



## Industry Toolbox: What is ICHRA?

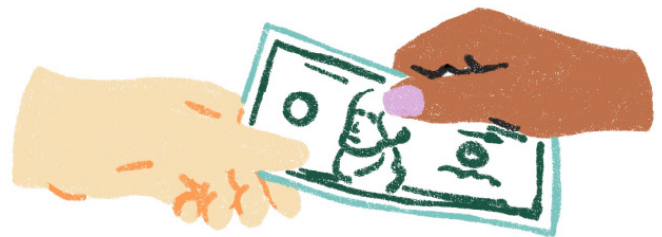
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ICHRA stands for Individual Coverage Health Reimbursement Account (ICHRA). It is a welcome addition to the benefits strategy solutions many affiliates and TPAs offer their clients. ICHRA is most often used by employers seeking to offer greater choice and more flexibility to their workforce through a defined contribution strategy. This defined contribution strategy allows employers and their HR staff to focus more on funding their employees' healthcare needs, rather than on plan management and operation.

With an ICHRA, employees are offered a monthly allowance by their employer. They choose and pay for individual coverage and other qualified expenses, and are then reimbursed up to the allowance amount.

ICHRA can give employers greater ability to control costs and provides employees with more options to choose from. This is very different from the current model of group health insurance where employers must choose a one-size-fits-all plan for the group and employees are limited to options chosen or sponsored by the employer. Not only is the ICHRA ACA compliant, but it is also a lower cost,

higher value alternative to the sponsored health insurance model. Further, ICHRA allows employers to determine the amount of money they want to contribute based on their budget, and employees are more actively engaged in their healthcare choices.



Educating your clients about Sedera Medical Cost Sharing alongside an ICHRA solution may be a winning combination as it provides something for everyone at a potentially lower cost.