



Management

COUNTY OF SONOMA

HUMAN RESOURCES DEPARTMENT

Christina Cramer, HR Director

Employment • Classification • Employee Relations • EEO • Training • Risk

5/17/2017

SUBJECT: New SCARE Health Reimbursement Account (SCARE-HRA) Effective July 1, 2017

Dear Retiree,

The purpose of this letter is to provide you with information regarding the new benefit program provided to eligible County of Sonoma retirees who retired on or before June 30, 2016. This benefit is being provided to you as a result of, and in accordance with the terms of the Settlement Agreement approved by the United States Federal Court in the matter entitled Sonoma County Association of Retirees, et. al. v. Sonoma County, No. CV 09-4432 CW.

Effective July 1, 2017, the County will make available a Health Reimbursement Account (SCARE-HRA) in your name, with an initial contribution of approximately \$1,000. The funds in your SCARE-HRA account can be used for reimbursement of eligible healthcare expenses incurred by you and/or your spouse, registered domestic partner, and eligible dependents, on or after July 1, 2017. This letter and the enclosures provide information on how the SCARE-HRA works and how to use your HRA account to pay for eligible healthcare expenses or to file for reimbursement of eligible healthcare expenses you incur.

Please take the time to review this important information, including important tax information, so you can make the most of this new benefit beginning on July 1, 2017.

This specific HRA account will appear on the plan administrator's, P&A Group's, website, [www.padmin.com](http://www.padmin.com) as "SCARE-HRA." **The first County contribution into your SCARE-HRA account will be available to you for use on July 1, 2017. You may request SCARE-HRA reimbursement or use your P&A Group benefits card for eligible healthcare expenses incurred on or after July 1, 2017.**

### 1. What is a Health Reimbursement Account (HRA)?

A Health Reimbursement Account (HRA) is a County-funded health benefit plan that you can use to pay, or be reimbursed, for out-of-pocket healthcare expenses (for example medical, dental and vision expenses) not covered by insurance. The HRA is available to you and/or your spouse and eligible dependents.

## 2. Who's expenses are eligible for reimbursement and who are my eligible dependents under the SCARE-HRA?

- Your spouse.
- Your own child, stepchild, adopted child, child lawfully placed for adoption, or eligible foster child, regardless of the child's marital or student status or whether or not the child is claimed as a dependent on your taxes up to age 26.
- An eligible dependent of a retiree who is the subject of a "qualified medical child support order," even if the child does not otherwise qualify under Code section 152.
- Any other "dependent" defined under Internal Revenue Code section 152, which may include an unregistered or registered domestic partner.
- Your domestic partner if your domestic partnership is registered in accordance with California Family Code section 297. See below for special tax rules for registered domestic partners who are not "dependents" under IRC section 152.

**Please note that the enclosed Certification of Federal Tax Dependent Status and Election of HRA Coverage for Your Domestic Partner is required from you if you have a domestic partner.**

## 3. Who will administer the SCARE-HRA?

The P&A Group has been selected to be the SCARE-HRA Plan Administrator. Customer service representatives will be available beginning July 1, 2017, Monday through Friday 5:30 AM - 7:00 PM Pacific Time. To speak to a customer service representative about your SCARE-HRA account, call toll-free 1-800-688-2611 or visit the P&A Group website, [www.padmin.com](http://www.padmin.com), to chat online with a representative.

## 4. What contributions will be made to my SCARE-HRA?

The Settlement Agreement provides for three lump sum contributions to your account. The first payment of approximately \$1,000 will be available for use on July 1, 2017.

Two additional lump sum contributions to your account will be available for use on July 1, 2018 and July 1, 2019. The actual amount of the contributions for 2018 and 2019 will be determined based upon the number of eligible participants at that time.

## 5. What types of expenses are reimbursable under this plan?

Examples of eligible healthcare expenses that can be paid for or reimbursed includes co-insurance, co-pays, hospital bills, prescriptions, dental expenses, vision expenses, and health insurance premiums (including medical, dental, vision and long-term care). A more comprehensive list can be found in [Publication 502](#) on the IRS website. A short summary list of common eligible expenses is enclosed. Remember, only eligible expenses incurred on or after July 1, 2017 are eligible for SCARE-HRA reimbursement.

