

HSA and HRA Cost Comparison

These sample scenarios display the affect of Health Savings Account's (HSA) expanded eligible expenses compared to a Health Reimbursement Account (HRA) plan.

Example 1 (Family)	Expense	Reimbursements			
		Current Plan	HSA	HRA Design A	HRA Design B
Employer Contribution		\$0	\$4,000	\$4,000	\$4,000
Medical Expenses	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Lasik Surgery	\$2,000	\$0	\$2,000	\$2,000	\$0
Non-Medical Expenses	\$400	\$0	\$400	\$0	\$0
Dental Expenses	\$200	\$0	\$200	\$200	\$0
Over-The-Counter (OTC)	\$75	\$0	\$75	\$75	\$0
Total Eligible Expenses		Unchanged	\$3,875	\$3,475	\$1,200

Example 2 (Single)	Expense	Reimbursements			
		Current Plan	HSA	HRA Design A	HRA Design B
Employer Contribution		\$0	\$2,000	\$2,000	\$2,000
Medical Expenses	\$800	\$800	\$800	\$800	\$800
Vision Expenses	\$425	\$0	\$425	\$425	\$0
Non-Medical Expenses	\$400	\$0	\$400	\$0	\$0
Dental Expenses	\$100	\$0	\$100	\$100	\$0
Over-The-Counter (OTC)	\$75	\$0	\$75	\$75	\$0
Total Eligible Expenses		Unchanged	\$1,800	\$1,400	\$800

HSA Design: Employers cannot design eligible expenses. Eligible expenses set by IRS to include medical, vision, dental, OTC and non-medical expenses.

HRA Design A: Employer designed eligible expense to include all medical, vision, dental and OTC expenses.

HRA Design B: Employer designed eligible expenses to include only medical expenses.