

Individual Coverage Health Reimbursement Arrangements: Policy and Application Overview



Fall 2020

Agenda

- I. Introduction: Individual Coverage Health Reimbursement Arrangements (ICHRA) and other types of HRAs
- II. ICHRA Impact on Premium Tax Credit (PTC) Eligibility
- III. ICHRA Employer Notice
- IV. Special Enrollment Period (SEP) for ICHRA and QSEHRA-eligible Consumers
- V. ICHRA and QSEHRA Consumer Scenarios

Introduction: Individual Coverage Health Reimbursement Arrangements (ICHRAAs) and Other Types of HRAs

Introduction: ICHRAs and Other Types of HRAs

- In June 2019, the Departments of the Treasury, Labor, and Health & Human Services jointly published a final rule to expand the flexibility and use of health reimbursement arrangements (HRAs) and other account-based group health plans to provide Americans with additional options to obtain quality, affordable health care.

Resource: [Health Reimbursement Arrangements and Other Account-Based Group Health Plans – Final Rule](#)

What is an HRA?

- An **HRA** is a group health plan funded solely by employer contributions that reimburses an employee's medical care expenses up to a maximum dollar amount for a coverage period.*
- HRA reimbursements are excludable from the employee's income and wages for federal income tax and employment tax purposes.
- An employer may allow funds that remain in the HRA at the end of the year to carry over into future years.
- In addition to the employee, an HRA may also reimburse expenses incurred by the employee's spouse, dependents, and children who, as of the end of the taxable year, have not attained age 27 (dependents).

**Medical care expenses means expenses for medical care as defined under section 213(d) of the Internal Revenue Code.*

Resource: [Health Reimbursement Arrangements - CMS.gov Resource Page](#)

Individual Coverage HRA (ICHRA)

- Because HRAs do not by themselves comply with certain PPACA requirements,* employers could previously only offer an HRA to individuals who were also enrolled in another group health plan that did comply with these requirements, provided the HRA met certain other criteria. Employers may continue to offer these other types of HRAs that are integrated with other group health plan coverage.
- The June 2019 HRA Rule allows employers to instead meet PPACA requirements by offering an **ICHRA** that requires employees and any covered dependents to be enrolled in individual health insurance coverage; or Medicare Parts A and B, or Part C; in order to receive reimbursements for medical care expenses from the ICHRA. Reimbursements by the ICHRA may include premiums and cost sharing for individual health insurance coverage, and for Medicare.
- Employers may begin offering ICHRAs as of January 1, 2020.

** As an account-based group health plan to which an employer contributes a specific amount annually, resulting in a maximum amount being available to reimburse expenses, HRAs generally do not meet the ACA's prohibition on applying an annual dollar limit to essential health benefits and do not, in all cases, provide coverage for preventive services without cost-sharing for these services.*

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

- The 21st Century Cures Act permits small employers who don't offer group health plan coverage to any of their employees to provide a **QSEHRA** to their eligible employees to help employees pay for medical care expenses.
- An eligible employee can use a QSEHRA to reimburse medical care expenses for him or herself, as well as any covered dependents (if permitted by the employer).
- To receive reimbursements from a QSEHRA, an employee and any covered dependents must be enrolled in minimum essential coverage (MEC).
- Small employers can provide QSEHRAs for plan years beginning on or after January 1, 2017.

Resources: [HealthCare.gov – What's a QSEHRA?](https://www.healthcare.gov/what-is-a-qsehra/);

[IRS Notice 2017-67 – Qualified Small Employer Health Arrangements](https://www.irs.gov/charities-non-profits/qualified-small-employer-health-arrangements)

Excepted Benefit HRAs (EBHRAs)

- The June 2019 Final HRA Rule also created another, limited kind of HRA that can be offered in addition to a traditional group health plan. These “Excepted Benefit HRAs” permit employers to reimburse additional medical care expenses (for example to help cover the cost of copays, deductibles, or other expenses not covered by the primary plan) even if the employee declines enrollment in the traditional group health plan.
- Excepted Benefit HRAs cannot be used to reimburse premiums for group or individual coverage or Medicare.

Resource: For more information on EBHRAs, see Question 11 of [“FAQs on New Health Coverage Options for Employers and Employees.”](#)

Cafeteria Plans and ICHRAs

- A cafeteria plan is a separate written plan maintained by an employer for employees that meets the specific requirements of section 125 of the Internal Revenue Code. It provides participants an opportunity to receive certain benefits on a pretax basis. Participants in a cafeteria plan must be permitted to choose among at least one taxable benefit (such as cash) and one qualified benefit.
- Employers may not allow salary reduction through a cafeteria plan to pay the portion of the Marketplace premiums not covered by an ICHRA; however, employers may allow salary reduction through a cafeteria plan to pay the portion of premiums not covered by an individual coverage HRA for coverage purchased outside the Marketplace.

