

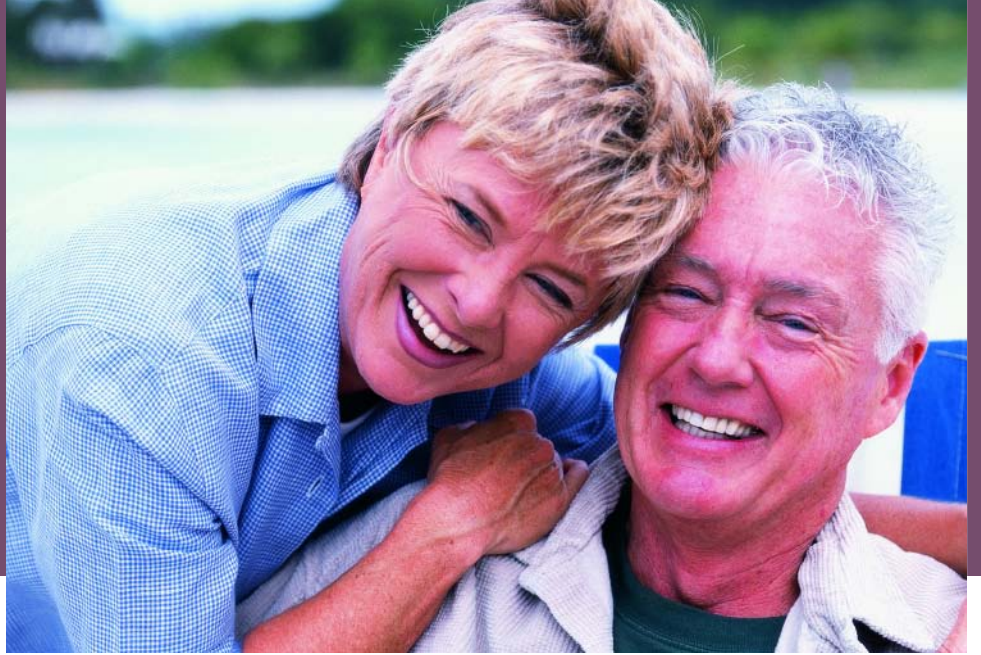


For Employers with 2-149 employees

DefinitySM Health Reimbursement Account
from UnitedHealthcare

DefinitySM HRA





DefinitySM Health Reimbursement Account

A strategic, long-term financial solution to health care cost management

With UnitedHealthcare's Definity HRA, consumers are empowered to make health care choices that best fit their personal needs. Our goal is to dramatically improve the value and performance of health benefits by allowing and encouraging consumers to become more involved with their health care, and to help improve your bottom line.

Challenging times require smart solutions. And who better than UnitedHealthcare to help your employees and their dependents get more involved in health care decisions that can improve their health and well-being along with your bottom line. We are the health and well-being company known for years as a leader in introducing consumer-focused innovation. And we put all of that knowledge, experience and resources to work when we introduced Definity HRA, a consumer-driven solution that continues to deliver proven results.

*Challenging
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The Company You **Choose** Does Make a Difference

Introducing The Definity Health Reimbursement Account (HRA) from UnitedHealthcare

A Comprehensive Solution for Your Employees

The Definity HRA delivers the security of health benefits with direct control over the dollars in the HRA. It puts your employees in control of their health with access to quality health care, and the right decision support tools to help change consumer behavior and lower your costs.

Simple and Easy

- **Flexible Plan Designs** – HRA plans can be paired with virtually any medical plan to meet your needs.
- **Single Source** –
 - Single Sign-up:** Little paperwork is necessary. Enroll in a medical plan and the HRA at the same time in one simple step.
 - Single Administration:** UnitedHealthcare coordinates seamless HRA administration - we offer one-stop shopping.
 - Single Eligibility Maintenance:** Case installation and eligibility are managed along with our medical product - no separate files are required from the employer. You or your broker submit eligibility and enrollment changes for medical and the HRA in one step (you can even update membership online).
 - Single Service:** Members have one toll-free number to call and one Web site to visit to get their questions answered.

Financial Value

- **Premium Decrease** – Employers can decrease medical premium expense by moving to a lower premium plan while still providing insulation for employees from higher member liabilities.
- **No Fees** – UnitedHealthcare charges no administration and setup fees for Small Business HRA customers with group sizes 2-99.
- **Contribution Amounts** – Amount of individual and family HRA funding is at the employer's discretion.
- **Rollover Amounts** – Employer has potential to keep unused funds at the end of the plan year or allow funds to roll over from year to year.

Additional Benefits

- **Direct Payment to Physicians** – For most claims, we pay the health care professional directly.
- **Direct Deposit for Employees** – Employees can sign up online to have reimbursement checks deposited directly into their bank account.

