses.
- **Offset with Out-of-Pocket claims** – If a charge is considered ineligible or if you cannot substantiate the charge; you may substitute another out-of-pocket expense to offset the charge. The unsubstantiated amount will be deducted from reimbursement due, and the charge will be approved.

**Special Note**

When using the HRA Card at a merchant location, be sure to separate eligible expenses and pay for them separately from ineligible purchases. If the card is used for ineligible expenses, reimburse the account as soon as possible. If Nyhart notices the error first, repayment will be requested and the card will be deactivated if the account is not reimbursed. Please note that Nyhart makes reasonable efforts to verify the eligibility of expenses; however, the participant is ultimately responsible to the IRS for misuse of the card.

Submitting Claims Online

To submit claim information online, go to [iutsb.nyhart.com](http://iutsb.nyhart.com). Login and select: ‘Submit Claim’. In order to substantiate claims online it is necessary to have a digital file of the supporting documentation to attach to each expense item.

Please do not send the same claim by multiple methods.
Submitting Claims by Mail or Fax

Collect the receipts for expenses that were paid for out-of-pocket while participating in the ERIP-2013 plan and print the HRA Claim Form (PDF) from http://iutsb.nyhart.com or from the erip2013 website.

Complete the form by providing Name, Employee ID, Address, Dependent Information (if the expense is for them), the Type of Expense, Date Incurred and the Amount. Multiple expenses can be listed on one claim form.

Send the HRA Claim Form and the supporting documents to Nyhart by:

- Fax: (888) 887-9961
- Mail:
  Nyhart
  Attention: Flex Claim Reimbursement
  8415 Allison Pointe Boulevard, Suite 300
  Indianapolis, IN 46250

Please do not send the same claim by multiple methods.

Paying Health Insurance Premiums

The HRA Card cannot be used to pay for health insurance premiums. The Participant must pay for the health insurance premium by check or money order from a personal account, submit a claim with substantiation to Nyhart and then they will be reimbursed for their expense. Please see the section “Setting up Recurring Monthly Reimbursements” for more detail.

When electing IU-sponsored health care coverage, it is not necessary to send any payment with the election form. Once the election form is processed payment slips will be sent to you. Participants have 45 days to make the first payment. Once the first premium payment is received, coverage will be reactivated retroactively to the separation date.

Premiums are due at the first of every month and there is a 30-day grace period for payment of the regularly scheduled premium. Failure to make a payment before the end of the grace period for that coverage period, results in forfeiture of all rights to continuation coverage under the Plan.

Payment can be made by check or money order. The mailing address is included on each payment slip. Multiple premium payments (within a plan year) in advance are allowed.

Special Note

You CANNOT pay premiums directly from the HRA account. Premiums can only be paid with check or money order from a personal account, then you can be reimbursed from the HRA. Set aside some funds from your final paycheck or from your incentive pay to make your first insurance premium payment(s).
Setting up Recurring Monthly Reimbursements

If you have a monthly re-occurring expense you can set up Recurring Reimbursements from your HRA account so that you automatically receive your reimbursement each month without having to submit paper work each time.

Premium payments, as an example, can be set up as a recurring reimbursement and the ERIP-2013 Participant will only have to submit supporting documentation for their monthly recurring expense (such as monthly COBRA premiums, Medicare premium charges, etc.), once per year.

To set this up, start by filling out a claim form, include a note “Set Up Recurring Reimbursement” on the claim form and attach the appropriate substantiation of the expense (i.e. premium payment coupon slips, Medicare letter, etc.)

If at any time premium costs change or the Participant decides to cancel the existing substantiation for a recurrent claim, notify Nyhart immediately. It is necessary to provide updated supporting documentation to reestablish a recurring monthly claim.

For those on Medicare and receiving Social Security, you should receive a letter from the Social Security Office telling you the premium amount that will be deducted from your Social Security check each month. A copy of this letter will suffice as supporting documentation. If you cannot find this letter, you can request one on Medicare’s webpage: www.medicare.gov.

For those on Medicare but not receiving Social Security, you will be billed monthly for your Medicare premiums. You can use a copy of your insurance premium bill as supporting documentation.

Expenses cannot be reimbursed prior to the date for which the expense is actually incurred and services rendered. For example, if insurance payments are made six months in advance, reimbursement can only be released each month for the current month. One Claim can be submitted for the entire six month period and Nyhart will automatically release the funds as the appropriate month approaches.

If there are more expenses in one year than is available in the HRA account, the Participant can get reimbursed for the remaining expenses in the following year once Indiana University credits the account again. Nyhart will automatically issue reimbursement payments, once there are additional funds in the HRA account for prior claims that could not be fully reimbursed.

At the close of the five year term for the ERIP-2013 HRA plan there will be an additional 90 days to submit final claims for reimbursement for services incurred during the five year term. At the close of the 90 days (claim deadline) any remaining balance in the HRA is forfeited.

Paying Eligible Health Bills

If Participants receive a bill for services, they can pay the bill by writing the Visa card number on the invoice and mailing it in, or by providing the card information over the phone.
Paying for Mail Order Pharmacy service

Participants may also use the card for mail order pharmacy service. Provide the Visa card number when ordering prescriptions and the expense will come directly out of the HRA account.

Ordering an Additional Card

Participants may obtain additional debit/Visa cards, at $5.00 per card, for use by family members. Additional cards can be ordered using the form on the Nyhart web page or by calling Nyhart at 1-800-284-8412. When giving cards to family members, remember the Participant is responsible for substantiating purchases on all cards, as requested by Nyhart.

Lost or Stolen Cards

If the card is lost during normal business hours, Nyhart will deactivate the card when they are notified. On the weekend or after hours, notice must be provided to UMB, the card administrator, through their customer service web site, www.umb.com or at 1-888-860-5862. There may be a modest charge for replacing lost cards. Remember, no PIN is required to use the card, so be sure to report lost or stolen cards immediately.
HRA Resources

ERIP-2013 website
http://www.hr.iu.edu/early_retire2013/index.html
This website will be active for all 5 years of your ERIP HRA plan incentive. Updates will be posted here and you can refer to this site at any time to review plan information.

Nyhart (HRA Plan Administrator)
http://iutsb.nyhart.com
This website will provide you with access to your HRA account information, claims information, ability to submit claims online, list of eligible expenses, forms, etc.
Nyhart
8415 Allison Pointe Blvd, Suite 300
Indianapolis, IN 46250
Customer Service: 1.800.284.8412
Fax: 1.888.887.9961
Email: flexplans@nyhart.com
Online: iutsb.nyhart.com

Indiana University Human Resources
ATTN: ERIP-2013
400 East 7th Street, Poplars E165
Bloomington, IN 47405
General email: erip2013@iu.edu
General website: http://hr.iu.edu/benefits

COBRA Specialist:
Linda Ross
liross@iu.edu
(812) 855-7833

Retiree Benefit Specialist:
Karen Hill
kashill@iu.edu
(812) 856-4459

Health Plan Consultant (HDHP/HSA, HRA)
Danielle Abplanalp
daabplan@iu.edu
(812) 855-3825

Internal Revenue Service (IRS)
www.irs.gov
1-800-829-1040