Individual Coverage HRAs (ICHRA): Impact on PTC

Individual Coverage HRAs: Impact on PTC Eligibility

- A premium tax credit (PTC) is not allowed for an individual's Marketplace coverage if he/she is offered an ICHRA that is affordable. This applies to employees as well as spouses and dependents of employees to whom the offer extends.
- If the ICHRA is not affordable based on standards set forth in the final rule, a PTC is allowed if the employee offered the coverage "opts out" of the HRA and the other PTC requirements are met.
- A PTC is not allowed for an individual's Marketplace coverage if the individual chooses to be covered by an ICHRA, regardless of whether the HRA is affordable.

What makes an ICHRA affordable?

For 2020, an ICHRA is considered affordable for an employee (and dependents, if applicable) if the monthly premium of the self-only lowest-cost silver plan (LCSP) in the employee's area, minus the monthly amount made available to the employee under the ICHRA, does not exceed 9.78%* of 1/12 of the employee's household income.

*This "required contribution percentage" is indexed annually.

Affordable HRA Example

Self-only LCSP monthly premium
– monthly ICHRA amount
($\$500 - \$200 = \$300$)

≤

Employee's household income
for the tax year/ 12 * the
required contribution percentage
($\$51,000/12 \times 9.78\% = \415.65)

ICHRAs vs. QSEHRAs

| | ICHRAs | QSEHRAs |
|---|---|---|
| Employers can offer this HRA-type to reimburse employees for their medical care expenses/premiums | Yes, employers of all sizes may offer an ICHRA* | Yes, employers with fewer than 50 full-time employees may offer a QSEHRA* |
| Affordability Determined Using . . . | Employee's self-only lowest-cost silver plan premium (LCSP) | Employee's self-only second-lowest cost silver plan premium (SLCSP) |
| If coverage through the HRA is unaffordable . . . | Employee must "opt out" to be PTC-eligible, if they otherwise qualify for PTC | Employee must reduce monthly PTC by their monthly QSEHRA amount |

*Employers offering an ICHRA generally cannot offer traditional group health plan coverage to employees in the same class; employers providing a QSEHRA cannot offer group health plan coverage to any employees.

ICHRA Employer Notice

ICHRA Employer Notice

- An employee who is offered an ICHRA will generally get a written notice at least 90 days before the beginning of the ICHRA's plan year.
- However, employees who become eligible during the plan year, or later than 90 days before the start of the plan year (such as newly hired employees), will get their notice no later than the date on which their coverage under the ICHRA can begin.

ICHRA Employer Notice Requirements

The final rule requires this “employer notice” to include key information about the ICHRA, such as the dollar amount of the HRA offer, the date that coverage under the HRA may begin, and whether the offer extends to dependents (among other things).

Resource: For more information on the ICHRA employer notice, see the [Individual Coverage HRA Model Notice](#).

Individual Coverage HRA Model Notice

USE THIS NOTICE WHEN APPLYING FOR INDIVIDUAL HEALTH INSURANCE COVERAGE

[Enter date of notice]

You are getting this notice because your employer is offering you an individual coverage health reimbursement arrangement (HRA). Please read this notice before you decide whether to accept the HRA. In some circumstances, your decision could affect your eligibility for the premium tax credit. Accepting the individual coverage HRA and improperly claiming the premium tax credit could result in tax liability.

This notice also has important information that the Exchange (known in many states as the “Health Insurance Marketplace”) will need to determine if you are eligible for advance payments of the premium tax credit. An Exchange operates in each state to help individuals and families shop for and enroll in individual health insurance coverage.

You may also need this notice to verify that you are eligible for a special enrollment period to enroll in individual health insurance coverage outside of the annual open enrollment period in the individual market.

I. The Basics

What should I do with this notice?

Read this notice to help you decide if you want to accept the HRA.

Also, keep this notice for your records. You’ll need to refer to it if you decide to accept the HRA and enroll in individual health insurance coverage, or if you turn down the HRA and claim the premium tax credit on your federal income tax return.

What’s an individual coverage HRA?

An individual coverage HRA is an arrangement under which your employer reimburses you for your medical care expenses (and sometimes your family members’ medical care expenses), up to a certain dollar amount for the plan year. If you enroll in an individual coverage HRA, you must also be enrolled in individual health insurance coverage or Medicare Part A (Hospital Insurance) and B (Medical Insurance) or Medicare Part C (Medicare Advantage) (collectively referred to in this notice as Medicare) for each month you are covered by the HRA. If your family members are covered by the HRA, they must also be enrolled in individual health insurance coverage or Medicare for each month they are covered by the HRA. [Explain where the participant can find information on which medical care expenses are reimbursed by the HRA.]

The individual coverage HRA you are being offered is employer-sponsored health coverage. This is important to know if you apply for health insurance coverage on the Exchange.

ICHRA Employer Notice Requirements – Cont.