The **Benefits** of Definity HRA

A Comprehensive Solution for Employers

Currently, UnitedHealthcare is one of a few carriers in the small business segment to offer integrated health reimbursement account products. But the impact of a health reimbursement account is much greater when combined with the proven, complimentary systems and products of UnitedHealthcare:

- **Cost Effective Health and Wellness Services**

Our high deductible medical plan provides coverage to help your employees stay healthy. Whether they need preventive, health or wellness services, the Definity HRA delivers access to significant cost savings offered by UnitedHealthcare's nationwide network of over 500,000 physicians and other health care professionals and 4,600 hospitals. With some of the industry's best discounts for covered services, employers can realize substantial cost savings and employees increase buying power. Our UnitedHealth Premium® Designation Program aids consumers in choosing physicians and facilities that have shown a commitment to evidence-based best practices.

- **A Health Program With Valuable Discounts**

A unique additional advantage of the Definity HRA offering, we help make account dollars go further by providing discounts for services not covered under the medical benefit plan (Lasik eye surgery, infertility services, to name a few). Employees have easy access to care without paying retail prices traditionally associated with non-covered expenses.

- **Extensive Information and Decision Support**

We provide the information and support employees need to better understand their benefit plans and exercise the right choices when it comes to accessing care and financing their health expenses. This information is offered in varied formats to support individual learning styles during open enrollment and beyond. In addition to 24/7 access to Personal Health Care Advisors, individuals have access to the many tools of **myuhc.com**® – including health, wellness and account information; a treatment cost estimator; a hospital comparison tool, an online

nurse chat and other resources designed to assist them in managing personal health decisions and spending. During open enrollment, our Plan Comparison Calculator can help them decide which benefit option is right for them.

- **Quality Outreach, Advocacy and Wellness Programs**

Nurses are available to answer questions 24 hours a day. Our online health assessment identifies individuals who are at risk for certain medical conditions. When indicated, health coaches assist them in further assessing, protecting or attempting to restore their health. Enhanced disease management, UnitedHealth Wellness, Care CoordinationSM, predictive modeling and other programs, included with the Definity HRA, identify individuals who need help managing particular medical conditions and provide the required support. **Note:** Nurses and health coaches available to provide education only. Members are always instructed to contact their personal physician for all treatment and follow-up care.

- **Financial Incentives**

Coverage available for preventive care for children and adults provides assurance to potential enrollees that critical well care is covered. Our high deductible medical benefits and the employee-owned Definity HRA provide incentives for thoughtful use of health care resources. Employees are supported with decision tools through **myuhc.com**®. The Definity HRA provides a way for employees to maximize the value of their health care dollars in an environment of rising health care costs.



Why Choose Definity HRA?

A strategic, long-term solution to health care cost management

The Definity HRA offers the latest solution in benefit program design, flexibility, and savings for small and mid-sized businesses. It's offered with a high-deductible health plan, which provides an opportunity to save money and help employers meet their employees' demand for choice and control.

Easy to Buy

We understand your business. We have the in-depth perspective of delivering total solutions for tens of thousands of client companies. Not just isolated programs or products but tailored solutions that meet your unique needs. Our highly customized approach is the product of our experience with over 2 million CDH members. We'll help you face the challenges around rising health care costs, minimizing turnover and attracting quality applicants.

Easy to Install

A smooth implementation of an employer's benefit plan depends on good communication and education with employees. Through Employer eServices®, employers can access the online Communication Resource Center (CRC) to download all different types of employee communication tools, including informative health and wellness articles and guides. With help from this site, employers can educate and motivate their employees to improve health habits and get the most from their UnitedHealthcare benefit plan.

Easy to Administer

For employers, we offer a full suite of online administrative tools on Employer eServices. This private Web site allows benefit administrators to add, change and delete enrollees online in minutes, saving hundreds of hours of benefits administrator staff time when compared to paper enrollment form processes. Plus, Employer eServices offers online enrollment capabilities, reporting on the plan's performance, and electronic billing and payment.

A Closer Look at the Definity HRA Features

The UnitedHealthcare DefinitySM HRA helps you and your employees manage your health care and related expenses by:

- Covering eligible expenses under your medical plan
- Starting with the member's first dollar of liability, the HRA pays first. Once depleted, any remaining deductible/coinsurance applies
- Covering 100% of eligible expenses until depleted
- Being available on any medical plan (exceptions: HRA-compatible High-Deductible Health Plans (HDHPs), and traditional medical plans with deductibles less than \$100)
- Allowing the individual and family HRA contribution amounts to be set independently
- Managing deductible accumulators for calendar or policy year plans*

*Policy Year Deductible Plans are for group sizes 2-99 and are available in all states. Please confirm with your UnitedHealthcare representative.

Tools and Resources for Employers and their Employees

At UnitedHealthcare, we've enhanced our capabilities with online tools and Personal Health Care Advisors to introduce our newest consumer-driven offering, Definity Health Reimbursement Account (HRA).

