



CELESTENA GLOVER
Interim Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
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JACK ROBB
Board Chair

June 1, 2023

Dear PEBP participant,

For plan year 2024 (PY24), **State active employees** enrolled in the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), or Health Plan of Nevada (HMO) may receive a one-time contribution in Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) funding to help pay for qualifying out-of-pocket medical costs such as deductibles and copays. Employer contribution amounts are listed on the chart on the next page. **Legislative approved amounts for HSA/HRA funding are conditional on legislative processes and may be subject to change.**

The CDHP base contribution and one-time employer contribution will be added to your HSA Bank account at the beginning of the plan year after July 1st, 2023. Legislative appropriated one-time contributions may take longer to show up in your HSA Bank account. The funds will be added to HRA accounts for LD, EPO, and HMO members; and as a supplemental HRA or HSA contribution to CDHP participants.

What is a Health Savings Account (HSA)? An HSA is an account that can be used to pay for qualified medical expenses such as copays, dental, vision and prescriptions for those enrolled in a high deductible plan such as the CDHP. Those with an HSA may be eligible to contribute pretax money to fund this account on their own. An HSA is owned by the account holder and remains with the account holder until the fund balance is exhausted.

What is a Health Reimbursement Arrangement (HRA)? An HRA is an account that can be used to pay for qualified medical expenses such as copays, dental, vision and prescriptions. Members are not able to contribute to an HRA and this account is owned by the employer. If a member disenrolls from PEBP, their HRA balances are forfeited.

HSA Bank Educational Webinars

Join PEBP and HSA Bank to learn more about your Health Savings Account or Health Reimbursement Arrangement. Register using the links below.

Webinar Times	Webinar Registration Links
HSA Education - Wednesday, June 7 th @ 12:00pm PST	Click here to register
HRA Education- Wednesday, June 7 th @ 1:00pm PST	Click here to register
HRA Education – Wednesday, June 14 th @ 12:00pm PST	Click here to register
HSA Education – Wednesday, June 14 th @ 1:00pm PST	Click here to register



Plan Year 2024 Employer Contribution Amounts

<u>Plan Year 2024 HSA/HRA Annual Contribution Amounts</u>	<u>Consumer Driven Health Plan (PPO) HSA/HRA Account</u>	<u>Low Deductible Plan (PPO) HRA Account</u>	<u>Exclusive Provider Organization Plan (EPO) HRA Account</u>	<u>Health Plan of Nevada (HMO) HRA Account</u>
Base Employer Contribution for Participant*	\$600	N/A	N/A	N/A
One-time Employer Contribution* PEBP Funded Contribution	\$300	\$300	\$300	\$300
Legislative Appropriated One-Time Contribution** <u>Allocation Tiers:</u> EE = Employee Only E+C = Employee + Child(ren) E+S = Employee + Spouse E+F = Employee + Family	\$300 (EE) \$400 (E+C, E+S) \$500 (E+F)	\$300 (EE) \$400 (E+C, E+S) \$500 (E+F)	\$300 (EE) \$400 (E+C, E+S) \$500 (E+F)	\$300 (EE) \$400 (E+C, E+S) \$500 (E+F)
Total Employer Contribution Amount**	up to \$1,400	up to \$800	up to \$800	up to \$800
<p>*If your effective date is after July 1, 2023, your base employer contribution amount will be prorated through the rest of the plan year (PY24 ends on June 30, 2024). For example, if you are a hired or reinstated employee that begins PEBP coverage on 1/1/2024, the total PY24 HRA contribution will be divided by twelve, then multiplied by the remaining months of the plan year.</p> <p>**Legislative approved enhancements, such as HSA/HRA funding and enhanced basic life insurance amounts, are conditional on legislative processes and may be subject to change.</p>				

First-Time HSA Bank Account Online User?

1. To register your online account, go to MyAccounts.hsabank.com.
2. Select the "New User? Create login." link from the bottom of the sign in widget.
3. Enter the identifying information requested on the page and click on the Next button.
4. Select and answer your three security questions.
5. After completing the Username, New Password, and Confirm Password fields, click Submit.
6. Please read and accept the Esign Consent Agreement and Online Services Agreement. You must open and review the agreements, scroll to the bottom, and then check the appropriate boxes.
7. Please enter and confirm your email address to ensure you receive notifications based on your elected preferences.
8. Confirm your delivery method preference for certain bank disclosures and notices.