- The employer notice must also include (among other things):
- Contact information (including a phone number) for an individual or a group of individuals who participants may contact in order to receive additional information regarding the ICHRA.
- A statement of availability of an SEP to enroll in or change individual health insurance coverage, through or outside of an Exchange, for the participant and any dependents who newly gain access to the ICHRA and are not already covered by the ICHRA.
- A statement that there are different kinds of HRAs (including a qualified small employer health reimbursement arrangement) and the HRA being offered is an individual coverage HRA.

Employer Notice: ICHRAs vs. QSEHRAs

- Employers that provide QSEHRAs also must provide a notice: Section 9831(d)(4) of the Internal Revenue Code requires an eligible employer who provides a QSEHRA to its eligible employees to furnish a written notice to each eligible employee at least 90 days before the beginning of each plan year, or for an employee who is not eligible to participate at the beginning of the plan year, the date on which the employee is first eligible to participate in the QSEHRA.

Resource: For more information, see Section E. “Written Notice Requirement” in [IRS Notice 2017-67](#).

**ICHRA/QSEHRA Individual
Market Special Enrollment
Period (SEP)**

Overview: ICHRA/QSEHRA Special Enrollment Period (SEP)

- Employees and their dependents who newly gain access to an ICHRA or who are newly provided a QSEHRA may qualify for a special enrollment period (SEP) to enroll in individual coverage through or outside of the Marketplace.
- The **triggering event** is the first day on which coverage for the qualified individual, enrollee, or dependent under the ICHRA can take effect, or the first day on which coverage under the QSEHRA takes effect.

Enrolling through an ICHRA/QSEHRA Special Enrollment Period (SEP)

- Generally, qualified individuals will need to apply for and enroll in individual health insurance coverage in time for it to take effect by the date that their ICHRA or QSEHRA starts.
- Employees with questions about their ICHRA or QSEHRA start date should check their employer notice, or contact their employer.
- Individuals whose ICHRA or QSEHRA starts on January 1st should enroll during the individual market annual Open Enrollment Period (November 1 to December 15), so that their individual health insurance coverage start date coincides with the January 1st start date of their ICHRA or QSEHRA.

ICHRA/QSEHRA SEP Coverage Effective Dates

- If the individual selects an individual health insurance plan before the triggering event, his or her coverage will take effect on the first day of the month following the date of the triggering event or, if the triggering event is on the first day of a month, on the date of the triggering event.
- If the plan selection is made on or after the day of the triggering event, coverage will take effect on the first day of the month following plan selection.

ICHRA and QSEHRA Consumer Scenarios

Scenario 1: Employee with dependents has an offer of an affordable ICHRA

On July 1, 2020, Joe gets a notice that his employer will newly offer its employees an ICHRA starting on October 1, 2020. The ICHRA reimburses \$500 dollars of medical care expenses for employees monthly, but it does not reimburse medical expenses for dependents of employees. Joe completes an application to find out whether his ICHRA meets requirements for affordability, and then applies for coverage on HealthCare.gov.

- For 2020, Joe (married, one dependent) has estimated household income of \$75,000, and the self-only monthly premium for the lowest cost silver plan (LCSP) that is offered in the Exchange for the rating area in which Joe resides is \$798.25.
- Joe's required contribution is \$298.25, which is not more than the product of the required contribution percentage and his household income divided by 12. Therefore, the ICHRA is considered affordable, and Joe is not eligible for APTC.
 - $\$798.25 - \$500 = \$298.25$ (Joe's required contribution: self-only LCSP monthly premium – monthly ICHRA amount)
 - $(\$75,000 \times .0978)/12 = \611.25 (1/12 of the product of Joe's household income for the tax year and the required contribution percentage)
- Joe accepts his employer's ICHRA offer, and within 60 days before October 1, 2020, he enrolls in individual health insurance coverage in order to meet his ICHRA's requirement to have individual health insurance coverage (or Medicare Parts A and B or Medicare Part C).
- Joe's wife and dependent are eligible for APTC, because the ICHRA does not reimburse medical expenses for dependents of the employee.

HealthCare.gov Application – Information on HRAs

When Joe applies for coverage on HealthCare.gov, he sees information about HRAs and job-based coverage.

HealthCare.gov

[← Back](#)

Health care benefits through a job

In the next sections, we'll ask about **2 different types of benefits** available through a job.

First, we'll collect information about Health Reimbursement Arrangements (HRAs).

Health Reimbursement Arrangements (HRAs)

- HRAs aren't traditional job-based health plans. An employer chooses a dollar amount they'll make available for reimbursing medical expenses instead of offering a health plan.
- A person must buy their own health plan to use certain types of HRAs.
- A person pays for monthly premiums and other qualifying medical expenses, then requests reimbursements through the HRA.

[Learn more about HRAs.](#)

How do I know if a person has an HRA?



They'll have a notice from the employer.

Later, we'll collect information about traditional health coverage through a job.

Traditional health coverage through a job

- Employers may offer a health plan (or plans) to employees (and often their household members).
- The employer may take premiums out of the employee's paycheck.

