



# HRA Plan Type Summary

Health Reimbursement Arrangements (HRAs) are a type of healthcare benefit account owned and funded exclusively by employers. Employees do not pay into an HRA, but they can use this account to cover eligible healthcare expenses. HRAs come in four different plan types. The chart below provides a side-by-side comparison and the second page provides more details for each account.

## HRA Plan Type Comparison

	<b>Health Reimbursement Arrangements (HRA)</b>	<b>Individual Coverage HRA (ICHRA)</b>	<b>Excepted Benefit HRA (EBHRA)</b>	<b>Qualified Small Employer HRA (QSEHRA)</b>
<b>Employer Size</b>	Any size	Any size	Any size	Employers with fewer than 50 full-time employees
<b>Health Plan Requirement</b>	Must offer group health plan	Cannot offer a GHP to the same employee class	Must offer other group health plan coverage	Cannot offer group health plan
<b>Contribution Limits</b>	Employer defined	Employer defined	IRS limited (see back for details)	IRS limited (see back for details)
<b>Eligible Expenses</b>	Employer defined (within IRS guidelines)  <b>CANNOT</b> include premiums for individual health plans	Employer defined (within IRS guidelines)  <b>CAN</b> include premiums for individual health plans and Medicare premiums	Employer defined (within IRS guidelines)  <b>CAN</b> include premiums for: <ul style="list-style-type: none"> <li>• Vision</li> <li>• Dental</li> <li>• COBRA</li> </ul>	Employer defined (within IRS guidelines)  <b>CAN</b> include premiums for individual health plans
<b>Eligible Employees</b>	All employees must be treated the same; special rules may apply for age and family size	All employees in same class must be treated the same; special rules may apply for age and family size	Employees do not have to enroll in the group health plan to be eligible	All employees are eligible, whether or not they have individual health plan coverage

## **Health Reimbursement Arrangement (HRA)**

- Can be offered by employers of any size
- Employer must offer an integrated group major medical health plan
- Employees must be covered by the group major medical health plan to be eligible
- Employer sets the maximum amount that can be reimbursed
- Employer defines the eligible out-of-pocket healthcare expenses
- All employees must be treated the same, with special rules for age and family size
- Funds CANNOT be used to pay for any health insurance premiums

## **Individual Coverage HRA (ICHRA)**

- Can be offered by employers of any size
- Employees must be covered by an individual health plan to be eligible
- Employer sets the maximum amount that can be reimbursed
- Employer defines the eligible out-of-pocket healthcare expenses
- Eligible expenses CAN include premiums for individual health plans and Medicare premiums
- Employees may be split into different classes (full-time vs part-time, salary vs. hourly, etc.)
- All employees in a class must be treated the same, with special rules for age and family size
- Employees on Medicare can be enrolled in an ICHRA at the same time

## **Excepted Benefit HRA (EBHRA)**

- Can be offered by employers of any size
- Employer must also offer a group major medical health plan
- Employees do not have to enroll in the group major medical health plan to be eligible
- Employer sets the amount that can be reimbursed, up to a cap of \$1,800 per plan year (subject to indexing)
- Eligible expenses are employer defined eligible out-of-pocket healthcare expenses and premiums for vision and dental insurance, COBRA continuation coverage, and other “excepted benefit” plans such as long-term care insurance
- Funds CANNOT be used to pay for group or individual major medical health plan premiums or for Medicare parts B or D

## **Qualified Small Employer HRA (QSEHRA)**

- Can be offered only by employers with fewer than 50 full-time employees
- Employer must not offer any type of group major medical health plan
- All employees are eligible, whether or not they have individual health plan coverage
- Employer defines the eligible out-of-pocket healthcare expenses, which CAN include premiums for individual health plan coverage
- Employer sets the amount that can be reimbursed, up to the following caps per plan year:
  - \$5,150 for employees with single coverage (subject to indexing)
  - \$10,450 for employees with family coverage (subject to indexing)