Employers



The **Communication Resource Center** gives you the tools to communicate with employees about valuable UnitedHealthcare programs and services as well as health and wellness topics. It even contains powerful tools like a custom newsletter builder, health and wellness tool kits and a communication planning tool.

Site Features

- **UnitedHealthcare Programs & Services** – A valuable part of your company's health benefit plan to engage your employees, helping them make better health care decisions.
- **Health & Wellness** - Contains informative articles on health and wellness topics that offer advice on how to take action.
- **Powerful Tools** - Allows you to plan communications and integrate resources into powerful campaigns for your employees.

With help from this site you can educate and motivate your employees to improve health habits and get the most from their UnitedHealthcare benefit plan. The more your employees understand and use the UnitedHealthcare programs and services available to them, the more they will appreciate the full value of the health benefits you offer.

Rolling out Definity HRA is easy. We provide support materials and programs designed to help you communicate to employees. And we provide online tools and resources to help employees understand how their Definity HRA works, how to manage it, and how to make smart health care decisions.

Additional Resources

Health Assessment - Online health assessment identifies individuals who are at risk for certain medical conditions. Health coaches proactively assist them in further assessing, protecting or restoring their health.

Care CoordinationSM - This program is designed to coordinate care, support and educate consumers, assist physicians and promote the application of evidence-based treatments.

Disease Management - Personalized programs for a wide range of diseases and disorders, such as asthma and diabetes.

Employees



Online Tools For Employees - myuhc.com[®]

UnitedHealth Premium[®] program - Evaluates and identifies leading network physicians and hospitals using quality and efficiency criteria based on evidence-based medicine. We share this information with enrollees on **myuhc.com** so they can make informed decisions about where to seek care.

Plan Comparison Calculator - A pre-enrollment Plan Comparison Calculator helps individuals decide if Definity HRA is right for them.

Treatment Cost Estimator - Compares network and out-of-network costs for a particular procedure to help make more informed health care decisions and maximize their health care dollars.

Frequently Asked Questions about HRAs

Who owns an HRA?

The employer.

Who funds the account?

Employer only.

Is it a non-forfeitable account?

No.

What type of corresponding health plan is allowed?

Any type of health plan arrangement is allowed.

Can unused amounts carry over?

Yes. Unused funds may be rolled over from year to year at the election of the employer. However, rollover is not required.

Is the account portable between employers?

No. HRAs may be designed to allow former employees to spend down their account until it is exhausted, but it cannot be rolled over to a new employer.

Does interest accrue?

Regulations do not prevent interest accrual, but typically, interest does not accrue.

Is the account subject to COBRA continuation?

COBRA applies.

How is it funded?

The employer deposits a set amount for each covered individual or family.

What is the contribution amount?

No restrictions. For HRAs, the employer determines the minimum and maximum amounts.

Is there a “catch up” contribution provision for older workers?

Not available.

Is a pre-tax salary reduction to fund account allowed?

No, employer-funded only.

Is vesting allowed?

Regulations do not address vesting, but it is not typical.

Do non-discrimination rules apply?

Yes.

What is the tax treatment for employers?

Employer contributions are excludable for income and FICA tax purposes.

What is the tax treatment for employees?

Reimbursements are tax-free.

What expenses qualify for distribution?

Any otherwise unreimbursed expenses that are defined under §213(d) of IRC (including eligible health insurance and long-term care insurance premiums), except that long-term care services and premiums for coverage under employer pre-tax plans are not reimbursable even though tax deductible under §213(d).

Can funds be used for non-medical expenses for those under age 65?

No. Funds may only be used for qualifying expenses.

Can funds be used for non-medical expenses for those over age 65?

No. Funds may only be used for qualifying expenses.

Can COBRA premiums be reimbursed from the account?

Yes. COBRA premiums may be reimbursed from the account.

Frequently Asked Questions about HRAs

Must a medical expense be incurred during the plan year the contribution is made?

No. However, no reimbursements can be made for expenses incurred prior to the account being established.

Is the annual amount of the contribution available on the first day of coverage?

The employer-designated HRA amount may be available on the first day of coverage, but can be prorated during the year, at the election of the employer.

Is the use of a debit or stored value card allowed?

Yes.

Is third party substantiation of expenses required?

Yes. IRS regulations governing HRAs require that each claim be substantiated before it can be reimbursed.

Can the account be integrated with other accounts?

An HRA can be sold with an FSA, but a traditional HRA cannot be integrated with an HSA.

Is ERISA applicable?

Generally, yes.

Do employers need to offer employees the option to rollover funds from a FSA or HRA into a HSA?

No, you are not required to offer this as an option. Because HRAs and FSAs are employer-sponsored plans, you have the choice whether or not to offer this option to employees.

It just makes sense.®

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