[Learn more about traditional job-based health coverage.](#)

[Continue](#)

Application ID: 156822806

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HealthCare.gov Application – Information on ICHRAS and QSEHRAs

The application also explains how certain types of HRAs may impact his application for Marketplace coverage. Joe recognizes that he has an individual coverage HRA.

HealthCare.gov

[← Back](#)

Types of Health Reimbursement Arrangements (HRAs)

We'll be asking about **2 different types** of Health Reimbursement Arrangements.

Individual coverage HRA

- A person can accept the HRA offer, or decline it ("opt out") if they qualify for tax credits. A person can't use both.
- Even though they're called "individual" coverage, these HRAs may be available to multiple people in the household.

How to tell: Look for the words "individual coverage HRA" in the notice (though some employers use different language). It should also say "not a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) or any other type of HRA." Ask the employer if you have questions.

Qualified Small Employer HRA (QSEHRA)

- Small employers (with generally less than 50 employees) who don't offer traditional health coverage can help employees pay for medical expenses through a QSEHRA.
- A person can't decline (or "opt out" of) this kind of HRA, so they'll need to lower the amount of any tax credit applied to their monthly premiums.

How to tell: Look for the words "Qualified Small Employer HRA" or "QSEHRA" in the notice (though some employers use different language). Ask the employer if you have questions.



If a person has an HRA notice, use it to answer the questions on the next screens.

- Is the **type** of HRA an **individual coverage HRA** or a **QSEHRA**?
- Is the HRA available to the **employee only**, or can other **household members** use it too?
- What's the HRA's **start date**?
- What's the HRA's **end date**?

[Continue](#)

Application ID: 156822806

ICHRA Offer and Affordability

In this example, Joe does not already have an individual coverage HRA, and he can still “opt out” of his new individual coverage HRA offer.

Individual coverage Health Reimbursement Arrangements (HRAs)

Current individual coverage HRAs



Look in the HRA notice to find:

- **Who can use the HRA**
If the individual coverage HRA is available to the employee and other household members, be sure to select their names.

Do any of these people already have an individual coverage HRA?

Select a person's name if either of these applies:

- They're already using an individual coverage HRA.
- They have a new offer and have told the employer they want to sign up and can no longer decline (“opt out” of) the offer.

Select all that apply.

- Joe
- Jane
- Johnny

None of these people

ICHRA Offer and Affordability

Joe is the only applicant who has been offered an individual coverage HRA through his employer with a start date within 60 days from today. Joe has not yet accepted the offer.

Individual coverage HRA offers



Look in the HRA notice to find:

- The HRA's **start date and end date**
- **Who can use the HRA**
If the individual coverage HRA is available to the employee and other household members, be sure to select their names. (Do this even if a different person will tell the employer whether they want to sign up.)

Do any of these people have an individual coverage HRA offer they haven't accepted yet and that they can still decline ("opt out" of)?

Select all that apply.

Joe

If Joe accepts the offer, will this HRA still be available 2 months from today (on 10/3/2020)?

Yes

No

Jane

Johnny

None of these people

HRAs available to Joe



Look in the HRA notice to find:

- The name of the employer offering the Health Reimbursement Arrangement (HRA)
- **Who can use the HRA**

Which employers offer Joe an individual coverage HRA?

Select all that apply.

XYZ Inc (Joe's job)

[Add an employer](#)

ICHRA Offer and Affordability

Details found in the HRA employer notice can be used to enter the date the notice was sent, the date the HRA starts, and the individual coverage HRA amount available to Joe. Joe will also be asked to provide information about the employer offering the individual coverage HRA.

Individual coverage HRA offer details

Tell us about the individual coverage Health Reimbursement Arrangement (HRA) offer from XYZ Inc (Joe's job)



Look in the HRA notice to find:

- The HRA's start date
- The HRA's end date

What's the HRA's start date?

Month Day Year
10 / 1 / 2020

What's the HRA's end date?

Month Day Year
9 / 30 / 2021



Look in the HRA notice to find:

- The dollar amount just for Joe. Enter this amount, even if other household members can sign up for the individual coverage HRA.
- How often XYZ Inc will offer this amount.

Enter the dollar amount of reimbursement funds that will be available for Joe only.

\$ 500

How often will this amount be available?

- Weekly
- Every 2 weeks
- Twice a month
- Monthly
- Quarterly
- Yearly
- I entered a prorated amount for coverage for part of the year.

Employer information

Tell us how to contact XYZ Inc (Joe's job).

We may contact this person or department for information about HRA offers.

[Learn more about whose information to add.](#)

Phone number

Email address

Optional

Employer Identification Number (EIN)

Optional. You can find the EIN on a pay stub or W-2 from this employer.

ICHRA Special Enrollment Period

Later, in the section of the application that asks about SEP-qualifying events, Joe will provide information about whether he's been offered an individual coverage HRA or provided a QSEHRA.

Health Reimbursement Arrangement (HRA) offers



Look in the HRA notice to find:

- The HRA type: Individual coverage HRA or Qualified Small Employer HRA (QSEHRA)
- The HRA's start date
- Who can use the HRA
A person may have more than one type of HRA available to them. Each HRA will have its own notice.