## 6. Are domestic partner expenses eligible for reimbursement?

Yes, if your domestic partnership is registered under the California Family Code section 297 and/or if your registered or unregistered domestic partner is your tax dependent under Internal Revenue Code section 152, you may submit your domestic partner's expenses for HRA reimbursement. However, if your registered domestic partner is NOT also your tax dependent under Internal Revenue Code section 152 and you wish to submit your registered domestic partner's expenses for reimbursement, the fair market value of your HRA account will be subject to tax and its value will be reported to you on a Form W-2. If you intend to submit claims on behalf of your registered domestic partner who is **not** your tax dependent, you must submit the enclosed **Certification of Federal Tax Dependent Status and Election of HRA Coverage for Your Domestic Partner**.

## 7. Is there a fee for the SCARE-HRA account?

Yes, there is a monthly fee of \$2.95 which will be deducted from your SCARE-HRA account until there is a zero balance in your account. You are encouraged to file claims as quickly as possible to minimize fees, but you may leave money in your HRA as long as you like.

## 8. When will I receive the P&A Group benefits card?

The P&A Group will issue you a benefits card in late June 2017. Just like a credit or debit card, your benefits card will arrive in a plain white envelope. Additional benefits cards for your spouse and dependents over age 18 can be requested from P&A Group after you receive your initial card.

## 9. How do I use this P&A Group benefits card?

Your P&A Group benefits card is the most convenient way to receive funds from your SCARE-HRA account. The P&A Group benefits card works like a debit card and can be used to pay directly for an eligible healthcare expense by presenting your benefits card to the provider of the goods or services you are purchasing. When you swipe your card at the point of-service, the expense will be automatically deducted from your HRA account balance, eliminating the need for you to file a reimbursement claim form.



Not all physicians, hospitals and pharmacies are able to accept this type of benefits card. This benefit card is a limited access card and can be used only at pre-approved locations. Although many hospitals, pharmacies, dentists, opticians, and general merchants have been pre-approved, if your card cannot be used at the point of sale or service, you can incur the expense and submit a reimbursement claim. The benefits card will also not work if you attempt to purchase an ineligible item or if you swipe the card for more than the available

balance. If this occurs, you can file an online reimbursement claim or complete a paper claim form.

### **10. When does the P&A Group benefits card activate, and how long should I keep this benefits card?**

Your benefits card is available for use beginning on July 1, 2017 and will automatically activate the first time you use it. Like a credit card, you should retain this card until it expires. The benefits card is good for three years from the date of issue. Please do NOT throw this benefits card away after you have spent your 2017 HRA account balance, as you will be able to use this same benefits card when future contributions are made to your SCARE-HRA account in 2018 and 2019. If your benefits card expires and you still have an account balance, you will be issued a new benefits card.

### **11. What if I lose my HRA benefits card?**

If your benefits card is lost or stolen please immediately notify P&A so your benefits card can be deactivated and a new benefits card will be issued to you.

### **11. How do I submit a claim to the SCARE-HRA?**

To submit a claim for reimbursement you have several options:

- a) **Online Claims Submission** - You can electronically submit a claim form, which results in faster reimbursement than a mailed claim form. On or after July 1, 2017, you may log into [www.padmin.com](http://www.padmin.com) and create your P&A account. Once you have an account, you can submit a claim electronically from your mobile phone, tablet or computer.

Please note that all electronic claim submissions will require an electronic copy of bills or receipts for eligible healthcare expenses. To create an electronic copy of your bills or receipts, you use either a scanner or take a picture of your bills or receipts. Once you have saved a scanned copy or a picture to your computer, tablet or smart phone, you are ready to complete the claim form and upload your bill or receipts.

