

HEALTH BENEFIT OPTIONS FOR CONSERVATION DISTRICTS

Prepared for the Montana Department of Natural Resources and Conservation

DNRC Headquarters

1539 Eleventh Ave. Helena, MT 59601

March 26, 2025

Prepared by:
John Wright



Before we begin:

TogetHR Consulting is a Human Resources consulting firm. The content, information and materials provided are intended for general information purposes only and should not be misconstrued with legal advice. We strongly encourage you to be in contact with your legal representation to answer questions and concerns specific to your business.

In addition, we strongly encourage you to reach out to your benefits broker and your financial leadership to determine the tax implications of changing, adding or removing specific benefit options.

Any specific data presented during this presentation is understood to be accurate as of the date this presentation was created.

HRAs, FSAs and HSAs at a glance

In a nutshell, HRAs, FSAs and HSAs let you put tax free dollars towards certain types of health-related expenses, transportation and even health-related home renovations.

Health Reimbursement accounts (HRAs) - This is an account your employer opens on your behalf. Your employer makes contributions, and you can use it for premiums and qualified medical expenses. Depending how your employer set it up, you may need to spend the money before the year ends. Other times, the balance will roll over.

Health Savings Accounts (HSAs) - This is a personal bank account to help you save and pay for covered health care services and qualified medical expenses.

Flexible Spending Accounts (FSAs) - You and your employer can both make contributions. That allows you to save faster for a big medical event, such as a surgery. The catch is that the money must be used by the end of the plan year.

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	FSA	HSA	HRA
Who owns the account	Employer	Individual	Individual
Who sets up the account	Employer	Individual	Employer
Who puts \$ into the account	Individual and Employer (if plan allows)	Individual and Employer (optional employer contributions)	Employer only
Health insurance options	Any	High deductible only	Any
Contribution limits	\$3300/individual \$6600/household	\$4300/individual \$8550/household 50+ additional \$1000	Determined by employer (exceptions apply for HDHP)
Rollover funds	All unused funds are lost with job change or at end of the year	Unused funds roll over No time limit	Determined by employer
Investment option	Cannot accrue interest	Funds grow with interest and can be invested for retirement	Cannot accrue interest

What kinds of expenses are not covered?

Some expenses are not eligible for payment from an FSA, HSA, or HRA. Here are some examples, but it is not all inclusive.

- Canceled appointment fees
- Drugs or treatments that are illegal
- Cosmetic surgery, treatments, or procedures
- Toiletries or sundry items
- Vitamins or supplements for general health
- Food and meals that replace regular nutritional requirements
- Household cleaning products, including surface cleaning wipes
- Face shields, neck gaiters, or face masks with vents/valves
- Fitness expenses such as gym memberships, athletic gear, and exercise equipment when used for an individual's general health

Personal care items or services for general health are not usually eligible, but if your health care provider recommends an otherwise personal product or service to treat a specific diagnosis, you can submit the expense for reimbursement with a Letter of Medical Necessity. This is a letter from your health care provider that includes a recommendation of the item or service to treat your diagnosis, and the duration of the recommendation. Depending on the expense, you may have to provide additional documentation to show the expense would not have been incurred “but for” the medical condition. Sometimes a personal or general use item may be specialized for the specific purpose of treating or alleviating a medical condition. In this case, only the excess cost of the specialized item over the non-specialized item can be reimbursed. A Letter of Medical Necessity may be requested for these items as well.

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Additional attachments to this presentation:

- 1) [Employee Benefits Corporation – Dependent Care FSA Eligible Expenses document](#)
- 2) [Employee Benefits Corporation – Limited Health FSA Eligible Expenses document](#)
- 3) [Employee Benefits Corporation – Standard Health FSA Eligible Expenses document](#)
- 4) [Employee Benefits Corporation – HSA Eligible Expenses document](#)
- 5) [IRS Publication 502 – Medical and Dental Expenses](#)
- 6) [IRS Publication 969 – Health Savings Accounts and Other Tax-Favored Health Plans](#)

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