Have any of these people been offered an individual coverage HRA or provided a QSEHRA with a start date between 6/5/2020 – 10/3/2020?

Only select a person's name if both of these apply:

- The type of HRA is an individual coverage HRA or a QSEHRA.
- At least one HRA's start date is within the date range above.

Select all that apply.

- Joe
- Jane
- Johnny

None of these people

Which HRA type(s) are available to Joe?

Select all that apply.

- Individual coverage HRA
- Qualified Small Employer HRA (QSEHRA)

ICHRA Special Enrollment Period

Joe's individual coverage HRA offer

Tell us about Joe's individual coverage Health Reimbursement Arrangement (HRA) offer



Look in the HRA notice to find:

- The date the HRA notice was sent
- The HRA's start date

What date was the HRA notice sent?

Month Day Year
7 / 1 / 2020

What's the HRA's start date?

Month Day Year
10 / 1 / 2020

Save & continue

Application ID: 156960788

Current individual coverage HRA

Is Joe currently enrolled in an individual coverage HRA through this employer?

Yes
 No

Joe will also need to enter the information about when the HRA notice was sent, when the HRA will start, and whether he's currently enrolled in an individual coverage HRA.

Eligibility Results

- Joe's eligibility results will contain information about:
 - Eligibility for premium tax credits,
 - Eligibility for an SEP due to having a new individual coverage HRA offer, and
 - The deadline to select a plan.

Eligibility results

Results based on your application (ID 156960788) submitted on 08/04/2020. Follow these steps below to complete your enrollment. [Learn more about your eligibility results](#)

Eligibility overview

| | | |
|------------------|----------|---|
| Jane Applicant | Eligible | To buy a Marketplace plan For a premium tax credit of up to \$499 each month for your tax household |
| Johnny Applicant | Eligible | Your eligibility is temporary: By November 7, you must submit documents to confirm some information. See your eligibility notice for details and deadlines. |
| Joe Applicant | Eligible | To buy a Marketplace plan Your eligibility is temporary: By November 2, you must submit documents to confirm some information. See your eligibility notice for details and deadlines. |

Required action: View your eligibility notice

Your eligibility notice explains your options for coverage, costs, deadlines and next steps. If you're eligible for coverage through a Marketplace plan, you can enroll after you view your notice.

You're eligible for a Special Enrollment Period. You must pick a plan by September 30. If you don't, you may not be able to enroll until the next yearly Open Enrollment Period.

[VIEW ELIGIBILITY NOTICE \(PDF\)](#)

Continue to enrollment

You've submitted your application and viewed your results. Next, you'll choose a plan.

You must pick a plan by September 30 to enroll through this Special Enrollment Period.

[CONTINUE TO ENROLLMENT](#)

Eligibility Determination Notice (EDN)

The EDN will include information about eligibility for premium tax credits and a special enrollment period, as well as information about enrolling in Marketplace coverage with an individual coverage HRA.

ACTION REQUIRED: Next steps to enroll in Health Insurance Marketplace coverage

| Household member(s) | Results | Next steps Important: You must submit documents. This notice includes deadlines and details. |
|---|---|---|
| Joe Applicant, Jane Applicant, Johnny Applicant | <ul style="list-style-type: none"> Until September 30, 2020, you're eligible to buy a 2020 Marketplace plan through a Special Enrollment Period. | <ul style="list-style-type: none"> Choose a plan. |
| Joe Applicant | <ul style="list-style-type: none"> Eligible to buy a 2020 Marketplace plan, but we need more information from you. | <ul style="list-style-type: none"> Choose a plan before the individual coverage HRA start date (it may be sooner than the end of this Special Enrollment Period). Then pay your first month's premium. You told us your employer offers an individual coverage HRA. It's a good idea to accept this HRA to help pay for medical expenses, like your health plan premiums. By November 2, 2020, send documents to confirm: <ul style="list-style-type: none"> your household income By November 7, 2020, send documents to confirm: <ul style="list-style-type: none"> Joe Applicant's citizenship |

| Household member(s) | Results | Next steps Important: You must submit documents. This notice includes deadlines and details. |
|---------------------|---|--|
| Jane Applicant | <ul style="list-style-type: none"> Eligible to buy a 2020 Marketplace plan, but we need more information from you. Eligible for advance payments of the premium tax credit to help pay for a Marketplace plan. You can use up to this much of the tax credit: <ul style="list-style-type: none"> \$499.00 each month, which is \$5,988.00 for the year, for your tax household. This is based on the yearly household income of \$75,000.00—the amount that you put on your application, or that came from other recent information sources. | <ul style="list-style-type: none"> Choose a plan by September 30, 2020 and pay your first month's premium. By November 7, 2020, send documents to confirm: <ul style="list-style-type: none"> Jane Applicant's citizenship |
| Johnny Applicant | <ul style="list-style-type: none"> Eligible to buy a 2020 Marketplace plan, including a Catastrophic plan. Eligible for advance payments of the premium tax credit to help pay for a Marketplace plan. You can use up to this much of the tax credit: <ul style="list-style-type: none"> \$499.00 each month, which is \$5,988.00 for the year, for your tax household. This is based on the yearly household income of \$75,000.00—the amount that you put on your application, or that came from other recent information sources. | <ul style="list-style-type: none"> Choose a plan by September 30, 2020 and pay your first month's premium. By November 7, 2020, send documents to confirm: <ul style="list-style-type: none"> Johnny Applicant's citizenship |

