



GBS Advantage HRA

Health Reimbursement Arrangement

GBS Advantage HRA (Health Reimbursement Arrangement) is designed for employers who want to continue to offer a high level of benefits to their employees while containing their health plan costs.

The employer provides a core level benefit plan and offers additional benefits through an HRA. The HRA creates a health reimbursement fund, enabling the employer to reimburse a portion of the employees' out-of-pocket expenses (deductibles, copays and coinsurance), in exchange for much lower base plan costs. Any unused HRA funds will be refunded to the employer, for use the following year to pay for future health care expenses.

An HRA plan is paid for solely by the employer and not funded through salary reduction elections of the employee. The employer determines the maximum health reimbursement amount per employee. Under the HRA plan, the employer reimburses the employee for qualified out-of-pocket medical care expenses up to the maximum dollar amount established by the employer for the coverage period.

Benefits professionals and employers can realize their strategic benefit goals and cost objectives through innovative HRA solutions offered by **GBS Advantage HRA**. Compare a traditional HMO plan design to the **GBS Advantage HRA** plan design below:

Benefit Plan & Costs*

Current HMO Plan		Benefits	
Deductible		\$0 Individual	Annual Costs \$5,256
Office Visit Copays		\$10/\$20	
Hospitalization Copay		\$0	
Rx Deductible		\$0	
Rx Drug Copays		\$10/\$20/\$30	
Proposed GBS Advantage HRA Plan		Benefits	
Deductible		\$0 Individual	Annual Costs \$4,152
Office Visit Copays		\$30/\$40	
Hospitalization Copay		\$250 Per Admission	
Rx Deductible		\$250	
Rx Drug Copays		\$15/\$25/\$50	
Annual HRA Fund			\$750
Total Maximum HRA Plan Cost			\$4,902
Savings Summary			
Savings from Plan Design Change			\$354 6.7% Savings
Savings If Employee Uses Only \$500 of HRA Fund			\$607 11.5% Savings

*Single coverage with an average age of 42 in Maryland



GBS Advantage HRA

Health Reimbursement Arrangement

How GBS Advantage HRA Works

The benefits professional and employer strategize to create a flexible plan that enables the employer to choose a plan design that will lower their health care costs.

1. Choose a core plan design from a list of qualified health carriers. The plan design offers higher out-of-pocket expenses and a low monthly premium.
2. Determine the annual maximum for the HRA fund. This HRA fund is created for reimbursing employees' eligible out-of-pocket medical expenses. The employer determines the maximum reimbursement levels for each coverage type (i.e., single, parent & child, husband & wife and family coverage).
3. Employees utilize the core plan benefits and experience higher out-of-pocket medical expenses. These expenses are submitted to GBS for reimbursement up to the HRA fund maximum.
4. Any unused funds in the HRA will be returned to the employer following the claim run-out period.

Advantages from the Employer Perspective

- Significantly lowers health care costs while increasing benefits through reimbursement of out-of-pocket expenses.
- Flexible plan design tailors benefits to specific needs, offering greater control over current and future costs.
- Encourages employees to engage in better lifestyle decisions resulting in a healthier, more productive workforce.

Advantages from the Employee Perspective

- Increased benefits through reimbursement of out-of-pocket expenses up to the annual maximum.
- More affordable employer-sponsored health insurance coverage for employees and their families.
- Encourages and rewards better health care decisions leading to a healthier lifestyle.

GBS custom designs and administers innovative solutions for all businesses. To learn more about how to lower health insurance costs and enhance employee benefits, call GBS at 800.638.6085.