

# BREAKING DOWN HEALTH REIMBURSEMENT ARRANGEMENTS

An Individual Coverage Health Reimbursement Arrangement (ICHRA), Excepted Benefit Health Reimbursement Arrangement (EBHRA) and Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) each have different requirements and guidelines. Employers may begin establishing ICHRAs and EBHRAs with a January 1, 2020 effective date. Here's some of the key information you should know about these three types of HRAs:

|   | ICHRA  | EBHRA   | QSEHRA   |
|---|--|---|--|
| <b>EMPLOYER ELIGIBILITY</b>               | Any size employer.   | Any size employer that also offers a group health plan.   | Employers with fewer than 50 full-time employees that do not offer a group health plan.  |
| <b>EMPLOYEE ELIGIBILITY</b>               | Employees who are enrolled in individual health insurance or Medicare Parts A, B or C coverage. Employer may define certain eligible classes of employees. Employees eligible for the group health plan, covered by a health care sharing ministry plan or employees covered by a spouse's group health plan cannot participate. | Employees who are eligible for the employer's group health plan (need not be enrolled). Must be available under the same terms and conditions to all similarly situated employees.  | Full-time employees are automatically enrolled unless excluded based on an allowed category. Employers may choose to extend eligibility to part-time employees. Employees cannot waive coverage if eligible. |
| <b>GROUP HEALTH INSURANCE INTEGRATION</b> | Cannot be offered alongside group health coverage. May be offered alongside a health FSA.  | Not integrated. May be offered alongside a health FSA.  | Employers may not also offer types of group health coverage, including group dental, vision, HRA or health FSA.  |
| <b>ANNUAL MAXIMUMS</b>                    | Set by the employer.   | No more than \$1,800 (indexed after 2020) each plan year. Unlimited carryovers are permitted and are not included in the annual limit.  | 2019 Single: \$5,150<br>2019 Family: \$10,450  |
| <b>PREMIUM TAX CREDIT (PTC)</b>           | Employees are ineligible for the PTC when enrolled in the ICHRA.   | EBHRA enrollment does not affect eligibility for the PTC.   | Any PTC received is reduced by the amount of the QSEHRA allowance.   |
| <b>ELIGIBLE EXPENSES</b>                  | Employers may design the plan to reimburse premiums and 213(d) eligible expenses, or limit to premiums only. Eligible premiums include individual health insurance premiums, Medicare Parts A, B, C and D, Medicare Supplement premiums, certain insured student health plans, ACA compliant catastrophic health plans.          | 213(d) medical expenses, including premiums consisting solely of excepted benefits, COBRA and short-term limited duration insurance (STLDI) in certain circumstances (but not premiums for individual health coverage, Medicare or non COBRA group coverage). | Employers may design the plan to reimburse premiums and 213(d) eligible expenses, or limit to premiums only.   |