Enroll in coverage

- **Enroll in coverage now.** If your “Results” say you’re eligible to buy a Marketplace plan, September 30, 2020 is the last day to choose one. Visit [HealthCare.gov](https://www.healthcare.gov) to compare plans side-by-side, or call the Marketplace Call Center.
- If you miss the deadline, you won’t be able to buy a Marketplace plan until the next Open Enrollment Period, unless you have another life change that makes you eligible to buy a Marketplace plan outside Open Enrollment.
- If your “Results” say you need to submit documents, your eligibility may end if you don’t submit the documents we need.

Joe Applicant—If you plan to accept your individual coverage HRA, you may need to enroll sooner in a Marketplace plan. You’ll also need to let your employer know you enrolled through the Marketplace. Check your employer’s notice for important details.

Scenario 2: Employee is provided a QSEHRA that includes dependents

On July 1, 2020, Tina gets a notice that her employer will newly provides its employees with a QSEHRA starting on August 1, 2020. The QSEHRA will reimburse \$800 per month of each employee's medical care expenses. It can also reimburse medical care expenses for employees' dependents, and provides \$1,600 per month to employees with dependents. Tina uses [the QSEHRA worksheet](#) to figure out whether her QSEHRA meets requirements for affordability, and then applies for coverage on HealthCare.gov.

- For 2020, Tina and her husband Dylan, who are in their 60s, have an estimated annual household income of \$55,000, and the self-only monthly premium for the second-lowest cost silver plan (SLCSP) that is offered in the Exchange for the rating area in which Tina resides is \$1,464.82.
- Tina's required contribution is \$664.82, which is more than the product of the required contribution percentage and her household income divided by 12. Therefore, the QSEHRA is not considered affordable, and Tina and Joe are eligible for APTC offset by the amount of Tina's QSEHRA.
 - $\$1,464.82 - \$800 = \$664.82$ (Tina's required contribution: self-only SLCSP monthly premium – monthly QSHRA amount)
 - $(\$55,000 \times .0978)/12 = \448.25 (1/12 of the product of Tina's household income for the tax year and the required contribution percentage)
- On August 13, Tina and Dylan apply for coverage on HealthCare.gov in order to meet her QSEHRA's requirement to have MEC – they attest to a QSEHRA start date of August 1 and her employer's notice date of July 1, and qualify for a SEP. Before they select a plan, they reduce the APTC they'll apply to their monthly premiums by \$1,600, the monthly amount of Tina's QSEHRA.

QSEHRA Special Enrollment Period

First, Tina and Dylan attest that they have an HRA that will start in past 60 days or within the next 60 days.

Next, they each attest that this HRA is a QSEHRA.

Health Reimbursement Arrangement (HRA) offers



Look in the HRA notice to find:

- The **HRA type**: Individual coverage HRA or Qualified Small Employer HRA (QSEHRA)
- The HRA's **start date**
- **Who** can use the HRA
A person may have more than one type of HRA available to them.
Each HRA will have its own notice.

Have any of these people been offered an individual coverage HRA or provided a QSEHRA with a start date between 6/14/2020 - 10/12/2020?

Only select a person's name if both of these apply:

- The type of HRA is an individual coverage HRA or a QSEHRA.
- At least one HRA's start date is within the date range above.

Select all that apply.

Tina

Dylan

None of these people

Which HRA type(s) are available to Tina?

Select all that apply.

- Individual coverage HRA
- Qualified Small Employer HRA (QSEHRA)

Which HRA type(s) are available to Dylan?

Select all that apply.

- Individual coverage HRA
- Qualified Small Employer HRA (QSEHRA)

QSEHRA Special Enrollment Period Cont.

Tina provides her QSEHRA start date and her employer's notice date, and attests that she's not currently enrolled in her QSEHRA.

Next, the couple completes both of these questions for Dylan.

Tina's QSEHRA

Tell us about Tina's Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)



Look in the HRA notice to find:

- The **date** the HRA notice was sent
- The HRA's **start date**

What date was the HRA notice sent?

| Month | Day | Year |
|---------------------------------|---------------------------------|-----------------------------------|
| <input type="text" value="07"/> | <input type="text" value="01"/> | <input type="text" value="2020"/> |

What's the HRA's start date?

| Month | Day | Year |
|---------------------------------|---------------------------------|-----------------------------------|
| <input type="text" value="08"/> | <input type="text" value="01"/> | <input type="text" value="2020"/> |

[Save & continue](#)

Application ID: 156931790

Tina's current QSEHRA

Is Tina currently enrolled in a Qualified Small Employer HRA (QSEHRA) through this employer?

