



HUMAN
RESOURCES

Health Reimbursement Account

[formerly Flexible Reimbursement Account (FRA)]

Summary Plan Description

Prior to January 2009, this Vanderbilt benefit was referred to as "Flexible Reimbursement Account (FRA)."

The Internal Revenue Service name for this type of plan is "Health Reimbursement Account."

Beginning January 1, 2009, Vanderbilt refers to this benefit using the IRS terminology, "Health Reimbursement Account (HRA)."

YOUR HEALTH REIMBURSEMENT ACCOUNT

Eligibility

To be eligible for the Health Reimbursement Account (HRA), faculty or staff must have begun employment on or before December 31, 2004. Faculty and staff whose employment began on or after April 1, 1996, become eligible after having been employed at Vanderbilt on a full-time regular basis for a continuous period of at least five years and having been enrolled in the Vanderbilt Group Health Care Plan for Faculty and Staff with **no break in coverage** for those five years. Faculty and staff who began full-time employment before April 1, 1996, and therefore were already receiving this benefit, are not subject to the five-year continuous employment requirement. If, at any time, an employee opts out of coverage under the Vanderbilt Group Health Care Plan for Faculty and Staff, eligibility, and the ability to accrue the five-year service requirement, is relinquished.

Credits to Your Account

Vanderbilt pays the full cost of the HRA, depositing \$25 per Plan (calendar) month into an account for each eligible faculty and staff member starting with the first month in which they become eligible.

Expenses that Are Eligible for Reimbursement

Charges must be for health care services and supplies provided (1) on or after the date you first become eligible under the HRA Plan and (2) filed within the Run-out Period in order to be reimbursed. Charges for health care services and supplies provided during a Plan Year (January 1 to December 31, including the Grace Period) cannot be carried forward into the next Plan Year for reimbursement.

For example, assume a participant has an account balance of \$50 as of December 31, the end of the Plan Year. On December 27, the participant received health care services costing \$75. As there is only \$50 in the account, only \$50 can be reimbursed. The remaining \$25 cannot be reimbursed in the next Plan Year because the services were not provided in that next Plan Year.

Health Care Expenses

You may be reimbursed for the following health care expenses for you and your eligible dependents:

- MEDICAL expenses, including the unpaid portion of medical claims (for example, deductibles and out-of-pocket portion of covered expenses, including, for example, prescription copays), routine physical examinations, prescribed preventive care, and reconstructive surgery.
- DENTAL services, including oral surgery, orthodontics, prosthodontics, periodontics, and endodontics.
- VISION care, including expenses for eye examinations, prescription glasses, and contact lenses.
- HEARING care, including examinations and hearing aids.

How to Request Reimbursement

MasterCard Debit Card: The health care debit card issued by Benefit Express, “Benefit Card”, can be used like a credit card to access HRA funds for eligible expenses by swiping the card at the point of purchase with an **authorized merchant** [contact Benefit Express, 1-877-837-5017, for a current list of authorized merchants]. You must keep all receipts and check your online monthly statements in case you need to verify card purchases by faxing or mailing receipts and a claim form to Benefit Express (or the Internal Revenue Service in case of a tax audit). If you have unverified expenses of any amount, your card(s) will be suspended until proper verification is provided to Benefit Express. Vanderbilt University does not accept liability for inappropriate use of the health care debit card. If you use the card after termination of employment from Vanderbilt, you will be required to pay back any amounts charged after your termination date. You must notify Benefit Express immediately of any loss or theft of your card(s) by calling 877.837.5017.

According to Internal Revenue Service regulations, beginning January 1, 2009, the health care debit cards can only be used at merchants who have installed an inventory information approval system (IIAS) and completed the IIAS certification process. IIAS allows only eligible items to be purchased with health care debit cards and makes using the card easier because you should not need to verify card transactions completed at IIAS merchants.

Reimbursement Form: The Benefit Express reimbursement request form can be obtained from the Human Resources website (<http://hr.vanderbilt.edu>), under the Benefits tab click on My VU Benefits. Once you log in with your VUNetID and password you will be directed to the My VU Benefits website. Scroll down to “Reimbursement Accounts” and click on “View My Reimbursement Account”, then My Accounts, then Forms & Documents. Attach copies of bills, receipts, or Explanations of Benefits showing: 1) name of person incurring the expense, 2) date of the expense, 3) description of the expense (including name of provider), and 4) amount of the expense. You should retain a full copy of any claim form submitted in your files. Requests for reimbursement should be faxed to Benefit Express using their fax: 253.793.3766 or mailed to: Benefit Express, P.O. Box 189, Arlington Heights, IL 60006. Reimbursement checks will be mailed to your address listed in My VU Benefits, unless you are registered for direct deposit.

Express Claims: You may use My VU Benefits to submit claims. Click on “View My Reimbursement Account” and follow the instructions to submit claims online. You are still responsible for submitting receipts or Explanations of Benefits to verify online claims. You may upload, fax or mail that verification to Benefit Express as a follow-up to submitting an online claim.