Go to your account on the [www.padmin.com](http://www.padmin.com) website, click on Employee Participants and select Submit a claim. Please note the following:

- i) Not all mobile claim upload features are currently available on all mobile devices or with all operating systems.
  - ii) Wireless carrier fees may apply.
  - iii) Requires at least a 2-megapixel camera to create readable documents for electronic claims submission.
- b) **Paper Forms** - You can also complete a paper claim form and attach a copy of your bills or receipts for eligible healthcare expenses. A claim form is enclosed. Additional claim forms can be found at [www.padmin.com](http://www.padmin.com). To submit your claims:

- i) **FAX** your claim form (available at [www.padmin.com](http://www.padmin.com)) and your bills or receipts to (877) 855-7105; or
- ii) **Mail** your claim form and copies of your bills or receipts to: P&A Group, 17 Court St. Suite 500, Buffalo, NY 14202. Please note manual claims take 3-5 business days to process. When submitting a manual claim, you will have the option of receiving a check or direct deposit.

Whichever way you decide to submit a reimbursement claim, if you would like your reimbursement to be directly deposited into your checking or savings account, please visit [www.padmin.com](http://www.padmin.com) and log on to your account to enroll in direct deposit. You can also print the direct deposit authorization form on the website, [www.padmin.com](http://www.padmin.com), and submit it with your claim. By authorizing direct deposit, all of your claim reimbursements will be deposited into your specified account. Enrolling in direct deposit is the fastest way to receive your reimbursement.

### **12. May I sign up for automatic reimbursement of my retiree health insurance premium payments?**

Yes. In order to sign up for automatic reimbursement of your monthly insurance premiums, submit a claim form with a note that you are submitting a "monthly reimbursement request." In addition to the claims form, you must also submit a copy of the County's Annual Enrollment Confirmation statement, as proof of the premium cost for your monthly premiums. Once this monthly reimbursement is established, you will be reimbursed automatically for the cost of your premiums. Reimbursement will continue automatically as long as you have an available balance in your HRA Account.

### **13. What if I have other HRA accounts through the County of Sonoma?**

If you log into the [www.padmin.com](http://www.padmin.com) website and see other HRA accounts under your name, these accounts were established for you while you were working for the County of Sonoma. If you have multiple HRA accounts, whether you submit a paper claim form or use your P&A Group benefits card, your reimbursements will automatically be deducted from the SCARE-HRA account first.

Please note: Any HRA account that is labeled as "restricted," such as the HRA \$10 account or the HRA 2009 account, requires activation before you can begin receiving reimbursement. To activate a restricted HRA account, please call the Human Resources Benefits Unit at (707) 565-2900.

### **14. Need more information?**

Information is available on the County's website at: <http://stg.sonomacounty.ca.gov/HR/Benefits/Retiree-Benefits/Retired-before-June-30-2016/>. This website includes a link to the Final Court Judgement and the SCARE-HRA Plan Document.

## 15. Meeting and Phone Conference Dates

A P&A Group representative will be presenting information on how to use the SCARE-HRA. **All meeting times are Pacific Time.**

<b>Date / Time</b>	<b>Location</b>
5/23/2017 at 1:00 pm	SCARE General Meeting for SCARE Members Only Steele Lane Community Center – DeMeo Room, 415 Steele Lane, Santa Rosa
6/14/2017 at 9:00 am, 11:00 am and 3:00 pm	Human Resources Large Training Room, Suite 117C 575 Administration Drive, Santa Rosa
6/15/2017 at 11:00 am and 1:30 pm	Human Resources Large Training Room, Suite 117C 575 Administration Drive, Santa Rosa
6/19/2017 at 9:30 am, 11:00 am and 1:00 pm	Phone Conference – Call 1-206-402-0821. When prompted, enter Participant Code: 9158993
6/22/2017 at 9:30 am, 11:00 am and 1:00 pm	Phone Conference – Call 1-206-402-0821. When prompted, enter Participant Code: 9158993

## P&A Customer Service Information

On or after July 1, 2017, P&A Group can assist you with filing reimbursement claims, answering your questions on what items are eligible expenses and, general information on your HRA accounts.

### P&A Groups Extended Customer Service Hours:

- Extended customer service hours for your convenience are Monday - Friday 5:30 AM - 7:00 PM Pacific Time.

### To Speak with a Customer Service Representative:

- Call toll-free 1-800-688-2611
- Use the P&A live instant messaging system by visiting the P&A Group website, [www.padmin.com](http://www.padmin.com), and clicking “Online Chat” at the top of the website. When the “contact us” web page pops up, click the “Chat Now” option at the right of the screen.

.Sincerely,

*Human Resources Benefits Unit*