- Yes
- No

[Save & continue](#)

Application ID: 156931790

Eligibility Results

Tina and Dylan's eligibility results will contain information about:

- Eligibility for premium tax credits,
- SEP eligibility due to having a newly provided QSEHRA, and
- Tina and Dylan's deadline to select a plan.

Tina and Dylan are eligible for APTC, but their application explains that they'll need to manually adjust the amount they use based on their QSEHRA amount.

Eligibility results

Results based on your application (ID 156931790) submitted on 08/13/2020. Follow these steps below to complete your enrollment. [Learn more about your eligibility results](#)

Eligibility overview

Tina Martin

✓ Eligible

Dylan Martin

To buy a Marketplace plan

For a premium tax credit of up to \$2547 each month, but since you told us you have a QSEHRA from an employer, you'll have to manually adjust the amount you use based on the QSEHRA amount.

Your eligibility is temporary: By November 11, you must submit documents to confirm some information. See your eligibility notice for details and deadlines.

Required action: View your eligibility notice

Your eligibility notice explains your options for coverage, costs, deadlines and next steps. If you're eligible for coverage through a Marketplace plan, you can enroll after you view your notice.

You're eligible for a Special Enrollment Period. You must pick a plan by September 30. If you don't, you may not be able to enroll until the next yearly Open Enrollment Period.

[VIEW ELIGIBILITY NOTICE \(PDF\)](#)

Eligibility Determination Notice (EDN)

Eligibility notice: Take action to enroll & use your financial help

| Household member(s) | Results | Next steps Important: You must submit documents. This notice includes deadlines and details. |
|---------------------------|---|---|
| Tina Martin, Dylan Martin | <ul style="list-style-type: none">Until September 30, 2020, you're eligible to buy a 2020 Marketplace plan through a Special Enrollment Period. | <ul style="list-style-type: none">Choose a plan. |
| Tina Martin, Dylan Martin | <ul style="list-style-type: none">Eligible to buy a 2020 Marketplace plan, but we need more information from you.May be eligible for advance payments of the premium tax credit to help pay for a Marketplace plan:<ul style="list-style-type: none">\$2,547.00 each month, which is \$30,564.00 for the year, for your tax household.This is based on the yearly household income of \$55,000.00—the amount that you put on your application or that came from other recent information sources. However, since an employer is providing you money to help pay for premiums (a QSEHRA), you may need to reduce the tax credits you're eligible for. | <ul style="list-style-type: none">Choose a plan by September 30, 2020 and pay your first month's premium.Visit HealthCare.gov/QSEHRA to see how much of the premium tax credit you should consider using. When you enroll in a plan and use this QSEHRA, it's recommended that you use only some or none of tax credit that's shown here.By November 11, 2020, send documents to confirm:<ul style="list-style-type: none">your household incomeBy November 16, 2020, send documents to confirm:<ul style="list-style-type: none">Tina Martin, Dylan Martin's citizenship |

Tina and Dylan's EDN also includes information on how their QSEHRA might impact the amount of APTC they should use, and includes information about their special enrollment period.

Enroll in coverage

- Enroll in coverage now.** If your "Results" say you're eligible to buy a Marketplace plan, September 30, 2020 is the last day to choose one. Visit [HealthCare.gov](https://www.healthcare.gov) to compare plans side-by-side, or call the Marketplace Call Center.
- If you miss the deadline, you won't be able to buy a Marketplace plan until the next Open Enrollment Period, unless you have another life change that makes you eligible to buy a Marketplace plan outside Open Enrollment.
- If your "Results" say you need to submit documents, your eligibility may end if you don't submit the documents we need.

Tina Martin, Dylan Martin—It's recommended that you use only some or none of the premium tax credit that may be shown when you compare Marketplace plans. Visit [HealthCare.gov/QSEHRA](https://www.healthcare.gov/qsehra) to see how much of this tax credit you should consider using.

You may need to enroll sooner in a Marketplace plan. Check your employer's HRA notice for important details.

Plan Selection and Tax Credit Use

You're eligible to enroll in Marketplace coverage

You have a Special Enrollment Period because of a Qualified Small Employer HRA (QSEHRA) offer from your employer.

Choose a plan by September 30, 2020 to get coverage.

Complete the steps below and choose a plan by September 30, 2020 to get coverage.

After you enroll, tell your employer so you can start using your QSEHRA.

| | For coverage to start: | Confirm your plan by: |
|--|------------------------|-----------------------|
|  | September 1, 2020 | August 31, 2020 |
| | October 1, 2020 | September 30, 2020 |

1 Decide how much tax credit to use to lower your premium

Start

Tina and Dylan get started with plan selection, and see information about when their coverage will start based on when they pick a plan.

