

## Health Reimbursement Arrangement

Administered by The Harrison Group, Inc., for  
Mennonite Church USA



Mennonite Church USA congregations can help pastors and church employees manage medical expenses using a health reimbursement arrangement, or HRA.

Pastors who are considered self-employed for federal income tax purposes are not eligible to participate.

### Helping with out-of-pocket expenses

An HRA, which The Harrison Group, Inc. administers, is a way to make funds available to employees to help them pay for out-of-pocket medical expenses subject to your medical plan's in and out-of-network deductible.

HRA funding is made by the congregation or employer only. Employees may not add to the funding unlike a health savings account (HSA). The funds in the HRA belong to the congregation or employer until the employee incurs an eligible deductible expense and receives a reimbursement.

### How your HRA will work

An HRA is designed to work alongside the health plan coverage. It is not part of the health plan. Here's an example of how it works:

- Pastor Jeff is enrolled in the Congregational Employee Plan. He submits an HRA Claim Reimbursement Form for allowable expenses and a copy of his Explanation of Benefits form (EOB) to The Harrison Group.
- Once his claim is processed, The Harrison Group will schedule the approved claim amount for reimbursement.
- HRA reimbursements for claims submitted in the previous month are processed at the beginning of each month. Participants can elect to receive a check or have the reimbursement deposited directly into their personal bank account.

### HRA plan design options

*Choose from the three available plan options*

- Option 1:** The HRA reimburses 100 percent of any out-of-pocket deductible expense for each employee, up to the annual maximum amount set by the congregation for each employee.

*Example:* Congregation A enrolls in a \$2,000/\$4,000 high-deductible health plan. It agrees to fund \$500 for employees enrolled in single coverage and \$1,000 for employees enrolled in family coverage. Pastor A's (single coverage) service provider submits a claim to the health insurance company plan, and \$200 is applied to his deductible. The health insurance company will send an Explanation of Benefits form to Pastor A. Pastor A will compare the EOB amount to the Provider's invoice amount. Assuming that the amounts agree, then Pastor A will send in a claim form and the EOB to The Harrison Group for processing and payment of \$200 to Pastor A.

- Option 2:** The HRA reimburses 70 percent of each employee's out-of-pocket deductible expense, up to the annual maximum amount set by the congregation.

*Example:* This is the same scenario as Option 1, but now, when the information is sent to The Harrison Group, Inc., Pastor A will receive a reimbursement of \$140, which is 70 percent of the submitted deductible expense. The remaining HRA balance would be \$360.

**Option 3:** The HRA reimburses 50 percent of each employee's out-of-pocket deductible expense up to the annual maximum amount set by the congregation.

*Example:* Again, this is the same scenario as Option 1. However, now the reimbursement amount would be \$100, 50 percent of the deductible expense. The HRA balance would be \$400.

### **Setting up an HRA**

Congregations or employers interested in an HRA must complete an *HRA Employer Enrollment* and *ACH Authorization* form.

If you have questions about HRAs or are planning on implementing one for 2025, please contact Deana Roth at (574) 307-6340 or e-mail [deana.roth@everence.com](mailto:deana.roth@everence.com) for the HRA forms.

If you or an employee wish to check on the status of a claim, please contact The Harrison Group at 610-853-9075 from 8:30 a.m. to 5:00 p.m. (Eastern time) or email them at [service@theharrisingrouponline.com](mailto:service@theharrisingrouponline.com).

### **Switching from HSA funding to HRA funding**

- Employees are no longer eligible to make HSA contributions but may take HSA distributions for eligible medical expenses.
- An employee may participate in the Section 125 medical expense reimbursement account for medical expenses that are not eligible to be reimbursed by an HRA. If an employee still has an HSA balance, they may choose reimbursement from the HSA or the medical expense reimbursement account, but not from both for the same expense.
- Only CEP health plan deductible expenses are eligible for reimbursement from an HRA.