Additional Reimbursement Information

- If you elect to participate in a Flexible Spending Account (FSA), reimbursement will be paid from the FSA account first. Once FSA funds are exhausted, medical expense reimbursement will be paid from the HRA.
- In order to be eligible for reimbursement from your HRA, expenses cannot be eligible for reimbursement under any other group benefit plan. If you have any doubt, submit a claim to the insurance company first.
- Reimbursements cannot exceed the balance in the account. If the request is more than the amount in your account, an additional payment will be automatically made when sufficient funds are available, except that eligible expenses may only be reimbursed in the Plan Year in which they are incurred.
- Requests for reimbursement for services provided in the Plan Year must be completed and submitted by the Run-out Period, April 15 of the following year. Requests received after this date will not be entitled to reimbursement for that Plan Year.
- Should you terminate your employment, retire, or change your employment status (full-time to part-time), you will have until the Run-out Period from the date of termination, retirement, or status change in which to submit reimbursement requests. Only expenses which were incurred before your termination, retirement, or status change date and while you were covered under the HRA Plan will be eligible for reimbursement.
- If you have a balance in your account at the end of a Plan Year (December 31) it will be carried forward into the next Plan Year, if Internal Revenue Service regulations permit. However, claim amounts in excess of the balance at the end of the Plan Year will not be eligible for reimbursement in the following Plan Year. Previous year balances cannot be carried forward until all claims have been paid and books are closed for the Plan Year, usually in May.
- The Benefit Express debit card will not have a balance in January until January’s payroll deposits the first \$25 for the Plan Year. You should not attempt to use your card in January.
- If you elect to waive out of Vanderbilt’s Group Health Plan, you will no longer be entitled to receive the HRA benefit. The remaining balance in your account at the time of such waiver will be available for reimbursement of eligible claims until the Run-out Period from the effective date of the Health Plan Waiver.
- If you are on an approved leave of absence without pay, claims incurred and placed during the leave are eligible to be reimbursed under the HRA.

If you have a question about your account, you may call Benefit Express toll-free at 877.837.5017 or Vanderbilt Employee Service Center at 615.343.7000. To access your account information online, visit the My VU Benefits link under Benefits on the Human Resources website, <http://hr.vanderbilt.edu>.

Protected Health Information

Protected Health Information (PHI) will be used in the operation of this Plan to permit administration and payment of benefits under the Plan. The Plan sponsor will:

- Use and disclose PHI only as permitted under the Health Insurance Portability and Accountability Act of 1996 (HIPAA),
- Certify to the group health Plan that documents have been amended,
- Create firewalls including identifying employees who can access information,
- Restrict access to those individuals and only for Plan administration purposes, and
- Provide a mechanism for resolving non-compliance.

PLAN INFORMATION

Name of Plan Health Reimbursement Account (HRA) [formerly the “Flexible Reimbursement Account (FRA)”]for Faculty and Staff of Vanderbilt University

Name of Plan Sponsor Vanderbilt University, Nashville, Tennessee

Employer Identification Number (“EIN”) 62-0476822

Plan Number 509

Type of Plan This Plan is a benefit welfare plan funded by Vanderbilt University. It allows you to receive reimbursement for qualified medical expenses.

Type of Administration Vanderbilt University contracts with Benefit Express for claims administration services.

Name of Plan Administrator Associate Vice Chancellor for Human Resources/Chief Human Resources Officer, Vanderbilt University, PMB #407700, 2301 Vanderbilt Place, Nashville, Tennessee 37240-7700, 615.322.8330

Name of Plan Administrator/Privacy Officer/Privacy Contact Associate Vice Chancellor for Human Resources/Chief Human Resources Officer, Vanderbilt University, 2525 West End Ave., Suite 500, Nashville, Tennessee 37203, 615.343.7000

Legal Service Service of legal process may be made on Vanderbilt University, Associate Vice Chancellor for Human Resources/Chief Human Resources Officer, Vanderbilt University, 2525 West End Ave., Suite 500, Nashville, Tennessee 37203, 615.343.7000. Service may be made on Benefit Express Services, LLC, 1700 E. Golf Road, Suite 1000, Schaumburg, IL, 60173.

Name and Address of the Plan Supervisor The Plan Supervisor is appointed by the Plan Sponsor to supervise the day-to-day affairs of the Plan. The Plan Supervisor is Director of Benefits Administration, Vanderbilt University, PMB #407700, 2301 Vanderbilt Place, Nashville, Tennessee 37240-7700.

Plan Year The Plan's records are kept on a Plan Year, the 12-month period ending each December 31.

Grace Period As set out in Prop. Treas. Reg. §§ 1.125-1 and 1.125-2, the Plan Year is extended through the Grace Period until March 15. Expenses for qualified benefits incurred during the Grace Period may be paid or reimbursed from benefits or contributions remaining unused at the end of the immediately preceding Plan Year.

Run-out Period The Plan allows participants 105 days after the end of the Plan Year (until April 15th) to submit claims incurred during the period of eligibility.