Use your tax credit to lower your monthly premium

You qualify for a premium tax credit of \$2,547 a month. You can decide how much of this amount you want to use to save on your monthly premium.

You can lower your monthly premium up to
\$2,547 per month

The amount is based on:



Expected yearly income



Where you live



Tax household size

If any of these things change over the year, the tax credit amount you qualify for can change. For example, if your income goes up during the year, you'll likely qualify for a lower tax credit. If you take more tax credit than you're eligible for, you may have to pay money back when you file your federal taxes at the end of the year.

If your income or household changes, it's very important to update your Marketplace application as soon as possible to avoid paying money back on your federal taxes.

If you choose not to use any of your tax credit, you'll claim the full amount on your federal taxes.

Plan Selection and Tax Credit Use Cont.

Before Tina Martin and Dylan Martin decide how much tax credit to use, [use this worksheet](#) to determine if they're qualified to use it with their Qualified Small Employer Health Reimbursement Arrangement (QSEHRA).

If they qualify to use the premium tax credit with their QSEHRA

Lower the amount of tax credit they use each month by their monthly QSEHRA amount. If the employer's HRA notice shows a monthly QSEHRA amount, subtract that amount from the monthly tax credit amount they qualify for in the Marketplace. If the employer's HRA notice shows a QSEHRA amount for the year, divide that amount by the number of months they'll be covered (most people are covered for 12 months).

If they don't qualify to use the premium tax credit with their QSEHRA

Use \$0 of their premium tax credit. They can't use a premium tax credit with their QSEHRA to lower the cost of a Marketplace plan. If they use any of their premium tax credit, they may have to pay it back when they file their taxes.

How much of your \$2,547 monthly tax credit do you want to use to lower your premium?

- SOME** of the tax credit each month.
Good choice if it's likely your final 2020 income will be higher than your estimate.

Enter the tax credit amount you want to use each month.

\$ 947

Use This Amount

Enter the tax credit amount you want to use each month.

\$ 947

Use This Amount

Your monthly premium will be reduced by \$947

We'll apply this amount to your monthly premium. You'll receive the remaining portion of your tax credit when you file federal taxes.

- NONE** of the tax credit each month.
Good choice if you don't want to risk having to pay money back on your federal taxes if anything changes.

Important: If things change - like you get a raise, gain or lose a dependent, or work more or less hours, update your Marketplace application right away.

Save & Continue

Because Tina's QSEHRA doesn't meet standards for affordability, she and Dylan reduce the amount of the tax credit they'll use each month by \$1,600, their monthly QSEHRA amount.

If Tina's QSEHRA did meet standards for affordability, the couple should instead select the option not to use any of the tax credit.

Plan Selection and Tax Credit Use Cont.

When Tina and Dylan select a plan, they can see the monthly premium that they'll pay based on the monthly amount of the tax credit that they'll use.

Monthly premium

\$1,131.57

Including a \$947.00 tax credit
Was \$2,078.57

Plan Details

Enroll

Blue Cross Blue Shield Healthcare Plan of Georgia, Inc ★★★★☆ ⓘ

[Anthem Bronze Pathway X HMO 6750](#) Compare

Bronze | HMO | Plan ID: 49046GA0410083

| | | |
|--|---|---|
| <p>Deductible ⓘ</p> <p style="font-size: 1.2em; margin: 0;">\$13,500</p> <p style="font-size: 0.8em; margin: 0;">Family Total</p> | <p>Out-of-pocket maximum ⓘ</p> <p style="font-size: 1.2em; margin: 0;">\$16,300</p> <p style="font-size: 0.8em; margin: 0;">Family Total</p> | <p>Estimated total yearly costs ⓘ</p> <p style="text-align: center; border: 1px dashed #ccc; padding: 5px; border-radius: 3px; width: 50px; margin: 0 auto;">Add</p> |
|--|---|---|

Copayments / Coinsurance ⓘ

| | | | |
|---|----------------------------------|----------------------------------|----------------------------------|
| Emergency room care | Generic drugs | Primary doctor | Specialist doctor |
| \$500 Copayment after deductible/40% Coinsurance after deductible | 25% Coinsurance after deductible | 40% Coinsurance after deductible | 40% Coinsurance after deductible |

Plan features

- ✗ Adult Dental
- ✓ Child Dental

Add Your Medical Providers

Add your medical providers and we'll show you which plans cover them

Add Your Prescription Drugs

Add your prescription drugs and we'll show you which plans cover them.



Additional Resources

- HRA Information and Decision Guide: <https://www.healthcare.gov/job-based-help/#/>
- Information on individual coverage HRAs: <https://www.healthcare.gov/job-based-help/#/ichra>
- Information on QSEHRAs: <https://www.healthcare.gov/job-based-help/#/qsehra>
- How and individual coverage HRA works: <https://marketplace.cms.gov/outreach-and-education/how-an-individual-coverage-hra-offer-works.pdf>
- Individual coverage HRA Model Employer Notice: <https://www.cms.gov/files/document/hra-model-noticepdf>