

Guide to HSA, FSA, & HRA

What do these acronyms mean, and why do you need to know them? These are all different types of payment methods offered by employers and payers, in an effort to curb the cost of spending on health care. These accounts usually compliment plans with high deductibles, where the client would have to pay a considerable amount out of pocket.



Health Savings Account

- Essentially a debit card for health care expenses.
- Your client and their employer may contribute pre-taxed money into this account to go towards qualifying care-related expenses.
- Only certain types of coverage allow a supplemental HSA.
- Your client should have a card for their HSA, and they have ownership over this account. It's not directly connected to the payer they're covered by—it's entirely supplemental to their benefits. You'll charge this card just like you would a debit or credit card



Flexible Spend Account

- Owned by the client's employer but are held in the client's name—this is what distinguishes this type of an account from an HSA.
- Both parties can contribute pre-taxed dollars to the account.
- There's more flexibility about the type of coverage a client can have. The plan doesn't have to meet specific qualifications, but the expenses must be health related. FSA vendors will have a list of applicable expenses.
- Your client should have an FSA card that can be charged.



Health Reimbursement Account

- Your client won't have a card that they can charge services to.
- The account generally must be integrated with the client's insurer and reimbursements will be issued only after services have been billed and processed.
- The account will be held in the client's name, but deposits into this account are made only by the client's Employer.
- Clients may need to submit invoices and EOBs to their Human Resources department in order to be reimbursed for out of pocket expenses.