CLAIM REVIEW PROCEDURE

From the date your notice of claim is received, the Plan Administrator has 90 days in which to review the claim to determine whether benefits are payable in accordance with the terms and provisions of the Plan. Under specific circumstances, the Plan Administrator may require an extension of this 90-day period in which case you will receive written notice from the Plan Administrator, prior to the end of the initial 90 days, informing you of the need for an extension. This extension period allows the Plan Administrator an additional 90 days to review your claim. During this period, the Plan Administrator may require additional information in order to make a determination of your claim. If additional information is required, you will receive a request, in writing, specifying the nature of the information needed and an explanation as to why it is needed.

If Internal Revenue Service regulations applicable to Vanderbilt's Plan are altered, it may not be possible to carry forward any unused balance in your account. In this event, you may forfeit the unused balance. Likewise, if there is an unused balance in your account after you terminate employment, die, retire, or change employment status, including the Run-out Period, it will be forfeited.

If you are not notified of the claim status within 90 days and you have not been notified that the extension period has been applied, you may request a review of your claim by following the procedure outlined under "Claim Review Procedure."

If your claim has been approved, you will receive the appropriate benefit from Vanderbilt.

How to Appeal a Claim

If your claim for benefits is denied in whole or in part, you will receive written notice of such denial within the 90-day period stated above (or 180 days if the extension period is required).

Each written notice of denial shall set forth:

1. The specific reason(s) for the denial of the claim.
2. A specific reference to the provision(s) of the Plan upon which the denial is based; and
3. Notice of your right to have the denial reviewed by the Plan Administrator.

Appeal Review Procedure

If you receive a written notice of denial, you or your duly authorized representative may request a review of the claim by giving written notice to the Plan Administrator. This request for a review must be made to the Plan Administrator within 60 days of the receipt of denial by the Plan Administrator. If such request is not made within 60 days, you will be deemed to have waived your right to a review by the Plan Administrator.

Once the Plan Administrator receives a request for a review, a prompt review of the claim will take place. You or your duly authorized representative have the right to review documents that might have a bearing on the claim, including the documents which establish and control the Plan, and to submit issues and comments that you feel might affect the outcome of the review. In connection with this review, the Plan Administrator may request and require pertinent documents regarding your claim.

Upon completion of a full and complete review, the Plan Administrator will notify you in writing of the results, citing Plan provision(s) that control the decision. The Plan Administrator has 60 days to notify you of his decision unless special circumstances require an extension of time. If an extension is required, the Plan Administrator shall notify you of the need for an extension before the end of the initial 60-day period for completing the review procedure. This means that the Plan Administrator will have an additional 60 days to notify you of the decision on your originally denied claim.

CONTINUING HRA COVERAGE — COBRA

If you are an employee of Vanderbilt University covered by the Group Health Care Plan and eligible for the HRA, you have a right to choose continuation of the HRA if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reason other than gross misconduct on your part). You may extend the coverage by paying 102 percent of the premium (\$25.50 per month) and continuing your health care coverage under COBRA. Each premium paid will extend the period during which claims are eligible for reimbursement. All other rules under COBRA apply.

STATEMENT OF ERISA RIGHTS

As a participant in the Vanderbilt University Health Reimbursement Account, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all plan documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a copy of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the best interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial.

You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the U.S. Labor-Management Service Administration, Department of Labor.

In compliance with federal law, including the provisions of Title IX of the Education Amendments of 1972 and Sections 503 and 504 of the Rehabilitation Act of 1973, Vanderbilt University does not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, handicap, or military service in its administration of education policies, programs, or activities; its admissions policies; scholarship and loan programs; athletic or other University-administered programs; or employment. Inquiries or complaints should be directed to the Equal Opportunity, Affirmative Action and Disability Services Officer, 808 Baker Building, PMB #401809, 2301 Vanderbilt Place, Nashville, Tennessee 37240-1809. Telephone 615.322.4705 (V/TDD); fax 615.343.4969.

Equal Opportunity

Vanderbilt is an equal opportunity, affirmative action university. In compliance with federal law, including the provisions of Title IX of the Education Amendments of 1972, Sections 503 and 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, Vanderbilt University does not discriminate on the basis of race, sex, sexual orientation, gender identity, religion, color, national or ethnic origin, age, disability, or military service in its administration of educational policies, programs, or activities; its admissions policies; scholarship and loan programs; athletic or other University-administered programs; or employment. In addition, the University does not discriminate against individuals on the basis of their gender expression consistent with University non-discrimination policy. Inquiries or complaints should be directed to the Opportunity Development Officer, Baker Building, Vanderbilt University, PMB 401809, Nashville, Tennessee 37240. Telephone 615.322.4705.



**HUMAN
RESOURCES**

Human Resources | Vanderbilt University

Mail: PMB #407704, 2301 Vanderbilt Place, Nashville, TN 37240-7704

In Person: 110 21st Avenue South, 10th floor, Nashville, TN 37203