ICHRA





What is an ICHRA?

ICHRA stands for Individual Coverage Health Reimbursement Arrangement. An ICHRA is a qualified pre-tax health plan where employers give their employees dollars to purchase their own health insurance on the marketplace. This allows employees to select a plan that meets their unique needs. Typically, decision support tools or representatives will assist employees during plan selection. An ICHRA enables employers to reimburse employees tax-free for health insurance premiums. It is important to note that these plans are compliant under ACA as quality and affordable plans.

How does an ICHRA work?

The employer determines employee eligibility requirements, as well as how much the employer would like to contribute to each class of employees via an ICHRA to purchase an individual health insurance plan. Employees then "shop" for a plan on their ICHRA administrator's portal and select the plan that best meets their needs. After choosing a plan, the employee submits for reimbursement. If any portion of the reimbursement is unused, that money goes back to the employer.

ICHRA Compliance Regulation

- Employers who offer an ICHRA are not required to provide CHIPRA and Part D credible coverage documentation.
- Employers offering an ICHRA to employees are required to provide 1095-B and C tax forms.
- Employers must provide employees notice of ICHRA coverage.
- The Patient-Centered Outcomes Research Institute (PCORI) fee is applicable to employers offering an ICHRA.
- Employers offering an ICHRA to their employees must file a 5500.

ICHRA Partners Breakdown

- Take Command
- Gravie
- Remodel Health





Sunday Sky Video:

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ICHRA Pros and Cons

ICHRA Pros	ICHRA Cons
Cost Containment	Additional Compliance Requirements
Provide Employees Greater Flexibility	Increased need for employee communication and education
Reduces Risk – You set the reimbursable amount	Increased Administrative Complexity
Tax Advantages: Tax deductible for employers and reimbursements to employees are not considered taxable income	Network Limitations
	MB can not provide customer service to these plans.
	Can impact recruiting and retaining efforts

Who is a Good Fit for an ICHRA? *Available for Any Size Employer*



- **Employers looking to stabilize cost:**
  Employers who might have an unhealthy employee population and are facing constant renewal hikes.
- **Employers with Low Participation:**
  Due to low participation, Employers might experience rate increases and difficulty finding a carrier to provide coverage.
- **Employers Offering Benefits for the First Time:**
  Employers who are new to benefits and want to offer something to employees but don't want to offer a traditional group health plan.
- **Applicable Large Employers (ALE):**
  Employers who recently qualified as an ALE and must provide coverage to meet ALE compliance but don't want to offer group insurance.

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