HRA Frequently Asked Questions

I thought an HRA required a high deductible health plan (HDHP) like the CDHP. Do I receive the one-time HRA funds if I'm enrolled in the LD, EPO or HMO plan?

Unlike HSAs, you don't need a HDHP to use an *integrated* HRA. State active employees enrolled in the CDHP, LD, EPO and HMO plans will receive an integrated HRA for plan year 2024. In addition, CDHP participants will receive \$600 in base HSA/HRA funds.

What can I use my one-time contribution to pay for? What are considered eligible expenses under my HRA?

With an integrated HRA, you may pay for any eligible expense not fully paid for in your group health insurance policy, such as deductibles, coinsurance, prescriptions, dental and vision care, and other items listed in the [IRS Publication 502](#). Expenses can only be incurred by you, your spouse, and eligible dependents.

When will my funds be available and how can I use them?

Employer contributions for HSA/HRA accounts will be available in your HSA Bank account after the beginning of the new plan year on July 1st, 2023. Legislative appropriated contributions may take longer. Your HSA Bank Visa® Health Benefits Debit Card will arrive in a separate mailing within five business days of your account opening. You can use your card to pay for IRS-qualified medical expenses eligible under your State of Nevada Public Employees' Benefits Program (PEBP) plan. Remember to save your receipts so that HSA Bank can validate or substantiate the eligibility of the expense.

How to pay for IRS-qualified medical expenses with your HRA:

1. **HSA Bank Health Benefits Debit Card** – You will get your HSA Bank Visa® Health Benefits Debit Card that you may use at point of sale or after you get a medical bill from your provider. Transaction amounts automatically deduct from your account balance.
2. **Direct pay to provider** – Submit your claim to HSA Bank and include your provider's billing address. Once the claim is validated and substantiated, a check is sent to your provider to the address you specified on the claim.

Will my one-time contribution funds expire?

The one-time contribution does not have an expiration date. HRA funds rollover from one plan year to the next unless you terminate employment or transition to the Medicare Exchange with Via Benefits.

What happens to the money in my HRA if I leave my job or retire?

Because your HRA is employer-owned, the one-time contribution is only for current employees. Unused funds stay with your employer if you leave your job or retire. Employees in terminated work status may still access funds for services incurred before leaving State service and while covered under the plan, but reimbursement requests must be made manually. You are not eligible to use the funds for services incurred after your HRA terminates.

I already have an HSA or an HRA. What contributions will be used first?

HRA funds are used before HSA funds are used. So, if you have both accounts, your HRA funds will be depleted before any HSA funds will be used.

I have questions about my HSA Bank account. How can I contact HSA Bank?

HSA Bank administers HSA and HRA accounts for qualifying PEBP participants. You may log into your [HSA Bank account here](#), or call HSA Bank Customer Service at 1-833-228-9364.

Can I have an HRA if I have Medicare, Medicaid, or Tricare?

Yes, coverage under these plans does not impact your ability to have an HRA.

When can an employee use the funds in the HRA?

The HRA funds may be spent on expenses incurred beginning on the date the HRA account is established. Incurred claims must be submitted within 365-days measured from the date of a claim.

Can I use the HRA for reimbursements for my spouse and dependents?

Reimbursements under an HRA can be made to the following individuals:

1. Employees,
2. Spouses and dependents of those employees,
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return.
 - b. The person had a gross income of \$4,400 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as dependent on someone else's 2022 return.
 - d. Your child under age 27 at the end of the tax year.
 - e. Spouses and dependents of deceased employees.

Note: A child of parents that is divorced, separated, or living apart for the last 6 months of the calendar year is treated as the dependent of both parents whether the custodial parent releases the claim to the child's exemption. See [IRS Publication 969](#).

What happens to the HRA funds if an employee passes away?

HRA funds are non-transferrable, meaning funds in the account cannot be transferred to a beneficiary. The only way to access funds for claims incurred prior to the date of death, is if the employee's spouse or other representative has power of attorney. The deceased employee's power of attorney representative will have 365 days to submit a request for reimbursement measured from the date of employee's death.

