



To: Jim Hermann, CEBT
From: Steve Weinstein and Laura Fischer
Re: Hospital Reimbursement Program - HRA
Date: March 8, 2018

Hospital Reimbursement Program

CEBT's Hospital Reimbursement Plan ("HRP") Plan Document provides that the purpose of the HRP is to pay benefits up to \$1,000 per day for otherwise un-reimbursed eligible medical expenses for hospital confinement. CEBT requires documentation to substantiate the participant's eligible medical expenses and reimburses the participant directly.

Health Reimbursement Arrangement

The HRP is a tax-favored group health plan that it is solely funded with employer contributions which are used to reimburse employees' medical expenses.¹ Therefore, the HRP is a Health Reimbursement Arrangement ("HRA") which must be integrated with primary coverage, i.e. a group health plan pursuant to the Affordable Care Act.²

Affordable Care Act – Integration with Primary Group Health Plan

The HRP is only offered to employees who elect coverage on another group health plan, and certify in writing that they have enrolled in such coverage; therefore the HRP is considered to be "integrated" with the other group health coverage.

The HRP will only pay benefits as noted above after the primary group health plan has processed and paid claims.

¹ See IRS Revenue Ruling 2002-41 and Notice 2002-45.

² DOL Technical Release 2013-03.