

Medicare Coordination and Your HRA

A blue circular icon containing a white exclamation mark, indicating a warning or important information.

Is your HRA at risk?

Your health reimbursement arrangement (HRA) may be at risk if: (1) **you or someone covered under your HRA is on Medicare**; (2) **you're still working for the employer who set up your HRA¹**; and (3) **your HRA provides in-service benefits (not a post-separation HRA)**. Under certain conditions, Medicare won't pay claims until after you've used up all your HRA funds. Medicare could also take your HRA funds to cover prior claims paid by Medicare.

A blue circular icon containing a white pencil, indicating a tip or action item.

Elect "limited HRA coverage" today!

You can protect your HRA (make Medicare primary) by electing "limited HRA coverage" for you and/or your family member(s) on Medicare. Just complete and submit a **Limited HRA Coverage Election** form. Forms are available online after logging in at HRAveba.org and clicking **Resources**.

Medicare will be primary (pay before your HRA) while your HRA coverage is limited². You can convert back to full HRA coverage and Medicare will remain primary after you separate or retire from the employer who set up your HRA.

Already separated or retired? Give us a call at 1-888-659-8828 to make sure we have your separation date on file. If we do, your HRA should not be at risk. Medicare should be primary to your HRA.

A blue circular icon containing a white gear and a hexagon, indicating a definition or key concept.

What is limited HRA coverage?

While HRA coverage is limited, you can still use your HRA to reimburse any of the following:

- Medicare premiums
- Medicare Supplement premiums
- Dental premiums and expenses
- Vision premiums and expenses
- Orthodontia expenses
- Long-term care expenses
- Certain other expenses not covered by Medicare

All other medical expenses incurred while coverage is limited cannot be reimbursed.

*Read **Medicare Coordination Rules** on reverse for more details.*

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Medicare Coordination Rules

Whether your HRA is at risk depends on your individual situation and how federal law may apply. For example:

- **If you're still working** for the employer who set up your HRA¹, your HRA is at risk and primary to Medicare unless you have elected "limited HRA coverage."
- **If you have a post-separation HRA** that won't become claims-eligible until after you separate or retire from your employer, don't worry! Your HRA is not at risk. Medicare will be primary when your HRA becomes claims-eligible.
- **If you or someone covered under your HRA are on Medicare due to end-stage renal disease (ESRD)**, your HRA is primary to Medicare for the first 30 months of Medicare enrollment. During this period, you must use your available HRA funds before submitting claims to Medicare, regardless of your employment or retirement status. You can prevent this and make Medicare primary by electing "limited HRA coverage" for the individual on Medicare.
- **If your HRA balance has ever been over \$5,000**, we're required to report it to Medicare. We are not required to report your HRA to Medicare if your balance has always been under \$5,000, but Medicare coordination rules still apply. This is just an exception to the reporting rules.

MORE INFO? [HRAveba.org](https://hraveba.org)

QUESTIONS? 1-888-659-8828
customercare@hraveba.org

¹ Medicare considers you to be "actively employed" if you are an employee of or have a current business relationship with the employer who set-up your HRA. Even if you are not considered an "employee" for other legal or business reasons, receiving an HRA contribution from the employer creates the business relationship that requires the HRA be reported to Medicare under federal law.

² If you have other group health plan coverage or coverage under TRICARE, those other plans may be primary to Medicare or require your HRA to pay primary. You should consult with your health plan providers to determine the order of benefits for those other plans.