Do I have to be enrolled in a PEBP health plan to be eligible for the HRA?

The HRA is not offered as a stand-alone option. Instead, it is integrated with a PEBP-sponsored medical plan. This means, employees must be enrolled in a PEBP-sponsored medical plan, such as the CDHP, LD, EPO or HMO to qualify for the HRA.

Are the HRA dollars transferrable to another PEBP-sponsored medical plan?

Yes, the HRA dollars are transferrable from one PEBP medical plan to another PEBP plan. There will only be forfeiture of HRA funds if a member terminates employment or transitions to the Medicare Exchange.

Does HSA Bank offer direct deposit?

Yes, HSA Bank only offers direct deposit. There is no option for a mailed check.

What happens if I swipe my card to pay for an *ineligible* expense?

HSA Bank will reach out to ask for substantiating documentation. If you can't provide it, you will be asked to pay back the account. If neither of those things take place, you will have to pay taxes on any amount used for ineligible expenses. Additionally, you may incur a 20 percent tax penalty.

Do I have to submit reimbursement requests within a specified period?

HRA rules require claims to be submitted for reimbursement within 365 days of the date the expenses incurred.

How long with the Plan remain in effect?

PEBP expects the Plan to be offered in future years. However, PEBP has the right to modify or terminate the HRA program in any future plan year, including the amount credited to HRA accounts or to forfeit amounts currently credited to an employee HRA under certain conditions, such as: termination of employment, (except under continuation of coverage under COBRA) and the death of an employee.

What happens if I have an expense higher than the HRA balance?

You may only spend or be reimbursed up to the HRA balance. If you submit a claim for more than that, the remaining amount over the balance will stay in a queue and will be reimbursed to you in the event additional funds are contributed to the HRA.

What happens to my HSA balance if I change my health plan from the CDHP with an HSA to the LD Plan or other PEBP health plan? Which account do I use first, my HSA or HRA?

If you have both an HSA, HRA or FSA, the HSA Bank will send you a “stacked” card. The stacked card allows you to pay for medical-related expenses across any combination of HSA, HRA and FSA accounts.

How does the stacked card work?

The stacked card can be used to pay for eligible purchases while a participant can use an alternative method of payment for non-eligible expenses. The stacked card technology can compare pharmacy data, retrospective data matching based on previous payments and claims matching based on previous payments, adjudicated claims, copayment matching and recurring expense logic. Using the copayment matching and recurring expense logic, once a transaction has been substantiated once, transactions for the same amount in the same setting are substantiated once and do not require another review (auto substantiated).

What if a transaction is not auto substantiated?

In the event the transaction is not auto substantiated, the employee (who uses the stacked card with an HRA or FSA) will receive a series of 3 notifications starting 5 days after the transaction. If documentation is not received, the claim is denied, and the employee is sent a letter asking for repayment. The employee can upload documentation on the HSB Bank member website, via mobile app or fax/mail. Every effort is made to avoid debit card suspension. However, debit card usage will be suspended until the transaction has been satisfied with either documentation or manual claim.

Does HSA Bank charge employees to establish an HRA account?

No. HSA Bank does not charge employees a fee to establish an HRA account.

Where can I find information regarding eligible expenses and tax information?

www.hsabank.com

What if I go out on Family Medical Leave Act (“FMLA”)?

If you decline coverage while on FMLA, you have the right to reinstate the HRA upon returning from leave if you enroll in the same medical plan that you were enrolled in prior to taking leave.

What happens if my HRA claim is denied?

If a claim is denied, then you have the right to be notified of the denial and to appeal the denial. The rules for appealing denied claims can be found in the Plan Year 2024 HRA SPD available at www.pebp.state.nv.us.

Can I have the HRA if I also have a Flexible Spending Account (FSA)?

An HRA can be used in tandem with a general medical flexible spending account (FSA). Typically, qualified expenses are paid from the FSA first to avoid forfeiting funds, and then funds from the HRA are used to cover any additional qualifying medical expenses.

Sincerely,

Public Employees' Benefits Program