

1. What is an ICHRA?

An Individual Coverage Health Reimbursement Arrangement, is a group health plan that allows employers to contribute funds to their employees' individual health insurance premiums.

2. How does ICHRA differ from traditional group health insurance?

Unlike traditional group health insurance, ICHRA allows employers to provide personalized health benefits by giving employees the flexibility to choose their own individual health insurance plans from any available carrier.

3. Who is eligible for ICHRA?

Generally, all full-time employees are eligible for ICHRA. Employers have the flexibility to design the plan to include specific employee groups or classes, such as full-time, part-time, or certain geographic locations.

4. How much can employers contribute to ICHRA?

There are no strict contribution limits for ICHRA, but employers must provide a fair and uniform benefit to all eligible employees within the same class. The contribution can vary based on factors like age and family size.

5. Can employees opt out of ICHRA?

Yes, employees have the option to decline ICHRA coverage just like they do your traditional health plan.

6. When is the best time to start an ICHRA Analysis?

ICHRA requires review and planning. You should begin the process by submitting for your analysis, no later than 120 days ahead of your health plan renewal date. While you can start an ICHRA on any date during the year, all ICHRA health plans renew on January 1st.

7. Will an ICHRA save me and my employees money?

Each situation is different, however, in many cases, individual health plans can be less expensive than group plans in MA. They also have additional plan options that are not available in traditional group health plans. Employers with less than five (5) enrolled employees may not see a significant savings. The extent of savings will vary based on factors such as geographic location, group demographics, contributions, and the range of available plan options.