

**CITY OF MENASHA**  
**HEALTH REIMBURSEMENT ARRANGEMENT**  
**(HRA)**

**Plan Document and Summary Plan Description**  
**(As adopted Effective January 1, 2007)**

## **Health Reimbursement Arrangement**

A Health Reimbursement Arrangement (HRA) is a tax-favored arrangement that is funded solely by the employer and not pursuant to a salary reduction election under Section 125. The arrangement as provided by the Employer, City of Menasha ("Employer") provides for reimbursement of medical care expenses incurred by the employee and by the employee's eligible spouse and dependents. Eligible expenses include only those expenses incurred which would have been covered under the City of Menasha's Self-Insured Health Plan (formerly with the WPPI Trust) that for contractual reasons are not covered in the same manner under the City's Plan of Benefits effective January 1, 2007 with Network Health Plan (HMO or POS).

The City of Menasha has further agreed that upon reaching an out-of-pocket maximum of \$200/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 2 drugs. Upon reaching an out-of-pocket maximum of \$320/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 3 drugs (mail order only).

### **CONTRIBUTIONS**

The Plan can only be funded by the "Employer". The contributions will be made from time to time to cover said expenses upon review by the City's consultant, Health Care System Consultants, Inc. to determine if the expense has been both denied by Network Health Plan and to further determine that the expense would have been covered and the coverage limits under the City's former self-insured plan with the WPPI Trust.

Employers has further agreed that upon reaching an out-of-pocket maximum of \$200/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 2 drugs. Upon reaching an out-of-pocket maximum of \$320/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 3 drugs (mail order only).

Contributions must be immediately requested by the employee upon denial by Network Health Plan of any expense to be considered eligible under this plan.

### **Establishment of the Health Reimbursement Arrangement Plan Design**

The Health Reimbursement Arrangement is designed and established by the "Employer" based upon pre-determined goals and in coordination with various other contractual agreements established with the employer as a party to same. The Health Reimbursement Arrangement is entirely separate from the "Employer's Health Plan currently administered by Network Health Plan". Health Reimbursement Arrangements are designed in accordance with CODE SECTION 105.

QUALIFIED MEDICAL EXPENSES. The Plan may reimburse those expenses incurred by the Employee, or the Employee's Spouse or Dependent Children, after the Employee's Effective Date in the Plan and during the Plan Year otherwise eligible and allowable as deductions under CODE SECTION 213(d) to the extent that the expenses are not covered by insurance or otherwise. Only those expenses determined to be covered by the City's former self-insured health plan WPPI Trust and determined to not be covered due to contractual limitations of the City's current POS or HMO program insured through Network Health Plan will be considered eligible expenses under this HRA.

Employer has further agreed that upon reaching an out-of-pocket maximum of \$200/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 2 drugs. Upon reaching an out-of-pocket maximum of \$320/yr/Rx, each employee shall be reimbursed by the City for the balance of the Rx cost of that Rx for Tier 3 drugs (mail order only).

FUNDING OF ARRANGEMENT/ACCESS TO FUNDS. The Arrangement is funded solely by the Employer, which constitutes a non-elective contribution. A non-elective contribution is any amount the Employer in its sole discretion (or based upon agreements) may contribute on behalf of each participant to provide benefits for each Participant and his or her Dependents, if applicable under the Plan. The amount of Non-Elective contribution for each Participant may be adjusted upward or downward in the contributing Employer's sole discretion. The amount shall be disclosed in Participant Enrollment materials and shall be calculated for each Plan Year in a uniform and non-discriminatory manner based upon the Participant's Dependent Status, commencement or termination date of the Participant's employment during the Plan Year, and such other factors as the Employer shall prescribe.

The Participant shall have access to the funds in the following manner:

- (1) Participant shall submit any eligible expenses to any employer sponsored group health plan, dental plan or other "Qualified" benefit program for re-imburement or calculation of benefits payable as the Primary Payor.
- (2) Participant receives a denial of benefits from Network Health Plan.
- (3) Participant then submits the expense to Health Care System Consultants, Inc. for determination of coverage under the City's former self-insured medical plan with WPPI Trust and benefits to be paid if coverage was available.
- (4) Health Care System Consultants, Inc will instruct the City to pay the employee the appropriate amount and send an accompanying explanation of determination to the employee.

The Participant will need to submit a claim form, including all noted and required documentation to the Health Reimbursement Arrangement Administrator of this Plan. The Administrator of this Plan is:

Health Care System Consultants, Inc.  
2323 North Mayfair Road, Suite 130  
Milwaukee, Wisconsin 53226

Phone: 1-414-771-1860  
Fax: 1-414-771-1870  
Toll Free: 1-888-929-9129

Email: [rbeaudry@hcaresys.com](mailto:rbeaudry@hcaresys.com)

Checks will be disbursed by the Employer immediately upon determination of availability of benefits. Therefore any eligible expenses, along with proper documentation, must be submitted to the Plan Administrator immediately upon receipt of a denial from Network Health Plan.

**NON-DISCRIMINATION REQUIREMENTS.** Comparable contributions to the HRA must be made for all participating employees. Contributions are considered comparable if they are the same amount or same percentage. An employer may not discriminate in favor of highly compensated employees or base contributions on compensation or years of service.

**PLAN YEAR AND ELIGIBILITY.** The Plan Year shall begin on January 1 and end each December 31 of the following year. The original plan effective date is January 1, 2007.

Plan Participants become eligible and their effective date is the first of the month following their initial eligibility for the City of Menasha's employee benefit plans. Participation will terminate immediately upon the employee's termination of employment with the City.

**IN WITNESS WHEREOF, the Employer has executed this Health Reimbursement Arrangement Plan to be effective January 1, 2007.**

**CITY OF MENASHA**

**BY:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_