

BASE[®] HRA

INTEGRATED HRA

Integrated Health Reimbursement Arrangement

The BASE[®] Integrated Health Reimbursement Arrangement (HRA), sometimes referred to as a Medical Expense Reimbursement Plan (MERP), is a great way for employers who are looking to keep the cost of group health insurance coverage affordable for both the employer and their employees.

Employees will appreciate the choice, flexibility, and security provided with this type of plan in place. Implementing an HRA ultimately provides an additional benefit that helps to strengthen employee benefit programs and make them a more valuable recruiting tool.

Who is an Integrated HRA for?

Available for employers with a group health insurance plan in place who are looking to provide insurance coverage for their employees, but reduce the overall cost.

How does it work?

- Employer can choose to raise the deductible on the current group health insurance plan.
- Employer self-insures part of the deductible to keep the employees' responsibility of the deductible maintainable.
- When the employee satisfies their deductible, the employer pays up to the insured deductible with the premium savings.
- Can be used with a Section 125 Cafeteria Plan.

What are the benefits?

Benefit to Employer

- **Protection of Funds.** HRA funds are held by the employer and only paid to the employees once a qualifying expense has been adjudicated by BASE[®]. No prefunding necessary.
- **Cost Containment.** Employers have more control of the overall cost of their benefit plans by utilizing the BASE[®] Integrated HRA.
- **Portability.** This plan is portable and works with any carrier, health insurance plan, or group benefit plan. Since there are no restrictions on the type of health plan that can be paired with an HRA, employers are free to choose the perfect plan for employees.
- **Tax Benefit.** All reimbursements are 100% deductible as a business expense.

Benefit to Employee

- **No Contribution.** Employers only reimburse an employee once a plan eligible expense has occurred. No prefunding of an account is necessary.
- **No Taxes.** All reimbursements are considered non-reportable and nontaxable income.

Integrated HRA in Action

Employer has chosen to sponsor an Integrated HRA for 19 employees & all employees have self-only coverage.

WITHOUT BASE [®] HRA		WITH BASE [®] HRA	
Plan Deductible	\$2,750.00	Plan Deductible	\$5,000.00
Employee Portion of Deductible	\$2,750.00	Employee Portion of Deductible	\$2,750.00
Employer Annual Premium	\$250,701.00	Employer Annual Premium	\$157,516.00
	TOTAL cost to Employer: \$250,701.00	Annual HRA Self-Funded Amount (assuming 10% utilization)	\$4,275.00
		TOTAL cost to Employer: \$161,791.00	

EMPLOYER SAVINGS = \$88,910.00



Base

1.877.342.5105 www.BASEonline.com

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