

MedFund HRA

Employer Funded Plans that Work

Save Money, Keep Your Benefits

Truth is, most employees are pretty healthy. By combining high deductible insurance with direct payment of routine healthcare expenses through MedFund HRA, you'll save money and still provide solid employee benefits.

No Payments Till We Approve a Claim

Unlike insurance premiums, MedFund HRA dollars are only spent when employees have medical expenses. That means the actual cost of your plan may be even less than you budget.

Flexible and Convenient

MedFund HRA plans are as flexible as you need them to be. We'll help you design the plan that's right for you. You'll decide how it works. We'll process every claim to ensure your MedFund HRA dollars are only spent on legitimate medical needs.

24-Hour Online Account Access

If reimbursements are needed, employees file them online, anytime. We process reimbursements daily and direct deposit them right into each employee's bank account.

Employees are More Involved

MedFund helps cushion the blow of a high deductible insurance plan. You can even share below deductible expenses with employees by offering a MedFlex employee spending account alongside MedFund. Employees become aware of the actual cost medical care, and better stewards of benefit dollars.



Let's say an employee who currently shares the cost of his \$6,000 annual premium decides to change to a lower-cost, higher-deductible insurance plan, supplemented by MedFund.

Cost of Current Medical	\$6,000
Employer pays	\$5,000
Employee pays	\$1,000

Cost of New HRA Plan	\$4,750
Employer pays (\$3,500 premium plus \$750 HRA)	\$4,250
Employee pays	\$500

For every employee who selects the new plan, the employer saves \$750 in premiums.

Employer Premium on Old Plan	\$5,000
Employer premium on new plan	\$3,500
Employer tax-free HRA contribution	\$750
Employer Savings	\$750

Every employee who enrolls in the new plan saves \$1,250 in out-of-pocket costs.

Lower employee premium cost	\$500
Employer-paid HRA Plan	\$750
Employee Savings	\$1,250

With just 100 employees enrolling, the employer would save \$75,000 a year.

Want more info?

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MedFundHRA

What you need to know:

MedFund HRA is a Health Reimbursement Arrangement (HRA), governed by federal law. It is funded by the employer and used for certain out-of-pocket employee healthcare expenses. The most common use of a MedFund HRA Plan is in combination with a higher deductible health insurance plan. The employer benefits from lower premium cost, but the higher deductible cost to the employee is cushioned with MedFund dollars.

- Workable Solutions keeps track of funds.
- No dollars are actually spent until a claim is filed by an employee.
- Reimbursements are not taxable to the employee and are tax deductible for the employer.
- Unused funds may be rolled over year-to-year.
- No specific insurance is required to offer MedFund.

Eligible Expenses include insurance co-payments, plan deductibles, direct payment for annual physicals and medical exams, dental and/or vision expenses, mental health, chiropractic services and prescription drugs. Many over-the counter drugs, like allergy medications or pain relievers, may also be paid by MedFund HRA. Because MedFund HRA is an employer funded plan, you can limit what is covered. MedFund HRA may be used to fund insurance premiums and even offered alongside a MedFlex FSA or an HSA Solutions plan, within limits.

Who can sponsor a MedFund HRA Plan?

Plan sponsors can include C-corporations, partnerships, S-corporations, limited liability companies (LLCs), sole proprietors, professional corporations, and not-for-profits.

Regulations prohibit individuals owning more than 2% of an S-corporation, sole proprietors, partners or members of an LLC (in most cases) from participating in the MedFund plan, they may still sponsor a plan and deduct the plan cost as a business expense.

How does MedFund work?

You decide how much to make available per employees and what is covered. No funds are actually paid out until employees have verified medical expenses.

Claim substantiation is required. We do that for you.

There is no requirement to make the full annual benefit immediately available to each employee. You can make funds available each pay period or make periodic lump sum contributions monthly, quarterly or bi-annually.

MedFund HRA has a lot of plan design flexibility. For example, unused balances may or may not roll over to the next year. They may also be restricted to cover only certain benefits, like prescriptions, co-payment and deductible expenses.

MedFund Plans are designed to meet your needs

Example 1

MedFund could be offered alongside a high-deductible health insurance plan to pay all or a portion of the below deductible expenses. You can even require co-payments and deductibles.

Example 2

You could offer MedFund in conjunction with our HSA Solutions plan and an HSA-qualified plan and have MedFund pay only for specific allowable expenses such as vision, dental or other permitted coverage.

Key Plan Requirements

The plan must have a written plan document and each employee must be given a copy of the summary plan description (SPD). We'll create those for you at implementation. The plan may not discriminate in favor of highly compensated employees. Expenses must be documented and substantiated. That's our job.

Since there is no employee account, an HRA may not be cashed out when the plan ends or an employee retires or leaves the company.

Employer HRA plans that have 100 more participants are normally required to file a Form 5500 with the federal government each year.